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Nebraska Association of County Officials

Legislative Report

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Tax Bills Debated This Week

Senators began this week by debating a measure that would shorten the phase-in period to exempt Social Security income from income tax ([LB825](#)) and wrapped up the week discussing juvenile justice reforms ([LB568](#)). LB825 advanced from the first round of debate, as well as a measure to make adjustments to an income tax credit for school property taxes paid ([LB723](#)). Next week, debate will continue on juvenile justice reforms (LB568), then move to other 2022 priority bills, including [LB986](#), a cap on school property tax increases.

On Friday, Speaker Hilgers noted that one-fourth of the 60-day session is over and only six priority bills have been debated. He encouraged senators to designate their priority bills soon so that they can reach the floor before debate on how to spend American Rescue Plan Act (ARPA) funds. A list of priority bills can be found [here](#).

Criminal Justice Reform Bills Heard by Judiciary Committee

County jails would hold more serious offenders for periods of up to four years under a bill proposed to reduce overcrowding in the state correctional system. [LB921](#) would require that all sentences of Class III, IIIA, or IV felonies be served in county jails. Opponents, including county officials and NACO, testified that county jails are intended for short-term sentences of less than one year and provide programming with that in mind. Counties would be forced to increase capacity and programming if inmate numbers increase for longer periods. In their [fiscal notes](#), Douglas County estimated a potential expense of \$10 million per year. Lancaster County calculated county costs for each prisoner to be \$125 per day, resulting in additional expenditures of \$4.9 to \$9.1 annually based on 2021 data.

Judiciary Committee Chair Steve Lathrop, who introduced the bill, argued that a typical defendant on this type of felony charge already spends much of their potential sentence in a county jail waiting for

trial and presentence reports. If they are also given good time credit, the time served in a county jail under LB921 might not be significantly longer than under the existing structure. He suggested that the money that would otherwise be spent on building more state facilities could be given to counties to help with programming, mental health services, telehealth services and other needs for additional inmates.

LB921 was heard by the Judiciary Committee on Thursday. At the hearing Senator Lathrop said he was considering designating LB921 as his personal priority bill.

The committee also heard testimony on [LB920](#), which was based on a report from the Crime and Justice Institute. The report made more than 20 recommendations on mandatory minimum sentences, problem solving courts, restitution, and other issues. On Friday, the committee heard [LB878](#), which would require automatic review of bail after 14 continuous days in custody for misdemeanor offenses or city ordinance violations. A suggestion was made to clarify that the review could be conducted virtually, rather than in person.

Next week the committee will hear bills to prohibit jail commissary items from being marked up more than 10 percent over the cost to purchase the goods ([LB880](#)) and cap fees that could be charged on inmate phone calls ([LB1031](#)).

Hearings Held This Week

Highway Approach Repairs

Concerns over whether the state or counties should be responsible for repairs to approaches to state highways were addressed at a hearing before the Transportation and Telecommunications Committee this week. [LB913](#) would require the Department of Transportation to repair or replace highway approaches that were destroyed by a natural disaster or due to faulty engineering. Highway superintendents and NACO testified in support of the bill citing the kinds of work typically done by counties on state highway approaches, such as moving snow, and the expense of hiring an asphalt company to repair a single approach. Nebraska Department of Transportation (NDOT) Director John Selmer testified in a neutral position and expressed willingness to work with counties on the collaborative approach proposed by the bill.

ARPA Funding Priorities Discussed

Governor Ricketts' recommendations to spend over a billion dollars of money the state will receive from the American Rescue Plan Act (ARPA) were heard by the Appropriations Committee on Tuesday as [LB1014](#). NACO testified in support of \$47.7 million in renovations and upgrades to the Law Enforcement Training Center in Grand Island. Over 100 individual bills were introduced with requests for ARPA funds. Hearings on those bills and state agency requests have begun and will continue for several weeks.

Election Bills

The Government, Military and Veterans Affairs Committee heard a series of election bills this week that drew testifiers questioning the election process. Several committee members praised the work of election commissioners and disputed assertions of election fraud.

[LB843](#), the annual election law clean-up bill offered on behalf of the Secretary of State, would require persons distributing voter registration or early voting applications to use prescribed language and clearly identify that the material is not coming from the Secretary of State or an election commissioner. In 2020, a Hall County resident became so agitated at the number of such third-party postcards he had received that he mailed a box to the election office that resulted in evacuation of the county administration building for a bomb threat. Among other provisions, the bill would harmonize laws referencing poll closing times, require certain buildings to be available for election worker training, and allow pollworkers from counties that have all-mail elections to assist in other counties.

[LB785](#) would reduce the amount of time to vote by mail from 35 to 22 days and limit the number of ballots an agent could pick up and return on behalf of someone else. The introducer said the bill is intended to encourage voting in person at the polls on Election Day. No one spoke in support of the bill. Thirteen testifiers, including election commissioners and NACO, spoke in opposition to the bill, citing delays in postal delivery and the need for flexibility for persons who are not able to go to the polls.

Other bills heard on Wednesday would prohibit private contributions for election funding ([LB858](#)) and create a penalty for officials who refuse to perform their duties related to a recall election ([LB849](#)).

Next week the committee will hear bills to create security guidelines for ballot drop boxes ([LB1263](#)), require an email address on candidate filing forms ([LB861](#)) and allow certain members of the Nebraska National Guard to register to vote and receive ballots like members of the military and overseas voters ([LB841](#)).

Upcoming Hearings

Property Tax

Next Thursday, February 3, the Revenue Committee will hear two bills and three constitutional amendments to change the treatment of property taxes. [LB860](#) would reduce the valuation of residential and commercial real property to 90 percent of actual value. [LB1242](#) would change the valuation of agricultural and commercial real property to zero for taxes levied by a school district. [LR272CA](#) would authorize the Legislature to create a separate class of property for residential property. [LR281CA](#) would authorize the Legislature to create a separate class of property for commercial property. [LR264CA](#) would prohibit all taxes except retail consumption taxes and excise taxes.

The committee will also hear [LR283CA](#) that would allow counties, cities, or other political subdivisions owning or operating an airport to use its revenues to encourage the development of new or expanded regularly scheduled commercial passenger air service.

Auctioneer Licensing

The Banking, Commerce, and Insurance Committee will hear testimony on a bill to remove reciprocal licensing for out-of-state auctioneers on Monday. Existing law provides that when an auctioneer from another state wants to conduct an auction of personal property in Nebraska, they must secure a Nebraska license from the county clerk upon the same terms and fees as a license from their home state. The law offers no guidance about what to do with the licensing information, which includes the applicant's social security number. Auctioneers selling real property would continue to be subject to the requirements of the Nebraska Real Estate License Act. [LB811](#) was introduced by Senator Myron Dorn at NACO's request.

Hearing Schedule

Every bill introduced by the Legislature is the subject of a public hearing. Following is a schedule of bills that are of interest to counties.

Note that bills not appearing on this list may be heard during the same hearing. A complete list of [hearings](#) is available on the Legislature's website. Click here for [tips about testifying](#) at a hearing and this session's [procedures](#) for providing input.

Monday January 31, 2022

Banking, Commerce and Insurance Committee
Room 1507 - 1:30 PM

[LB811](#) (Dorn) Change provisions relating to auctioneers of real estate

Tuesday February 1, 2022

Transportation and Telecommunications Committee

Room 1113 - 1:30 PM

[LB958](#) (Groene) Change the distribution of certain fee revenue collected by the Department of Motor Vehicles and require a report regarding the operator's license services system

[LB1022](#) (Friesen) Change provisions relating to fees under the Motor Vehicle Operator's License Act

[LB1148](#) (Friesen) Provide for the Nebraska Motor Vehicle Licensing Board to employ a hearing officer

[LB1259](#) (Geist) Change provisions relating to issuance of new license plates and license plate fees

Wednesday February 2, 2022

Government, Military and Veterans Affairs Committee

Room 1507 - 1:30 PM

[LB779](#) (Gragert) Change provisions regarding the tuition assistance program for the Nebraska National Guard

[LB1263](#) (Clements) Provide for secure ballot drop-boxes under the Election Act

[LB861](#) (McCollister) Require an email address on candidate filing forms under the Election Act

[LB841](#) (Brewer) Provide for applications to register to vote and obtain ballots for Nebraska National Guard members and certain emergency response providers

Judiciary Committee

Room 1113 - 1:30 PM

[LB880](#) (McKinney) Provide requirements for commissaries in detention facilities and adult correctional facilities

[LB1036](#) (Lathrop) Provide for problem-solving court referees

[LB1051](#) (Cavanaugh, J.) Provide for setting aside convictions and expunging records for convictions and adjudications for concealed weapon offenses

Nebraska Retirement Systems Committee

Room 1525 - 12:00 PM

[LB700](#) (Kolterman) Change provisions relating to public retirement systems

Thursday February 3, 2022

Government, Military and Veterans Affairs Committee

Room 1507 - 1:30 PM

[LB839](#) (Government, Military and Veterans Affairs Committee) Change provisions relating to truth and deception examinations and repeal the Licensing of Truth and Deception Examiners Act

Judiciary Committee

Room 1113 - 1:30 PM

[LB1031](#) (McCollister) Provide requirements on contracts for telecommunications services for jails

[LB1247](#) (Pansing Brooks) Provide for recognition of tribal mental health and dangerous sex offender commitment orders and for transportation of and commitment of persons civilly committed under tribal law

Revenue Committee

Room 1524 - 1:30 PM

[LR272CA](#) (Pahls) Constitutional amendment authorizing the Legislature to treat residential real property as a separate class for property tax purposes

[LB860](#) (Pahls) Change the valuation of certain real property for property tax purposes

[LR283CA](#) (Bostar) Constitutional amendment to authorize any city, county, or other political subdivision that operates an airport to expend revenue for developing regularly scheduled commercial passenger air service at the airport

[LR281CA](#) (Murman) Constitutional amendment authorizing the Legislature to treat commercial real property as a separate class for purposes of property taxes and to provide for a different method of taxing commercial real property

[LB1242](#) (Murman) Change the valuation of certain real property for purposes of property taxes levied by school districts

[LR264CA](#) (Erdman) Constitutional amendment to prohibit the imposition of taxes other than retail consumption taxes and excise taxes

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