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## Nebraska Association of County Officials

# Legislative Report

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### Postcard Notice of Tax Asking Advances from First Round

After three hours of debate, senators advanced a bill from General File that would require counties to send a postcard to all affected taxpayers when a political subdivision's tax asking increases from the prior year. [LB644](#), the Property Tax Request Act, was introduced and prioritized by Sen. Ben Hansen. NACO testified in opposition to LB644.

As introduced, LB644 would require each political subdivision that seeks to set its property tax request in an amount that exceeds the prior year to participate in a joint public hearing between August 20 and September 20 and before any of the budgets are filed. Each political subdivision would have to give a brief presentation about increases in the valuation, tax request, and other information. The public would be given a reasonable time of no less than three minutes apiece to speak. The county would mail a postcard to all affected taxpayers with the cost of mailing divided among the taxing entities participating in the hearing. The postcard would contain information about the hearing, valuation changes, and tax requests. Levies that are not in compliance with the Act would be subject to appeal to the Tax Equalization and Review Commission as unlawful or unnecessary or in excess of the requirements of the political subdivision.

A Revenue Committee [amendment](#) that replaces the bill was adopted. Under the amended bill as it will appear for Select File debate, only counties, cities, school districts, and community colleges would have to participate in the joint hearing. The deadline for the hearing would be extended to September 27, the proposed new date for adopting budgets. In addition to information about the hearing, valuation changes, and tax requests, the postcard would list specific information about the parcel, such as the name of the property owner, property taxes due, and current year's assessed value. The date to send property tax requests to the clerk would be moved from October 13 to 15 and the county board of equalization would levy taxes on October 20, rather than October 15.

Proponents of the bill argued that the postcard notice would increase transparency and accountability of local government officials responsible for setting valuations and levying taxes. Some said that because the Legislature has addressed property tax reform and issued property tax credits, taxpayers

may incorrectly believe that the state is responsible for levying property taxes. Others said local property taxes continue to increase despite millions of dollars appropriated from the state for property tax relief.

Opponents of the bill pointed out that the production and mailing of a postcard is an unfunded mandate on political subdivisions that would be paid for by property tax dollars. Others questioned the procedures for the hearing and postcard for entities that crossed county lines. Some asked whether a postcard will achieve the desired result of more people attending public hearings.

### **Repeal of Hardship Delay for Property Tax Refunds Adopted**

An [amendment](#) was adopted to eliminate taxing entities' ability to extend the payment of property tax refunds over five years in the case of hardship. Currently, if funds aren't available to make the refund, a political subdivision can certify to the county treasurer that a hardship would result and create a serious interference with governmental functions. In the 1990's many counties used the hardship provision to extend repayments of personal property tax refunds following lawsuits by pipelines and airlines.

Under the amendment, the amount of the refund would have to be accounted for in the political subdivision's next budget. Interest would accrue on the unpaid balance at the rate of 9 percent beginning 30 days after the date of entry of the final nonappealable order or other action approving the refund.

The amendment mirrors [LB189](#), which was introduced by Senator Steve Halloran in response to a refund of taxes to an ethanol plant in Madrid that was delayed as a property tax protest was appealed to the Tax Equalization and Review Commission and later to the Nebraska Supreme Court. The county and some of the larger subdivisions paid their refunds in full but a cemetery, fire district, and others used a payment plan. NACO opposed LB189 and the amendment to LB644.

### **Amendments Proposed for Select File**

NACO and representatives from the League of Municipalities, school districts, and community colleges have worked together to develop several amendments to offer to Senator Hansen for consideration as a Select File amendment. Some of these that were mentioned during General File debate include:

- defining the shared cost of mailing the postcard to include creating the postcard, staff time, materials, and postage;
- clarifying that only one representative of each taxing entity, rather than the whole board, needs to attend the joint hearing; and
- defining the time for mailing the postcards to at least seven calendar days before the joint public hearing.

Other potential amendments that were suggested during debate include making accommodations for growth due to inflation, creating an exception for Sarpy County's rapid growth, creating an option for electronic notifications, and allowing a grace period for counties to fully comply with the bill.

LB644 has not been scheduled for Select File debate.

Many thanks to county officials who contacted their senators to express opposition to LB644.

## **Biennial Budget Bill Advances from General File**

This week senators gave first-round approval to a \$9.7 billion two-year state [budget](#) package that includes more than \$1 billion in property tax relief. The most controversial piece of the proposed budget was an amendment to [LB383](#), the capital construction bill. A proposed amendment would appropriate funds to begin planning and selecting a site for a new \$230 million prison. Select File debate on the budget will be scheduled for next week.

When the Legislature reconvenes on Monday, another General File consent calendar is planned. The agenda includes [LB63](#), which was introduced by Senator Brett Lindstrom on behalf of NACO, to move the deadline for county assessors to recommend approval or denial of a tax exemption from February 1 to March 1. [LB466](#) would require county assessors to prorate property taxes when property is sold and the buyer and seller have not agreed to a different proration of taxes. A Revenue Committee amendment would shift this duty to treasurers. Senator Mike Flood has filed an amendment that would apply the proration process to sales of agricultural and horticultural land. NACO is working with a coalition of stakeholders to narrow the focus of the bill.

## Virtual Meeting Authority Advances from Select File

If an emergency is declared by the governor, public bodies within the emergency declaration area could hold regular meetings by virtual conferencing under [LB83](#). Reasonable advance publicized notice would have to be given with information regarding access for the public and news media through a dial-in number or link. Links would need to be provided to the agenda, all documents being considered, and the Open Meetings Act. Reasonable arrangements would need to be made to accommodate the public's right to hear, speak, and record the meeting. The nature of the meeting would need to be stated in the minutes. Speakers at all public meetings would be required to identify themselves by name, address, and name of the organization represented, if any. An exception could be made to protect the security of the individual.

Beginning July 31, 2022, counties with a population greater than 25,000 would have to post meeting agendas on their website at least 24 hours prior to the meeting. Minutes would have to be placed on the website as soon as they are available for inspection within 10 working days or prior to the next convened meeting, whichever is sooner.

Similar authority to meet virtually was granted by executive order during the pandemic. See Executive Order No. [21-02](#) which is in effect through April 30, 2021.

Other bills advanced from Select File this week include measures on distribution of township funds (LB41), economic development (LB40 and LB544), and licensing for alcohol sales at farmers markets (LB274).

[LB41](#) would allow townships to receive automatic distributions of their tax dollars collected by county treasurers. Cities, villages, school districts, educational service units, county ag societies, and fire districts already receive automatic distributions. The bill advanced on a voice vote with no opposition.

[LB40](#), the Nebraska Rural Projects Act, would provide up to \$50 million in state matching funds for the development of industrial rail business parks in counties of less than 100,000.

[LB544](#), the Urban Redevelopment Act, would provide tax incentives to businesses that locate or expand in urban areas with high poverty and unemployment rates.

[LB274](#) would create a new special designated liquor license for farm wineries, craft breweries, and micro-distilleries that would allow sales at any farmers market for one year, rather than requiring separate applications for each event. Amendments incorporate provisions of [LB578](#) that create a new taxing category for ready-to-drink cocktails and [LB72](#) that allow the sales of alcohol not in its original packaging for consumption off-site.

## Counsel for Juveniles Facing Out of Home Placement Advances

Juveniles who waive counsel in juvenile court hearings could not be placed outside of their homes under [LB307](#) that advanced from General File this week. Under an adopted Judiciary Committee amendment, if a court accepts a juvenile's waiver of counsel, the court order and any probation orders would have to show that the juvenile could not be removed from their home or detained outside their home during any period of probation or in response to alleged violations of probation.

Additionally, the juvenile could not be placed outside of their home during the period between adjudication and disposition.

## Bills Advanced from General File

A consent calendar was used to advance bills from General File, the first round of debate, on Tuesday.

[LB224](#) would strike a requirement to appoint a county surveyor in counties under 150,000 “from any other county” when one has not been elected. County boards would need to appoint a registered land surveyor to fill the position. Senator Ray Aguilar introduced LB224 on behalf of NACO.

[LB105](#) would correct an oversight from a bill enacted last year. It would harmonize the dates for county clerks to certify unpaid claims to the county treasurer for use in preparing the semiannual statement. Senator Curt Friesen introduced LB105 on behalf of NACO.

[LB65](#) would reconcile conflicts between two provisions of the Nebraska Accountability and Disclosure Act that relate to local elected officials having an interest in a contract with their own governing body. These subsections refer to an interest of a parent, spouse or child has a business association with a business involved in the contract or receives a “direct pecuniary fee”. It was introduced by Senator Matt Williams on behalf of the Nebraska Accountability and Disclosure Commission.

[LB414](#) would allow political subdivisions to use a design-build or construction management at risk delivery system for water, wastewater, utility or sewer construction.

[LB265](#) would eliminate a reporting requirement for cities that have created a clean energy assessment district using the Property Assessed Clean Energy Act (PACE) but haven’t implemented any projects. Existing law requires the annual submission of a report to the Legislature’s Urban Affairs Committee listing the number of districts, cost, outstanding bonds, and other data.

[LB312](#) would expand the qualifications to serve on cemetery association boards. The minutes of cemetery association meetings would have to be delivered to the county clerk of the county where the cemetery is located. Currently these can be filed in the county where the meeting was held.

In addition, the following were among the bills advanced from General File after more extended debate.

[LB664](#) would revise the Mutual Finance Assistance Act that provides state aid to fire districts that participate in a countywide mutual finance organization. The funds are generated from a share of the insurance premium tax. The bill as amended and advanced would allocate \$10,000 to each second-class city or village and rural or suburban fire protection district. The fund is currently distributed on a \$10 per capita basis.

[LB17](#), as amended to incorporate [LB16](#) and [LB24](#), would double the court fees earmarked for judges’ retirement and increase the share of other court fees to meet the funding needs of the judges’ retirement system. Some senators objected to the fee increase, arguing that it would be passed on to those who can least afford it. Others noted that counties could see higher costs due to the number of people sitting out fines in county jails.

## Bills Signed by Governor Ricketts

County clerks will no longer issue locksmith registration certificates under [LB169](#). Existing laws do not address background checks for applicants, periodic renewals, and other issues typically found in licensing laws. The bill was signed by Governor Ricketts on April 7 and will take effect three calendar months after adjournment.

[LB106](#) would increase the fee for abstracts of driver's license records by \$4.50 and earmark the fee for replacement of the state's driver's license and state identification card issuance system. The new system would be in place on or before July 1, 2032.

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