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Legislative Report

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Budget Bills Debated

The Legislature spent much of this week debating bills on General File, beginning with a bill to provide for year-round daylight savings time (LB283). On Tuesday, the body moved to General File debate on proposed revisions to the state <u>budget</u>. As expected, each of the three budget bills was the subject of a filibuster. Two of the bills, LB1012 that would transfer funds and LB1011 that would make adjustments to last year's appropriations, were advanced this week. The third budget bill, LB1013, was debated on Thursday. Approximately three more hours of debate are expected on Tuesday, March 22 on the bill, which would make transfers from the state's cash reserve funds.

During the extended budget debate this week, senators discussed other bills and concepts, such as funding for North Omaha redevelopment (<u>LB1024</u>), prison overcrowding (<u>LB920</u>), a lake between Lincoln and Omaha (<u>LB1023</u>), and the Perkins County canal project (<u>LB1015</u>). Extended debate on each of these issues is likely when these bills appear on the agenda.

Next Week's Schedule

Debate on the budget will continue next Tuesday when a cloture motion is expected on LB1013. Cloture may be invoked after eight hours of General File debate. If a cloture motion is successful, debate ceases and votes are taken to adopt pending amendments and advance the bill.

Later that day, <u>LB1024</u>, which would appropriate \$450 million of ARPA funds to economic recovery in north Omaha, is scheduled for debate. The agenda also includes <u>LB825</u> that would shorten the time for a phase-out of income tax exemptions for Social Security income and <u>LB939</u>, a reduction in income tax rates.

First round debate on the Appropriations Committee's plan for the distribution of ARPA funds is expected to begin on Wednesday. The plan will appear as a committee amendment to <u>LB1014</u>. It is expected to be filed on Tuesday morning. LB1014 was designated as a Speaker major proposal, which gives the Speaker the ability to organize the order of debate on amendments.

The three budget bills will be scheduled for Select File debate on Thursday, with Select File debate on the ARPA bill on Friday. Four hours of debate are required before a cloture motion on Select File. The appropriations bills must be passed by March 29, the 50th day of the 60-day session.

LR263CA, a proposed constitutional amendment to require state reimbursement for unfunded or underfunded mandates imposed on counties and other political subdivisions, appears on Tuesday's agenda, but it is not likely be debated until after the budget and ARPA bills are advanced. Please take this opportunity to contact senators about the unfunded and underfunded mandates in your county.

Bills Advanced from General File

The Legislature advanced a number of bills from General File on Monday.

<u>LB908</u> would allow virtual meetings of public bodies to be held when a quorum is present and no action is taken. This process could be used for pre-board meetings and other informational sessions. Douglas County asked Senator Mike McDonnell to introduce the bill. The county noted increased community and media engagement when meetings were held virtually during COVID restrictions. An <u>amendment</u> was adopted to clarify that the new authority does not interfere with public bodies that are already using technology in their meetings.

LB742 would allow all public bodies to keep their records in an electronic format. Existing law authorizes electronic storage of minutes for school boards and educational service units.

LB983 would revise county procedures for property that has been designated as an industrial tract. When counties were granted the authority to designate industrial tracts in 1957, the process was considered an economic development tool because businesses in the area could not be annexed and thus avoided city property taxes. Current law allows counties to review industrial tracts every two years of their own volition or at the request of the municipality with zoning jurisdiction over the tract. The county board must provide notice of the review to the municipality. If the county determines from the review that there is a problem with the designation, it must hold a hearing and determine whether the property is still eligible for the designation. LB983 would eliminate the review and consolidate the process into a single hearing. The owner would have the burden of proving that the tract continues to be used for industrial purposes. If the owner does not attend the hearing, the county board would remove the designation from the tract.

LB1165 would allow counties and other entities to levy for bonds that have been approved by voters before the bonds have actually been issued. Bonds are typically issued very close to the time that funds are needed in an effort to avoid paying additional interest. However, property taxes are levied only once a year and collected in arrears, so a public entity can experience cash flow difficulties between the time the first payment is due and the tax collections for the bond begin. Establishing a tax levy earlier and creating a timely payment schedule could reduce interest on the bond payment and reduce the tax asking for the bond.

LB1124 would increase the threshold at which the value of personal property in a decedent's estate can pass to beneficiaries through a small estate affidavit. Currently the maximum value of such transfers is \$50,000. The bill as introduced would have increased the threshold to \$200,000 but a Judiciary Committee **amendment** that was adopted before the bill advanced set the amount at \$100,000. The rate has not been increased since 2009.

<u>LB1204</u> would make technical changes to liquor licensing laws and allow the Liquor Control Commission to electronically deliver new or renewed licenses to licensees upon confirmation from the appropriate county or city clerk that fees and occupation taxes have been paid.

LB29 would add Juneteenth, June 19, as a state holiday. As introduced, Arbor Day would have been removed as a state holiday and replaced with Juneteenth. A committee **amendment** was adopted

before the bill advanced that struck the replacement so that both days would be treated as holidays. Juneteenth was named a federal holiday last year.

Amendments Offered to Priority Bills

With 15 days left in this legislative session, many bills that were not prioritized have been included in "Christmas tree" omnibus bills or offered as amendments to priority bills this week. Following are some proposed amendments of interest to counties. Unless indicated, these amendments have not been adopted yet.

<u>LB1241</u>, as introduced, would streamline the process for law enforcement officers from other states to become licensed in Nebraska. An <u>amendment</u> has been offered to incorporate <u>LB1270</u> that would provide retention incentive payments for officers.

<u>LB922</u> was introduced to add a district court judge in the fourth judicial district. A committee amendment would incorporate five bills, including <u>LB1171</u> that would establish the clerk of the district court as the jury commissioner in all counties.

LB707 was introduced to update banking laws. An <u>amendment</u> has been offered to incorporate <u>LB811</u>, a bill that would eliminate reciprocal license requirements for out-of-state auctioneers selling personal property in Nebraska. Committee <u>amendments</u> were adopted to revise the Real Property Appraiser Act (<u>LB706</u>) and redefine a term in the Public Funds Deposit Security Act (<u>LB826</u>), among other changes.

LB512 would prioritize resources for the protection of critical infrastructure utility workers during a civil defense emergency. An **amendment** would incorporate requirements for the Nebraska Emergency Management Agency to include organizations providing services to persons with disabilities or functional needs when advising local interjurisdictional emergency management organizations about emergency operations plans (**LB1104**).

Bills Signed Into Law

On Monday, March 19, Governor Pete Ricketts signed several bills affecting counties. Bills without an emergency clause or other effective date will take effect three calendar months after adjournment. Based on a scheduled sine die adjournment on April 20, the effective date would be July 21.

<u>LB791</u> increases the population threshold at which county surveyors serve as highway superintendents from 60,000 to 100,000. Hall County's population exceeded 60,000 in the most recent census.

LB749 revises laws allowing motor vehicle dealers to compile information to submit to sheriffs for inspections of out-of-state vehicles. The bill corrects legislation enacted last year that made the law apply to vehicles after they are sold, rather than when they are part of the inventory. It carries an emergency clause and has already taken effect.

LB786 revises candidate financial disclosures under the Nebraska Political Accountability and Disclosure Act to clarify that any real property used as a residence is not subject to reporting requirements. This has been the interpretation of the Nebraska Accountability and Disclosure Commission and already appears within their rulings, forms and instructions. It will take effect on January 1, 2023.







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