

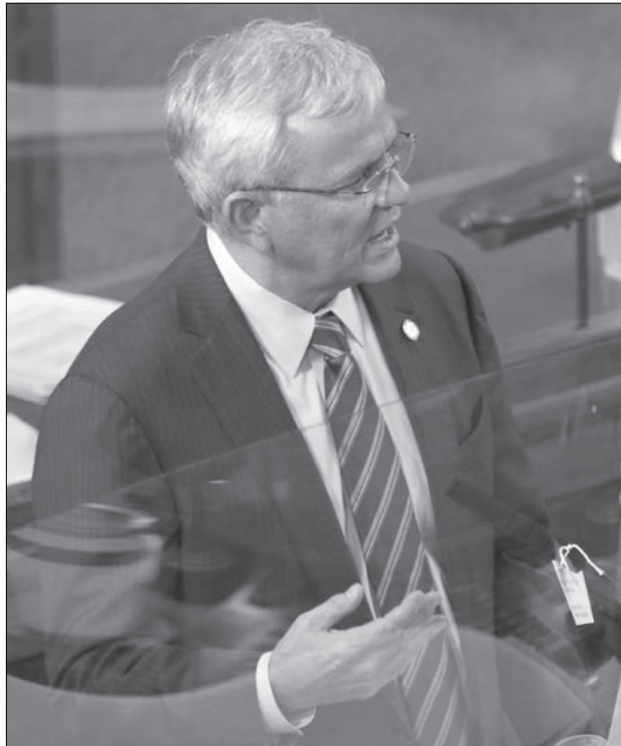
Law enforcement standards advanced

Lawmakers gave first-round approval April 21 to a bill that would increase certification and training standards for Nebraska law enforcement officers.

Under LB51, sponsored by Omaha Sen. Steve Lathrop, the current 20 hours of annual continuing education required of all officers would increase to 28 hours in 2022, and 32 hours in 2023 and subsequent years.

Lathrop said that the Judiciary Committee held listening sessions last summer to hear from constituents frustrated with policing in their communities. LB51 is the result of those concerns combined with input from local law enforcement who are invested in higher standards, he said.

“Not every [law enforcement] agency is comfortable with reform, but the majority of testifiers recognized that improving the profes-



Sen. Steve Lathrop said he is open to discussing a compromise to provide greater flexibility for small law enforcement departments.

sionalism of law enforcement is in everyone’s interest,” he said.

A Judiciary Committee amendment, adopted 41-0, became the bill.

As amended, LB51 would require a psychological evaluation of any applicant who has not worked previously in law enforcement to determine fitness for duty. Applicants seeking entry-level law enforcement certification would be required to complete de-escalation training related to mental health behaviors, substance abuse, anti-bias, implicit bias and crisis communication.

An applicant seeking certification as a law enforcement officer would be required to testify under oath that their certification has never been revoked or suspended in another jurisdiction and they have not been separated from employment or disciplined for serious misconduct or a violation of their oath of office, code of ethics or statutory duties.

(continued page 3)

Cap on property tax request increases stalls

A proposal to limit increases in property taxes collected by local governments stalled on general file April 22 after a failed cloture motion.

Under LB408, as introduced by Sen. Tom Briese of Albion, a political subdivision’s property tax request – the amount of property taxes requested to be raised through its levy – could not exceed the prior year’s request by more than 3 percent.

A political subdivision could exceed the limit by an amount approved by a majority of registered voters in a primary, general or special election.

Briese said property tax requests have increased roughly 4.5 percent in the last 10 years, or about two to three times faster than inflation and wage growth. He said his

proposal is intended to put a “very reasonable restriction” on that growth.

Under a pending Revenue Committee amendment, a political subdivision’s property tax request for any year could not exceed the previous year’s request multiplied by 103 percent. The limit would apply to property tax requests set in 2022 through 2027.

The amendment would give political subdivisions a second mechanism by which they could exceed the 3 percent limit.

With a majority vote of its governing body, a political subdivision could exceed the limit for no more than two consecutive years. In that case, the political subdivision’s

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Cap on property tax request increases stalls

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property tax request would be reduced in subsequent years so that the increase would not exceed 9 percent over a three-year period.

The amendment also would allow a political subdivision to carry forward half of its unused request authority to future years if it chooses not to increase its property tax request by the full amount allowed. The political subdivision could use that carryover authority in future years to increase its property tax request above the 3 percent limit.

As in the original bill, the limit would not apply to the portion of a political subdivision's property tax request that is needed to pay the principal and interest on approved bonds.

It also would not apply to the portion of a political subdivision's property tax request that will be derived from its real growth value, or the increase in real property valuation due to improvements — such as new construction and additions to existing buildings — and the annexation of property.

Briese said that, when allowing for



Sens. Michael Flood (left) and Tom Briese said LB408 would be a starting point for more comprehensive school funding and tax reform.

valuation growth of approximately 1 percent per year, the cap would be closer to 4 percent in practice, something most political subdivisions could accommodate.

Briese introduced an amendment to the committee amendment that he said includes several provisions and exceptions meant to ensure local boards still could deal with sharp spending

increases related to growth, health and safety hazards and other factors. He said he would work to further amend LB408 on select file to exclude certain political subdivisions from the bill's requirements.

Sen. Suzanne Geist of Lincoln supported the proposal. She said high residential property taxes make

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UNICAMERAL UPDATE

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Law enforcement standards advanced

(continued from front page)

Additionally, they must attest to the fact that they have never been convicted of, or pleaded guilty or no contest to, a:

- state or federal felony offense;
- misdemeanor crime of domestic violence; or
- state or federal misdemeanor offense if the violation reasonably could be connected to their fitness to serve.

Omaha Sen. Terrell McKinney spoke in support of LB51. Not every Nebraska community is over-policed, he said, but North Omaha is and that is why the bill's protections are necessary.

"We talk about public safety, but what about the public when they have to deal with rogue officers who don't care about them and would do anything they can to oppress them?" McKinney said.

Sen. Mike Groene of North Platte said he worried that the increased continuing education requirements would keep officers from working in their communities for nearly one week every year.

But Lathrop noted that the bill would remove a current cap on the amount of training an officer may complete online.

LB51 also would authorize the appointment of noncertified conditional officers, pending acceptance into a formal law enforcement training program. These officers would be required to discharge their duties under the direct supervision of a field training officer and be restricted from wearing a badge, carrying a firearm or interacting with the public until completion of their training.

Norfolk Sen. Michael Flood of-

fered an amendment, adopted 36-0, that would allow a noncertified conditional officer to wear a badge while on duty. If a law enforcement officer is invested with arrest authority and the ability to carry a firearm, Flood said, they should wear an official badge.

"I think this will lead to less confusion for a motorist or somebody that comes into contact with one of these individuals ... that they are acting under the color of the law," he said.

A noncertified conditional officer could, only with direct supervision and guidance from a training officer, ride in a marked police cruiser, make arrests, interview suspects, victims or witnesses or carry out other law enforcement functions. LB51 would place a 16-week restriction on a noncertified conditional officer's service.

Sen. Tom Brewer of Gordon expressed concern that the creation of a noncertified conditional officer designation would eliminate the use of reserve officers in rural areas of the state.

Reserve officers function in much the same way as a volunteer fire department, he said, and can relieve the strain on less populated counties that may have just one sheriff serving all residents. Brewer said he would work with Lathrop on a compromise amendment to allow both the noncertified conditional officer and reserve officer programs to function simultaneously.

Provisions of LB601, originally sponsored by McKinney, also are included in the amended LB51.

Those provisions would re-

quire the Nebraska Commission on Law Enforcement and Criminal Justice to post on its public website, by July 1, 2022, a list of all law enforcement officers who have — on or before Jan. 1, 2021 — voluntarily surrendered their certification or had it revoked, been convicted of or pleaded guilty or no contest to a felony or Class I misdemeanor or been found to have engaged in serious misconduct.

LB51 also would prohibit a police officer from intentionally using a chokehold on a person, except when deadly force has been authorized.

Similarly, an officer would be prohibited from using a carotid restraint control hold — a method of rendering a person unconscious by restricting blood flow by compressing the carotid arteries in the neck — on any person unless the officer believes the person would cause death or bodily injury to others or deadly force has been authorized and the officer in question has been trained on the restraint technique.

Finally, the bill would require the Nebraska Commission on Law Enforcement and Criminal Justice to develop accreditation standards for law enforcement agencies. Beginning Jan. 1, 2023, the commission would publish a list of unaccredited agencies annually. An unaccredited law enforcement agency would be ineligible to receive loans, grant funds or donations from the commission until it achieves accreditation.

Following adoption of the committee amendment, senators voted 39-0 to advance LB51 to select file. ■



Sen. Terrell McKinney

Cap on property tax request increases stalls

(continued from page 2)

home ownership unaffordable for young people and those living on fixed incomes.

“We need to listen to our constituents about what they want from their government,” she said, “and this is what they want.”

Elkhorn Sen. Lou Ann Linehan also supported LB408, saying Nebraska has the sixth highest tax rates in the country.

“That’s not helpful if we’re going to recruit anybody, let alone keep people here,” she said.

The state will spend more than \$700 million over the next two years in an effort to address high property taxes, Linehan said, but that amount will continue to grow unsustainably if lawmakers do not impose additional constraints on local spending.

“We can’t just look at one side of the equation,” she said. “We have to have some partners here.”

Sen. Michael Flood of Norfolk also supported the bill, saying the Legislature has imposed taxing limits on political subdivisions in the past without dire effects. He said LB408 is justified in light of large increases in the amount of property taxes collected by some political subdivisions over the past several years, especially certain community colleges.

The temporary limit would force those entities to work with lawmakers on major tax reform, Flood said, something they so far have opposed.

“We don’t want to punish these political subdivisions – we want them to get in the boat with us and feel it,” he said. “We want them to sit there and find solutions instead of playing defense.”

Lincoln Sen. Adam Morfeld opposed the bill. He said political subdivi-

sions already are subject to certain taxing and spending limits and that LB408 would constrain local governments’ ability to address their citizens’ needs.

If Nebraskans are angry about high property taxes, he said, they can hold their local officials accountable by voting them out of office.

Sen. Carol Blood of Bellevue also opposed LB408, saying it would not address the underlying problems that lead to high property taxes, including unfunded and underfunded mandates the Legislature has imposed on counties. She said lawmakers have not acted on a 2014 interim study report that identified more than a dozen of those mandates.

“It is so easy for us to point fingers at the local level and say we know better,” Blood said. “We had solutions that we ignored.”

Also in opposition was Omaha Sen. John Cavanaugh. If the Legisla-

ture wants to encourage young families to live in Nebraska, he said, it should focus on making higher education and child care more affordable. For many young people, he said, those two factors determine whether they can afford to buy a house, not property taxes.

“My monthly student loan bill is three times my monthly property tax bill,” Cavanaugh said. “My monthly child care bill is 10 times my monthly property tax bill.”

After eight hours of debate on general file, Briese filed a motion to invoke cloture, which would end debate and force a vote on the bill and any pending amendments.

The motion failed on a vote of 29-8. Thirty-three votes were needed. A failed cloture motion results in debate on a proposal ceasing for the day. LB408 is unlikely to be placed on the agenda again this session. ■



Sens. Adam Morfeld and Lou Ann Linehan discuss LB408 during general file debate April 22.

APPROPRIATIONS

State budget approved

Lawmakers gave final approval April 20 to the state's \$9.7 billion budget package.

The package includes a number of appropriations and transfers to address the state's prison overcrowding situation, including \$100 million in general funds to the Nebraska Capital Construction Fund, to be available for the Legislature to appropriate for a new state prison should one be deemed necessary in the future.

It also appropriates \$14.9 million to fund the preparation of designs for a possible new facility, including site selection and an option to purchase, as well as completion of an independent engineering study regarding the useful life of the current Nebraska State Penitentiary.

The package provides \$15 million to the Prison Overcrowding Contingency Fund and \$200,000 to contract with the University of Nebraska to study inmate classification within the state Department of Correctional Services.

Among the budget components passed was LB380, the mainline budget bill, which funds state government for the next two fiscal years. The bill was introduced by Speaker Mike Hilgers on behalf of the governor and contains provisions of several other bills, including:

- LB141, sponsored by Ger- ing Sen. John Stinner, which appropriates \$7.5 million in fiscal year 2022-23 to



Sen. John Stinner

the Museum of Nebraska Art in Kearney;

- LB391, sponsored by Lincoln Sen. Eliot Bostar, which appropriates \$2.5 million in FY2021-22 to the Customized Job Training Cash Fund;



Sen. Eliot Bostar

- LB493, sponsored by Omaha Sen. Machaela Cavanaugh, which appropriates \$1 million in each fiscal year of the bi-ennium



Sen. Machaela Cavanaugh

to the state's developmental disability wait list; and

- LB585, sponsored by Omaha Sen. Tony Vargas, which appropriates \$1.5 million in FY2021-22 and \$3 million in FY2022-23 to local public health departments.



Sen. Tony Vargas

The bill passed on a 47-0 vote. Additional budget measures approved were:

- LB379, passed 47-0, which adjusts funding for state operations, aid and construction programs in the current fiscal year;
- LB381, passed 46-0, which provides for the \$12,000 annual salaries of Nebraska's 49 state senators;
- LB382, passed 46-0, which funds salaries and benefits for judges and constitutional officers;

- LB383, passed 38-2, which appropriates funds for capital construction;
- LB384, passed 41-0, which transfers funds and changes the permitted use of a fund;
- LB385, passed 44-0, which makes a number of fund transfers to and from the state's Cash Reserve Fund; and
- LB666, passed 45-0, which provides for payment of claims against the state and agency write-offs for uncollectible debts.

The governor has five calendar days, excluding Sunday, to sign, veto or line-item veto appropriations within the budget bills.

If budget bills are returned to the Legislature with line-item vetoes, the Appropriations Committee must report on the fiscal impact of the vetoes within one day and may offer a motion to override any or all of them. Thirty votes are required to override a veto.

EDUCATION

Education cleanup bill amended, advanced

Lawmakers gave first-round approval April 23 to a bill containing several changes to education-related programs after amending it to include the modified provisions of two other bills.

Fremont Sen. Lynne Walz, sponsor of LB528, said the bill contains several technical changes requested by the state Department of Education and others.



Sen. Lynne Walz

Among those changes, Walz said,

the bill would extend the sunset date to school year 2020-21 for a grant program meant to improve teacher effectiveness, expand the list of programs eligible for the Community College Gap Assistance Program and change eligibility requirements for the Access College Early Scholarship Program to help more students in need.

LB528 also would specify that the purchase of computer technology or equipment and internet access and related services are qualified higher education expenses under the Nebraska educational savings plan trust.

Additionally, the proposal would require each school board to require that the telephone number for a national or local suicide prevention hotline or a crisis text line be included on new student identification cards beginning with the 2022-23 school year.

Public postsecondary institutions also would include one of those numbers on new student ID cards beginning with the 2022-23 academic year.

An Education Committee amendment, adopted 46-0, includes amended provisions of LB3, introduced by Albany Sen. Tom Briese.

They would require the department to establish and maintain a website where the public could access school financial data at the statewide and district levels. The website would include total receipts, receipts classified by source, total expenditures, cost per pupil and performance.

The provisions also would require school districts to include the website's internet address on a currently required budget hearing notice.

Briese said the proposal would give taxpayers an easy-to-use tool with which to find school financial data and compare their school district with others.



Sen. Tom Briese

The committee amendment also includes amended provisions of LB558, sponsored by Omaha Sen. Tony Vargas. He said the changes are meant to address a teacher shortage made worse by the pandemic.



Sen. Tony Vargas

The provisions would require the state commissioner of education to grant a temporary teaching certificate to any applicant who has completed a teacher education program at a standard institution of higher education and has a certificate to teach in good standing from another state.

The amendment also would authorize the commissioner to grant a temporary teaching certificate to any applicant who has earned a bachelor's, graduate or professional degree from an accredited college or university and has demonstrated basic skills competency and passed a subject area examination.

The temporary certificates would be valid for no more than two years, during which the holder would be required to obtain a full teaching certificate.

After adopting a technical amendment on a vote of 45-0, senators voted 44-0 to advance LB528 to select file.

Priority college admission for service members advanced

State higher education institutions would give priority to certain uniformed service members when they apply for admission under a bill advanced from the first round of debate April 20.

LB669, as introduced by Omaha Sen. Tony Vargas, would require each Nebraska postsecondary institution to accept automatically any eligible military or veteran student who applies to enroll as an undergraduate in virtual

and in-person courses and programs.

Vargas said the bill would make postsecondary education more accessible to service members and veterans.

An Education Committee amendment, adopted 44-0, would require public postsecondary institutions to accept military and veteran students if they otherwise meet admissions requirements. Fremont Sen. Lynne Walz, the committee's chairperson, said the amendment also would better define who is eligible for the program.

Under the amendment, a student who graduates from a Nebraska high school on or after Jan. 1, 2022, signs enlistment papers to serve in a uniformed service and meets other requirements related to the length of their service would be eligible.

Nebraska high school graduates and individuals who graduate from high school in another state on or after Jan. 1, 2022, and served in a uniformed service while assigned to a location in Nebraska also would qualify if they received an honorable discharge from a uniformed service.

The amendment also would require each public postsecondary institution to post information about the act on its website and submit an annual report to the Legislature stating the number of eligible students enrolled and other information.

Senators voted 44-0 to advance LB669 to select file.

GENERAL AFFAIRS

Electronic keno retained, casino regulation bill advanced

A bill that would implement provisions of a constitutional gaming amendment approved in 2020 ad-

vanced from select file April 20.

Last November, Nebraska voters legalized all forms of games of chance at licensed horse racetracks through an initiative petition drive. LB561, as introduced by Sen. Tom Briese of Albion, would provide the regulatory framework necessary to implement that constitutional amendment.

Among other provisions, the bill would rename the State Racing Commission to the State Racing and Gaming Commission, raise the legal age to wager on horse racing from 19 to 21, allow wagering on sporting events at racetracks in the state, establish a process for allowing individuals to be excluded voluntarily from wagering, establish a system for filing complaints and classify manipulation of a game of chance or gaming machine as a Class I misdemeanor.

“I drafted this bill in an attempt to clarify what Nebraskans approved in November and to establish some reasonable parameters around this activity,” Briese said.

Lawmakers adopted an amendment during first-round debate that would allow individuals to play keno on an electronic ticket purchased at a licensed lottery operator using an app or debit card linked to a bank account. Currently, keno tickets must be purchased on a paper ticket with cash.

The provision was intended to lessen the impact of casino gaming on the state’s keno industry.

Briese offered an amendment during select file debate that would remove that provision from LB561.

The General Affairs Committee held a hearing on the keno provision during which, Briese said, testifiers could not demonstrate that allowing Nebraskans to play keno virtually would benefit the industry. He also said some Nebraskans believe that allowing virtual keno would expand

gaming beyond what voters intended.

“Out of respect for that perception, and the lack of verifiable data that this will help the industry, I decided to pull the keno portion,” he said.

Sen. John Cavanaugh of Omaha said he opposed the amendment because regulation is needed to prevent municipalities from losing keno revenue, which is earmarked for community betterment projects.

“Keno is going to lose revenue, there’s no question about that, the question is how much?” Cavanaugh said. “If we do not help those [cities] weather the storm of this expanded gambling, then they’re going to lose the necessary revenue and they’re going to have to find it some place else.”

The amendment, which needed 25 votes to be adopted, failed 22-11.

Briese introduced a second amendment, adopted 39-0, that would require rulemaking to be conducted under the Administrative Procedures Act rather than by the Nebraska Racing and Gaming Commission.

The amendment also would prohibit wagering on high school or youth sports, the use of credit cards to place wagers, wagering by coaches and athletes and in-game wagers on University of Nebraska games and any other sport deemed ineligible by the commission.

Lincoln Sen. Patty Pansing Brooks offered an amendment that would prohibit all wagering on collegiate sports that take place in Nebraska. She said gambling on college sports places undue pressure on student athletes.

“I believe that betting on Nebraska college games – in state – is harmful to our kids and harmful to the integrity, passion and fun of our college sports,” Pansing Brooks said.

Sen. Adam Morfeld of Lincoln opposed the amendment, saying that bets already are being made on Nebraska athletics. With LB561, he

said, the state can collect revenue on those wagers.

The amendment failed 18-13.

Lawmakers then advanced LB561 to final reading on a voice vote.



Bill honoring National Guard members clears first round

Certain members of the Nebraska National Guard could receive a military grave marker under a bill advanced from general file April 20.

Under LB261, introduced by Elkhorn Sen. Lou Ann Linehan, a guard member who served on or after July 1, 1973, or served in active duty federal service or reserve would



Sen. Lou Ann Linehan

be eligible. The bill would remove a requirement that a guard member have served during wartime to receive a marker.

Linehan said LB261 would “right a wrong” of guard members being denied grave markers memorializing their sacrifice.

“I believe veterans who honorably served should receive recognition of their service,” she said.

Senators advanced the bill to select file on a vote of 43-0.

Convention of the states proposal remains stalled

Senators narrowly rejected a procedural attempt April 23 to pull a measure from committee that would authorize Nebraska’s participation in

a convention of the states.

Sen. Steve Halloran of Hastings offered a motion to advance his LR14 from the Government, Military and Veterans Affairs Committee to the floor for general file debate. The committee is deadlocked, Halloran said, with insufficient votes to either advance or indefinitely postpone the resolution.



Sen. Steve Halloran

LR14 would be Nebraska's application for a convention of the states authorized under the U.S. Constitution. If 34 states commit to a convention, states could propose amendments to the U.S. Constitution that would limit the size and authority of the federal government, consider fiscal restraints and consider term limits for members of Congress.

Halloran said 15 states have passed similar resolutions.

"I am not putting process aside. I am following the rules as prescribed," Halloran said. "Some object to pull motions because it usurps the committee process. I am a committee chair myself, and the chair of the Government, Military and Veterans Affairs Committee, he himself supports this pull motion."

Sen. Tom Brewer of Gordon, chairperson of the committee, spoke in favor of the motion. He said he respects the committee process but it sometimes is necessary to advance a deadlocked bill or resolution. LR14 is an example, he said, because the current level of federal spending has the country in a "death spiral."

"We will spend until the system collapses," Brewer said.

Sen. Steve Erdman of Bayard also supported the motion and the resolution. The federal government needs

to be reined in, he said, to prevent continued growth of the federal debt.

"Not only will my grandkids pay off this national debt, their grandkids may as well," Erdman said.

Lincoln Sen. Adam Morfeld opposed the motion and called LR14 "dangerous."

"The only precedent we have for a constitutional convention is one that completely dismantled the current constitution at the time — the Articles of Confederation," he said. "Does anybody honestly think that there's not a danger that they could amend other constitutional amendments that we all hold dear?"

Sen. Patty Pansing Brooks of Lincoln also opposed the motion. She said a convention of the states would lead to "tyranny and chaos."

"The convention gets to write its own rules," Pansing Brooks said. "They get to set their own agenda, influenced by powerful interest groups. They could choose a new ratification process for any kind of amendment to the Constitution."

The motion, which required 25 votes for adoption, failed on a 23-14 vote.

HEALTH & HUMAN SERVICES

Expanded child care assistance clears first round

More Nebraskans would be eligible for subsidized child care assistance under a bill advanced from general file April 20.

LB485, introduced by Bennington Sen. Wendy DeBoer, would increase the income eligibility limit of the Child Care Subsidy program from 130 percent of the federal poverty

level to 185 percent. The bill also would increase transitional child care income eligibility from 185 percent of FPL to 200 percent.



Sen. Wendy DeBoer

DeBoer said the bill would help families still reeling from the COVID-19 pandemic and lessen the "cliff effect" that occurs when a pay raise causes an individual receiving subsidized child care to lose that benefit.

"The cost [of child care] is tremendous. It's a very big disincentive to work," DeBoer said. "Our economy will not thrive without workers and our workers cannot work without child care."

The bill's expanded eligibility would be paid for from existing federal Child Care and Development Block Grant funds.

Omaha Sen. Tony Vargas supported the bill, saying affordable child care is critical for families that need two sources of income.

"Many working families are not in a position where we can voluntarily choose to have a parent leave the workplace to stay home with the kids," he said. "Nebraska has an opportunity to make sure that we're getting back in competition with states like Colorado and Kansas, both of which have adopted the 185-percent threshold."

Also in support was Gothenburg Sen. Matt Williams. Nebraska businesses struggle to find available workers, he said, in large part because lower-wage workers cannot afford child care.

"What we're doing with [LB]485 is really creating additional workforce for our businesses across the state," Williams said.

Sen. Dave Murman of Glenvil opposed the bill. Children are better off

when raised by their parents, he said, and the bill would cause more parents to put their children in day care.

“Time together is good for the mental health of both children and parents and benefits society,” Murman said. “This is not to say that children are not valued in day care, but no one can totally replace a loving and caring father and mother.”

Sen. Steve Erdman of Bayard also opposed the bill. Future lawmakers would find it difficult to take away benefits once federal funding runs out, he said.

A Health and Human Services Committee amendment would end expanded eligibility for both programs after the 2023-24 fiscal year. The proposal also requires that the state Department of Health and Human Services collaborate with a private nonprofit organization to evaluate the proposed eligibility changes and file a report with the Legislature by Dec. 15, 2023.

Lawmakers adopted the amendment on a 42-0 vote.

DeBoer offered an amendment, adopted 40-0, that explicitly would prohibit using state general funds to pay for expanded child care eligibility under the bill.

Senators then advanced LB485 to select file on a vote of 31-7.

JUDICIARY

Judicial salaries increased

Nebraska judges will receive a raise under a bill passed by the Legislature April 20.

LB386, sponsored by Omaha Sen. Steve Lathrop, increases Nebraska Supreme Court judges’ salaries for

fiscal year 2021-22 and FY2022-23. The current salary is \$187,035.

District, county, juvenile, appellate and workers’ compensation court judges’ salaries statutorily are based on a percentage of the Supreme Court judges’ salaries, so those judges also will receive a salary increase.

The bill sets the salary increase at 3 percent each fiscal year, reaching \$192,647 in FY2021-22 and \$198,426 in FY2022-23.

LB386 passed on a 46-1 vote.



Sen. Steve Lathrop

NEBRASKA RETIREMENT SYSTEMS

Judicial retirement bill amended, advanced

A bill that that would address a shortfall in the state judges’ retirement plan was amended and advanced from select file April 20.

LB17, as introduced by Seward Sen. Mark Kolterman, would adopt shorter amortization periods to reflect current actuarial standards for the judges’, state patrol and school



Sen. Mark Kolterman

employee retirement plans. Beginning July 1, 2021, the amortization period would be reduced from the current 30-year period to a 25-year period.

LB17 was amended on general file to include provisions of Kolterman’s LB24, which would increase a dedicated court fee — and the earmarked amount of other court fees — to provide additional revenue to cover a shortfall

in the judges’ retirement plan.

A dedicated court fee charged to support the judges’ retirement fund would increase from \$6 to \$8 on July 1, 2021. It then would rise incrementally until reaching \$12 on July 1, 2025. The bill also would direct a higher proportion of other court fees to the judges’ retirement fund.

The bill includes provisions of LB16, also introduced by Kolterman, which would add an annual contribution from the state to the judges’ retirement fund of 4 percent of total compensation of the members of the judges’ retirement system beginning on July 1, 2021, and increase that percentage to 6 percent beginning July 1, 2023.

Kolterman brought an amendment on select file meant to address concerns raised during the previous round of debate regarding the use of fees to fund essential government responsibilities — particularly when the impact is felt disproportionately by those least able to afford those fees.

The amendment, adopted 35-1, would stipulate that fees would not increase on any criminal cause of action, traffic misdemeanor or infraction, or city or village criminal ordinance violation filed in district court or county court. The fee on such criminal causes of action would remain at \$6.

Kolterman said the amendment would result in 30 percent less revenue for the judges’ retirement plan than the provisions of the original bill, but that a compromise was necessary.

The amendment also would cap the annual general fund contribution from the state at 5 percent of the total annual compensation of all members of the judges’ retirement system. The rate could be adjusted or terminated but could not exceed 5 percent.

Kolterman said the contribution would cover actuarial shortfalls and

is necessary because the judges' retirement plan does not have an employer contribution, as every other state retirement plan does. The 5 percent general fund contribution would provide a funding mechanism to remove year-to-year unpredictability in the state's actuarial required contribution, he said.

Gering Sen. John Stinner supported the amendment, which he called a "good compromise" that would ensure that the state is able to keep its commitment to public employees. He agreed that the 5 percent state contribution would remove volatility in funding the retirement plan.

"You've budgeted for it; it's predictable," Stinner said.

Sen. John Cavanaugh of Omaha also supported the amendment, saying it would be a step in the right direction toward funding judges' retirement with state dollars rather than court fees.

"I think that we should bear the responsibility for funding these things," he said.

Omaha Sen. Machaela Cavanaugh offered an amendment that instead would appropriate \$3 million in general funds to the Nebraska Retirement Fund for Judges in the current fiscal year to cover the shortfall. The amendment failed 2-23.

Following adoption of a technical amendment, senators voted 32-2 to advance LB17 to final reading.

REVENUE

Reduced ag land valuation for school bonding advanced

A bill intended to shift the cost of school bonds away from owners of farm and ranch land advanced from general file April 21.

Agricultural and horticultural land is valued at 75 percent of its actual value for purposes of property taxation under current law. Under LB2, as introduced by Albion Sen. Tom Briese, it would be valued at 30 percent of its actual value for purposes of school district taxes levied to pay the principal and interest on bonds issued on or after Jan. 1, 2022.



Sen. Tom Briese

Under a Revenue Committee amendment, it would be valued at 50 percent of its actual value for that purpose.

In many rural districts, Briese said, farmland comprises much of the tax base, but residential homeowners outnumber farmers and ranchers at the ballot box. That disparity in tax burdens can encourage "excessive investment" in K-12 buildings through unnecessary bond votes, he said.

"From my perspective, [LB2] does not impose an onerous burden on anyone," Briese said. "It simply injects more accountability into the voting decision and gives everyone a little more skin in the game."

Sen. Curt Friesen of Henderson supported the bill. He said it would distribute more fairly the cost of retiring school bonds in districts where residential property owners outnumber farmers and ranchers, who pay a larger portion of the bond debt due to high agricultural and horticultural land valuations.

"When the majority, by far, of the tax dollars come from ... the ag land," Friesen said, "it's pretty easy to vote for a tax increase that raises your taxes \$1.50 and raises somebody else's \$100."

Lincoln Sen. Matt Hansen opposed LB2 and filed a motion to bracket the

bill until June 10, which effectively would end debate on it this session. He said the bill is intended to discourage school bonding in rural areas.

The motion failed on a vote of 6-34.

The committee amendment also included the amended provisions of Briese's LB79, which would set the minimum amount of relief granted under the Property Tax Credit Act at \$275 million per year through tax year 2023.

The act, passed in 2007, provides property owners with a tax credit based on the valuation of their property.

Although lawmakers likely will re-purpose the property tax credit fund in the future — perhaps to increase state aid to schools — for now, Briese said, the Legislature should build it up in an effort to reduce Nebraska's overreliance on property taxes to fund local government.

"It's not perfect," he said. "But it does go to every Nebraska property owner."

Under the committee amendment, the minimum amount of relief each tax year would be the minimum amount from the prior year increased by 3 percent, beginning with tax year 2024.

Briese introduced an amendment to the committee amendment that instead would set the minimum amount of relief at \$275 million for tax year 2021 and \$313 million for tax year 2022, which he said would codify the amount appropriated to the fund in the current state budget.

Under Briese's amendment, the minimum amount of relief would increase by 3 percent per year beginning in tax year 2023 rather than 2024.

After several senators expressed concerns about that provision, Briese withdrew the amendment and offered a floor amendment, adopted 25-11, that would exclude the annual increase and set the minimum amount

of property tax credits at \$313 million per year beginning in tax year 2022.

Sen. Anna Wishart of Lincoln opposed the floor amendment, saying that increasing the property tax credit fund's statutory minimum would limit the Appropriations Committee's flexibility when creating future budgets.

She said the state will spend approximately \$1.45 billion, nearly 15 percent of its current budget, on the LB1107 credit and the property tax credit program during the current biennium.

"If that is not working," Wishart said, "we need to figure out a different way to invest these dollars so that farmers and business owners and residential homeowners can actually experience that relief."

North Platte Sen. Mike Groene introduced an amendment to strike any changes to the property tax credit fund. He said that portion of Briese's proposal was unnecessary because any future Appropriations Committee is not likely to reduce the statutory minimum from \$313 million.

Groene said his amendment would preserve the Revenue Committee's proposal to reduce farmland valuations to 50 percent for the purpose of retiring school bonds. That change would be a "huge victory for rural Nebraska," he said, by addressing an inequity in how school buildings are financed in districts where agricultural land makes up most of the tax base.

Briese supported Groene's amendment, saying he would respect the concerns senators had about raising the property tax credit fund's statutory minimum.

After adopting the Groene amendment 37-1, lawmakers voted 37-0 to adopt the committee amendment. They then advanced LB2 to select file on a vote of 38-3.

Sales tax turnback for sports complexes advanced

Lawmakers gave first-round approval April 21 to a bill that would provide state support for cities to build sports complexes.

Currently, the Sports Arena Facility Financing Assistance Act allows political subdivisions to apply for state assistance to build eligible sports arena facilities.

Under LB39, sponsored by Omaha Sen. Brett Lindstrom, a political subdivision alone or working with a nonprofit organization could use that assistance to build sports complexes — facilities that are used primarily for competitive sports and contain a certain number of sports venues such as outdoor arenas or baseball, softball or multipurpose fields.

Lindstrom said the sports tourism industry generates approximately \$15 billion in economic activity each year, but Nebraska communities lose out to other cities in the region when it comes to hosting tournaments and regular season games.

"We have the potential to capitalize on this industry and keep our tax dollars here in the state," he said. "If we invest in these projects, we have the opportunity to host events right here at home instead of sending our dollars across the river or over our borders."

The bill would direct 100 percent of state sales tax revenue generated by certain retailers near a sports complex back to the political subdivision.

Lindstrom said the turnback would apply to state sales tax collected by new businesses within 600 yards of the exterior boundary of a sports complex

for the period of time beginning on the date the project commenced and ending four years after its completion date.

Current law directs 30 percent of sports arena turnback revenue to the Civic and Community Center Financing Fund. A Revenue Committee amendment, adopted 43-0, would direct 30 percent of the revenue generated by sports complexes to the Support the Arts Cash Fund.

The Nebraska Arts Council uses the fund to aid cities that designate an area of the community for arts and cultural development and to provide grants to creative districts.

Under the amendment, the council would use the turnback revenue to fund a competitive grant program for first class cities — those with a population of 5,001 to 100,000.

A city would be eligible for a grant if it is not receiving state assistance under the Sports Arena Facility Financing Assistance Act and has a creative district within its boundaries with a 10-year plan to bring about economic and workforce development initiatives.

Grants would be at least \$1.5 million and could be used to fund capital assets, video projection mapping and certain video or audio presentations.

Sen. Rich Pahls of Omaha supported the committee amendment and LB39.

"It's nice to see us expanding beyond the concept of sports," he said. "Getting the arts involved, to me, is very, very positive."

Senators voted 40-0 to advance LB39 to select file. ■



Sen. Brett Lindstrom

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A Nebraska Capitol Commission tour guide speaks to a student group outside the Warner Chamber.