

State budget package clears first round

After two full days of debate, lawmakers gave first-round approval April 9 to the state's \$9.7 billion budget package. The state budget is structured on a two-year basis, with the budget enacted during legislative sessions held in odd-numbered years.

As introduced, the Appropriations Committee budget proposal would result in a projected ending balance that is \$211 million above

the 3 percent minimum reserve. This amount would be available to fund proposals pending before the Legislature this session. The Cash Reserve Fund would increase to \$763 million.

The budget package reflects a two-year average spending growth rate of 1.7 percent. It includes a 2 percent per year increase in rates for providers of various social service and juvenile programs, amounting to \$83.5 million over two years.

Gering Sen. John Stinner, chairperson of the Appropriations Committee, said the overall budget package would result in \$1.45 billion in property tax relief for Nebraskans over the next two years.

Much of the debate focused on a



Sen. John Stinner (center) said the Appropriations Committee proposal would allow lawmakers to examine options to address Nebraska's prison overcrowding situation.

proposal to fund a study of the design and siting of a potential new state prison.

Prison overcrowding

Included in the Appropriations Committee's proposal is LB383, which would appropriate funds for reaffirmed and new construction projects recommended by the governor for the next biennium. Reaffirmed projects include those currently underway that already have received approval but were funded over several years.

Stinner said the governor's proposal included funding for a new multi-custody level correctional facility with capacity to house approximately 1,512

inmates. The \$230 million project would have been financed mostly by transfers from the Cash Reserve Fund to the Nebraska Capital Construction Fund over the next five years, he said.

A committee amendment, adopted 37-3, instead would transfer \$115 million from the General Fund to the NCCF, but would not appropriate those funds until the need for a specific project

or facility was determined by the Legislature.

Stinner said the committee had additional time to consider funding a new prison after voting on the committee amendment, however, and decided to take a broader approach.

He offered an amendment that would transfer \$350,000 in FY2021-22 from the NCCF to the state Department of Correctional Services to update their master plan and examine demand for behavioral health, mental health and substance abuse services at current correctional facilities compared to actual treatment capacity, taking into consideration the physical condition of the facilities.

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The amendment also would appropriate \$500,000 in FY2021-22 to the department to prepare a program statement and site selection for a new halfway-back community corrections center in Omaha.

An additional \$18 million would fund the design, planning and construction of three specialty units – to be used for additional mental health and geriatric patients or other individuals with special needs – which would add at least an additional 96-bed capacity at the state’s reception and treatment center.

Finally, the amendment would appropriate \$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.

“Voting for LB383 doesn’t mean you’re voting for a prison,” Stinner said. “It means that you’re voting for information.”

Lincoln Sen. Anna Wishart supported the amendment, which she said would allow the state to work with experts from the Crime and Justice Institute – and in collaboration with Nebraska stakeholders – to address broader issues of criminal justice reform. She said CJI are federal experts who “coach” states on how better to manage their criminal justice systems.

Nebraska has an opportunity with the Stinner amendment to address the “historic wrong” of mass incarceration that is “steeped in systemic racism,”

she said.

“Our country imprisons more people than any other country in the world, and a disproportionate number of those prisoners are Black,” Wishart said. “We cannot build our way to criminal justice reform – not possible – nor should we have the goal of doing that.”

Sen. Terrell McKinney of Omaha opposed the amendment, saying it wouldn’t address the core reasons that individuals end up in the state’s correctional system.



Sens. Lathrop, Wishart and Flood discuss the budget proposal April 9.

UNICAMERAL UPDATE

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Sen. Justin Wayne offered several amendments related to criminal justice reform.

McKinney said he has witnessed firsthand the state’s lack of investment in low-income communities and communities of color and that Nebraskans shouldn’t be surprised that people who lack options make bad choices as a result.

“Public safety is taking care of people,” he said. “We don’t invest in the communities that these people come from. Why do we refuse to address the root issues?”

Omaha Sen. Justin Wayne offered an amendment that would appropriate \$3.2 million each year of the biennium for programs and grants for individuals residing in community work release and treatment centers.

Nebraska releases almost half of its prison population annually, he said, and 30 percent of those individuals reoffend within the first three years of being released.

“This [committee proposal] is an approach that is limited to building something new,” Wayne said. “We aren’t talking about the other aspect of reentry.”

The amendment lost on a vote of 13-8. Following the 7-27

failure of a second Wayne amendment to strike funding to study a new state correctional facility, senators voted 37-3 to advance LB383 to select file.

Mainline budget

LB380, introduced by Speaker Mike Hilgers on behalf of Gov. Pete Ricketts, is the mainline budget bill. An Appropriations Committee amendment, adopted 41-0, replaced the bill and contains recommendations for state operations and state aid.

Included in the amendment were provisions of Stinner’s LB264, which would appropriate \$100,000 for each fiscal year of the biennium for creative districts authorized by the Nebraska Arts Council.

Norfolk Sen. Mike Flood brought an amendment, adopted 28-12, to increase that funding to \$1 million per year. He said that 10 competitive grants of \$10,000 each would be insufficient to revitalize smaller com-



Sen. Michael Flood successfully increased funding for creative districts.

munities and change the trajectory of economic development in rural areas.

Rural parts of the state struggle to attract and retain people with an entrepreneurial spirit, Flood said, in part because those individuals desire to live in areas that value the arts and innovation.

“We can grow our rural communities using arts and culture,” Flood said. “I’ve seen it work in my community.”

Sen. Megan Hunt of Omaha supported the amendment, calling it a “conservative and smart” amount of money. Vibrant arts communities draw in people to support local restaurants and other small businesses, she said, and are an economic development tool.

Omaha Sen. Machaela Cavanaugh offered and later withdrew an amendment that she called an “amped up” version of her LB493. The amendment would have fully funded the state’s developmental disability wait list, which she said has grown to more than 2,900 people in recent years.

The amendment would have



Sen. Machaela Cavanaugh said her amendment was an opportunity to “do something bold” for Nebraskans with developmental disabilities.

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provided \$54 million in general funds in each fiscal year of the biennium to provide services to all individuals currently on the list.

“What is the function of government if not to do this?” Cavanaugh said. “Is it the function of government to build roads before making sure that every single citizen with a disability is cared for appropriately?”

Wishart opposed the amendment. She said the committee’s proposal includes increased funding for the wait list and that a sustainable, targeted approach that also addresses provider rates is necessary.

“We need to make sure that when we make these commitments — especially when it’s providing life-long services to somebody who’s on this wait list — we need to make sure that we have the dollars available beyond the biennium to support their needs, otherwise there’s a cliff effect.”

The committee amendment incorporated provisions of several other proposals into the mainline budget bill, including:

- LB141, sponsored by Stinner, which would appropriate \$7.5 million in FY2022-23 to the Museum of Nebraska Art in Kearney;
- LB391, sponsored by Lincoln Sen. Eliot Bostar, which would appropriate \$2.5 million in FY2021-22 to the Customized Job Training Cash Fund;
- LB493, sponsored by Omaha Sen. Machaela Cavanaugh, which would appropriate \$1 million in each fiscal year of the biennium to the developmental



Sen. Eliot Bostar

disability wait list; and

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



Sen. Tony Vargas

Other provisions

The committee’s budget package also includes LB384, which would transfer funds and change the permitted use of a fund. A committee amendment, adopted 44-0, added provisions of Stinner’s LB588.

Those provisions would extend existing appropriations for deferred maintenance under the University of Nebraska Facilities Program until 2062 and the State College Facilities Program until 2040.

The amendment also would require that the university establish a revolving facility maintenance fund with a 2 percent allocation of all construction funds expended to mitigate further backlog.

Following adoption of the amendment, senators voted 44-0 to advance LB384 to select file.

LB379 would make adjustments to funding for state operations, aid and construction programs in the current fiscal year ending June 30, 2021.

An Appropriations Committee amendment, adopted 38-0, would appropriate \$475,000 in general funds to the State Racing Commission for startup costs related to the Nebraska Racetrack Gaming Act. The commission is charged with implementing provisions of a successful initiative petition drive in 2020 that authorized

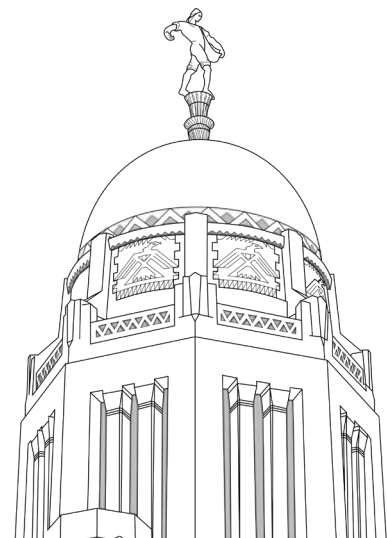
gaming at licensed enclosed racetracks in Nebraska.

Following adoption of the committee amendment, senators advanced the bill to select file 38-0.

LB385, as introduced, would make a number of fund transfers to and from the state’s Cash Reserve Fund. A committee amendment, adopted 41-0, instead would authorize a \$50 million transfer to the newly created United States Space Command Headquarters Assistance Fund. The transfer would occur only if Nebraska is selected as the site of the U. S. Space Command Headquarters. LB385 advanced to select file on a 41-0 vote.

The budget package also includes:

- LB381, advanced 40-0, which would provide for the \$12,000 annual salaries of Nebraska’s 49 state senators;
- LB382, advanced 40-0, which would fund salaries and benefits for judges and constitutional officers; and
- LB666, advanced 37-0, which would provide for payment of claims against the state and agency write-offs for uncollectable debts. ■



BUSINESS & LABOR

Expansion of unemployment eligibility advanced

Lawmakers gave first-round approval April 6 to expanded eligibility for unemployment benefits.

LB260, sponsored by Omaha Sen. Megan Hunt, would expand the list of “good cause” reasons to leave employment voluntarily to include caring for a family member with a serious health condition.



Sen. Megan Hunt

The bill would allow workers who voluntarily have left employment to care for a family member, but who are seeking to return to employment, to be eligible for unemployment benefits.

Current law does not allow workers who leave employment to care for a family member to receive unemployment benefits, Hunt said, despite the fact that their employers have paid into the unemployment insurance fund on their behalf.

“Providing this temporary safety net will allow caregivers some security while they attempt to reenter the workforce,” she said.

Columbus Sen. Mike Moser spoke in opposition to LB260. He said it would strain a finite state resource.

“If you don’t charge the individual employers for those [benefits paid out], then the whole [Nebraska Unemployment Trust Fund] balance is going to go down,” Moser said. “Either the state will have to pay in to keep it solvent or they will have to raise rates on all employers.”

Senators advanced the bill to select file on a 27-11 vote.

Ban on hair discrimination advanced

A bill that seeks to extend employment discrimination protections was advanced from general file April 6.

LB451, sponsored by Omaha Sen. Terrell McKinney, would expand the definition of race to include characteristics associated with race such as skin color, hair texture and protective hairstyles.



Sen. Terrell McKinney

The bill defines protective hairstyles as braids, locks and twists.

McKinney said workplace bans on natural hairstyles perpetuate racist stereotypes that Black hairstyles are “unprofessional.” The bill would help address this type of non-explicit racial discrimination, he said.

“LB451 addresses harmful practices that appear neutral but actually work to deny job opportunities that have nothing to do with [a person’s] qualifications and ability to do their job,” McKinney said.

An employer could implement health and safety standards regulating characteristics associated with race as long as they are non-discriminatory and applied equally to all employees, and if good faith efforts to accommodate an employee have been made.

A Business and Labor Committee amendment, adopted 32-0, would permit the Nebraska National Guard and state, county and local law enforcement agencies to impose their own dress and grooming standards.

Senators advanced LB451 to select file on a 38-0 vote.

EDUCATION

In-state tuition for home-school students amended, advanced

Lawmakers gave second-round approval April 6 to a bill that would make Nebraska home-school students eligible for in-state college tuition after amending a nondiscrimination provision in the original bill.

A student is considered a resident for tuition purposes if, among other requirements, they reside with their parent or guardian while attending a public or private high school in Nebraska and graduated from a public or private Nebraska high school or received a diploma of high school equivalency.

Under LB92, sponsored by Sen. Robert Clements of Elmwood, students who completed the program of instruction offered by a home school also would be considered residents.



Sen. Robert Clements

Clements introduced an amendment on select file that he said would clarify “fairly broad” language in the original bill intended to ensure that a publicly funded college or university in Nebraska could not discriminate against home-school students.

The amendment would prohibit those institutions from discriminating against any student with regard to determinations of residency status or scholarship eligibility on the basis of having been home-schooled.

After adopting the amendment on a vote of 34-0, senators advanced LB92 to final reading by voice vote.

Statewide school safety reporting system amended, advanced

Lawmakers adopted an amendment to change the funding source for a proposed school safety reporting program before giving the bill second-round approval April 6.

LB322, sponsored by Gothenburg Sen. Matt Williams, would require the state Department of Education to establish a statewide, anonymous reporting system to support threat assessment teams with the goal of reducing violent incidents.



Sen. Matt Williams

The reporting system – to be named the Safe2HelpNE report line – would allow students, school staff, parents and community members to report information about concerning behavior or possible harm to people or property anonymously and free of charge by telephone, mobile app, website or email.

The report line would be available to any public or nonpublic school that has a threat assessment team and maintains a current list of contact information for at least five team members designated to receive alerts from report line staff 24/7.

As introduced, the bill would have appropriated \$899,000 in general funds for the reporting system in fiscal year 2021-22 and FY22-23. At the end of 10 years, the department would report cost-benefit data and recommendations to the Legislature regarding the continued viability of the report line.

Williams offered an amendment on select file that instead would state a legislative finding that the COVID-19 pandemic has impacted the health

and well-being of Nebraska students, resulting in the need for the reporting system. He said the language would allow the state to use federal CARES Act funds to pay for the bill’s provisions through FY22-23.

The department then would conduct the cost-benefit analysis and report to the Legislature with recommendations regarding continued funding.

The amendment also would require parental notification within a reasonable period of time if a report regarding a student is deemed credible, unless such notification reasonably could be believed to contribute to the endangerment of the student or others.

Williams said the provision would address concerns that parental involvement was left out of the original bill.

Sen. Mike Groene of Norfolk cited those concerns in his opposition to LB322 during general file debate and called the amendment an improvement. Students ultimately are the responsibility of parents and not the school system, he said.

“At the end of the day, they’re somebody’s children,” Groene said.

Kearney Sen. John Lowe expressed concern that students may make unfounded reports through the system that would have long-range repercussions.

“I’m still worried,” he said. “We may save lives by doing this, but may we also damage other lives by doing this?”

Following adoption of the Williams amendment on a 41-0 vote, senators advanced LB322 to final reading by voice vote.

Earlier transition services for students with disabilities advanced

Senators gave first-round approval April 6 to a bill that would require Nebraska public schools to provide

transition services to each student with a developmental disability two years sooner.

Schools currently are required to provide a coordinated set of activities that help prepare qualified students for life after high school – including postsecondary education, vocational training, integrated employment, continuing and adult education, adult services, independent living and community participation – beginning when they turn 16.

Under LB527, sponsored by Fremont Sen. Lynne Walz, schools would begin providing transition services to those students when they turn 14.



Sen. Lynne Walz

Walz said most Nebraska school districts already start providing such services to students at age 14, but some districts in rural areas do not.

“Those two years could make all the difference in creating meaningful individual transition plans,” she said.

In the bill’s fiscal note, the state Department of Education indicated the need to hire additional staff to serve more students, at a cost of \$141,000 in fiscal year 2021-22 and \$146,500 in FY2022-23.

Walz said that expenditure would make Nebraska eligible for approximately \$1.3 million in federal funds for transition services over those two years.

“Currently, we are not taking full advantage of the federal tax dollars available to us,” Walz said, “and with this small investment, we could greatly improve the lives of special needs students in our rural areas.”

Senators voted 37-0 to advance LB527 to select file.

GENERAL AFFAIRS

Omnibus liquor law bill amended, advanced

After debate spanning two days, lawmakers amended a bill that would make a number of changes to Nebraska's liquor laws before advancing it from select file April 6.

LB274, introduced by Sen. John Lowe of Kearney, would create a new promotional farmers market special designated license. Under the bill, farm wineries, craft breweries and micro-distilleries that currently are licensed to manufacture alcoholic beverages could apply for the SDL, which would allow sales at any farmers market for one year, subject to local approval.

Currently, such entities must apply for an SDL for each event at which they sell alcohol.

The bill was amended on general file to include provisions of LB578, introduced by Omaha Sen. Tony Vargas. The provisions would create a new category of alcoholic beverage and set the excise tax at 95 cents a gallon. Ready-to-drink cocktails would be charged \$3.75 per gallon without creation of the new category, which defines a ready-to-drink cocktail as spirits in an original container with up to 12.5 percent alcohol by volume.

Also included are provisions of LB72, introduced by Sen. Suzanne Geist of Lincoln. Those provisions

would allow the holder of a Class C or Y liquor license to sell alcohol not in the original package — such as a mixed drink, cocktail or wine slushies — for consumption off the premises. The holder of a Class I liquor license could do the same if the alcohol is not partially consumed and is purchased with food.

Geist introduced an amendment during select file debate March 31, adopted 41-0, that would require Class C, I and Y liquor license holders to inform the Nebraska Liquor Control Commission of their intention to sell alcohol not in its original package for off-premises consumption when applying for or renewing a license.

Lowe offered an amendment that would allow the holder of a Class B, C, D, L, Y or Z retail liquor license to sell alcohol to an individual 21 or older who is in a motor vehicle if the alcohol is sold along with food. The proposal would require alcohol to be placed in the vehicle's trunk or in an area behind the last upright seat.

A licensee that chooses to sell alcohol in this manner would be required to provide notice to the LCC.

Sen. Megan Hunt of Omaha supported the amendment. She said the provisions — originally authorized under an executive order signed by the governor in 2020 — have worked well over the past year.

"We did not see an increase in fatalities from drunk driving," Hunt said.

North Platte Sen. Mike Groene said he originally supported LB274 but could no longer do so with the Lowe amendment attached. He said the amendment may have been intended to apply to grocery stores, but that its scope was broad enough to include



Sen. Suzanne Geist



Sen. John Lowe



Sen. Tony Vargas

any alcohol vendor.

"I don't know of a liquor store that doesn't sell a candy bar or a bag of chips," Groene said.

Lawmakers adopted the Lowe amendment on a 36-1 vote.

Groene introduced an amendment when select file debate resumed April 6 that would allow Nebraska micro-distilleries to produce up to 100,000 gallons annually. Under current law, microdistilleries are limited to production of 10,000 gallons annually.

Groene said some distilleries have shut down after reaching the current production cap.

"We need to fix this issue so they can grow," he said.

Senators adopted the Groene amendment 40-0 and advanced LB274 to final reading on a voice vote.

JUDICIARY

Juvenile legal counsel measure advanced

Lawmakers advanced a bill from general file April 7 that would ensure legal representation for juveniles facing removal from their home by the state.

Under LB307, sponsored by Lincoln Sen. Patty Pansing Brooks, if a juvenile waives the right to legal counsel, the court would be required to affirmatively show that the juvenile would not be removed from their home or detained outside of the home:

- between adjudication and disposition of the case;
- during any probationary period;
- or



Sen. Patty Pansing Brooks

- in response to an alleged probation violation.

Pansing Brooks said the bill would ensure counsel in cases when the consequences for a child are the most severe.

“[Juveniles] do not even begin to have a grasp of our legal system or any of their rights because, of course, they are kids,” she said.

The Nebraska State Supreme Court would develop a process to ensure that a juvenile is provided with an opportunity to consult counsel in making the initial decision to waive counsel.

A Judiciary Committee amendment, adopted 29-3, removed a requirement in the original bill that a prosecutor waive the possibility of any pre- or post-adjudication out-of-home placement for a juvenile who waives counsel.

Supporting the bill was Sen. John Cavanaugh of Omaha. He said it would create a more just legal system that serves the needs and rights of all citizens.

“This bill will create a structure that will allow – when the most serious repercussions are being held over a [juvenile’s] head – that they have the opportunity to consult with someone who understands the process and understands what’s going to happen down the road ... if things don’t go their way,” Cavanaugh said.

Lincoln Sen. Suzanne Geist raised concerns about language in LB307 that she characterized as unclear, but said she supported its goals. She said the outcomes of juvenile court cases can have a direct impact on an individual’s future involvement with the legal system.

“If we do a good job in juvenile court, detention and treatment, my hope is that we can slow the progression into adult court to a trickle,” Geist said.

North Platte Sen. Mike Groene

offered an amendment to reinstate the provision removed by the Judiciary Committee amendment. He ultimately opposed the bill, saying it would violate a juvenile’s constitutionally protected right to represent themselves in court.

Omaha Sen. Justin Wayne opposed the Groene amendment. Current state law prohibits minors from entering into contracts due to their lack of maturity, he said, but does not explicitly prohibit them from making serious legal decisions on their own.

“They can’t even enter into [a contract] to buy a car when they’re 16 but we expect them to navigate a system that has lifelong consequences,” Wayne said.

Groene withdrew his amendment and senators voted 29-2 to advance LB307 to select file.

Judicial salary increases advanced

Nebraska judges would receive a raise under a bill advanced from general file April 9.

LB386, sponsored by Omaha Sen. Steve Lathrop, would increase 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, Lathrop said, so those judges also would receive a salary increase.

“It is important if we are going to attract and retain good quality lawyers to serve the state – typically coming from

their highest earning years – that every two years we fix their wage and provide for a raise in their pay,” he said.

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

Omaha Sen. Megan Hunt opposed the bill. Nebraska Supreme Court judges should not be “rewarded” with a pay increase, she said, after they prevented a proposed constitutional amendment to legalize medical marijuana from appearing on the 2020 general election ballot.

“The court disregarded an unequivocal request from the people of Nebraska who pay the taxes that pay their salaries,” Hunt said.

Senators voted 37-1 to advance LB386 to select file.

Financial assistance for assault patients clears first round

Individuals who have experienced domestic or sexual violence could avoid a lengthy and expensive reimbursement process under a bill advanced from general file April 6.

Under LB497, sponsored by Bennington Sen. Wendy DeBoer, a health care provider could apply to the Nebraska Crime Victim’s Reparations Program for reimbursement of costs associated with treating or examining an individual’s injuries directly related to sexual assault or domestic abuse.

The reimbursement would cover the portion of costs that are not covered by insurance or other sources and typically would be paid by the patient. Currently, a person receiving such services would be billed and be



Sen. Steve Lathrop



Sen. Wendy DeBoer

required to pay for the services before then applying for reimbursement.

DeBoer said she introduced the bill to ensure that potential medical costs do not pose a barrier to individuals seeking needed medical care.

“This existing process creates financial stress for a survivor and delays payment to providers,” she said. “LB497 provides a more direct process, allowing a hospital to apply directly to the CVR program for reimbursement of costs that would otherwise be billed to the victim.”

A Judiciary Committee amendment, adopted 42-0, would require that a health care provider obtain a patient’s consent before applying for reimbursement. It also would add child abuse as an offense eligible for reimbursement.

Omaha Sen. Megan Hunt supported LB497, saying Nebraska can and should do more for survivors and victims of sexual assault.

“We know that so many survivors of sexual assault are under the age of 18,” she said. “We need to give them the support that they need in order to recover from that experience and go on to get their life back on track.”

Senators advanced the bill to select file on a 44-0 vote.



Retirement bill clears first round

A measure that would shorten the amortization period for certain state retirement plans was amended to address a shortfall in the judges’ retirement plan and advanced from general file April 7.

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 employee retirement plans. Beginning



Sen. Mark Kolterman

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

The bill also would authorize the actuary to combine or offset certain amortization bases to reduce future volatility.

Discussion focused on provisions of a Nebraska Retirement Systems Committee amendment that would add provisions of LB24, also introduced by Kolterman. The provisions would increase several court fees — and the earmarked amount of other court fees — to provide additional revenue to cover a shortfall in the judges’ retirement plan.

Under the committee amendment, several court fees would increase beginning July 1, 2021, and rise incrementally until July 1, 2025.

Kolterman said the judges’ retirement plan has been funded by contributions from Nebraska’s judges and court fees since it was established in 1955. The plan does not include an employer contribution, he said, and revenue from court fees has declined steadily in recent years due to an increase in pretrial diversion programs and waivers.

This trend accelerated during the 2020 pandemic, Kolterman said, resulting in a 22 percent decrease in revenue for the judges’ retirement plan and an actuarially required payment from the state of \$1.4 million.

Omaha Sen. John Cavanaugh offered and later withdrew an amendment that would have halted the increase in court fees after 2023. The state needs to fund the judges’

retirement plan adequately, he said, but should not fund essential government responsibilities through fees — particularly when the impact is felt disproportionately by those least able to afford those fees.

“We are incarcerating people based off of their inability to pay [court fees],” Cavanaugh said.

Sen. Justin Wayne of Omaha also offered and withdrew an amendment that would have funded the shortfall through a \$3 million direct transfer from the state’s General Fund to the judges’ retirement plan.

The state has the resources to ensure that the retirement plan is fully funded, he said, and shouldn’t rely on a revenue stream that could infringe on people’s ability to access the courts and exercise their constitutional rights.

“We have more money in the budget than we can allocate,” Wayne said.

Kolterman said he is working on an amendment to be offered on select file that would halt the proposed fee increases if the judges’ retirement plan is 100 percent funded for more than two consecutive years.

The committee amendment, which also includes provisions of Kolterman’s LB16 that would add a 5 percent state contribution to the judges’ retirement plan starting July 1, 2023, then was adopted 38-2.

Following adoption of the committee amendment, senators voted 35-5 to advance LB17 to select file.



Joint hearing for property tax request increases advanced

Counties, cities, school districts and community colleges seeking to

increase the amount of property taxes they collect first would have to hold a joint public hearing under a bill advanced from general file April 7.

Under current law, the governing bodies of nine different political subdivisions may increase their property tax requests after holding a public hearing called for that purpose and by passing a resolution or ordinance.

Under LB644, as introduced by Sen. Ben Hansen of Blair, those political subdivisions could increase their property tax requests only if they first participate in a joint public hearing.



Sen. Ben Hansen

The bill would require counties to notify affected taxpayers of the hearing by postcard, the cost of which would be shared by the political subdivisions seeking to increase their property tax request.

Hansen said the large number of taxing entities in Nebraska makes it difficult for taxpayers to attend each one's budget meeting. LB644 would require representatives from each political subdivision intending to increase property taxes to gather in one place, he said, improving communication between citizens and their local government.

"A simple thing such as a postcard and a meeting with elected officials can go a long way with the public," Hansen said.

The proposed hearing would be held after 6 p.m. between Aug. 20 and Sept. 20 and would be open to public testimony. Its agenda would include only the property tax request proposals.

Under a Revenue Committee amendment, adopted 36-1, the joint hearing requirement would apply only to counties, cities, school districts and community colleges.

If one of those political subdivisions includes an area in more than one county, it would be deemed to be within the county in which its principal headquarters are located.

Under the amendment, the hearing would be held on or after Aug. 20 and before Sept. 27 and before any of the participating political subdivisions file their adopted budget statement.

The amendment also adds information to be printed on the postcard. It would include the property's assessed value in the previous and current tax years, the amount of property taxes due in the previous and current tax years for each participating political subdivision and the change in the amount of property taxes due for each participating political subdivision from the previous tax year to the current tax year.

The postcard also would include the name of the county that will hold the joint public hearing, a listing of and telephone number for each participating political subdivision and the amount of each political subdivision's property tax request.

Sen. Steve Halloran of Hastings introduced an amendment, adopted 35-1, that includes his LB189. It would repeal a provision allowing political subdivisions to delay paying a refund of real or personal property taxes by declaring a hardship.



Sen. Steve Halloran

Under current law, if a political subdivision lacks sufficient funds to pay a refund, the county treasurer registers it as a claim against the political subdivision and issues a receipt to the person entitled to the refund.

Halloran's proposal would require the political subdivision's governing body to make provisions in its next budget to pay the refund. It also would

eliminate a current provision allowing political subdivisions up to five years to pay the refund.

Under the amendment, interest would accrue at a rate of 9 percent on the unpaid balance beginning 30 days after the entry of the final non-appealable order or other action approving the refund.

Sen. Lou Ann Linehan of Elkhorn supported the Halloran amendment, saying taxpayers must pay political subdivisions 14 percent interest on delinquent property taxes.

"It seems to me that it's more than a little reasonable — if they're not going to pay me back money they owe me — that they would pay me interest," she said.

Linehan also supported LB644 and the committee amendment. Under Hansen's proposal, she said, taxpayers for the first time would receive detailed information on how increasing valuations would affect their total property tax bill before political subdivisions adopt their budgets.

If such a requirement had been in place in recent years, Linehan said, the Legislature might not be spending approximately \$700 million in property tax relief over the next two years.

"We have a messed up system, and this is a great step in the right direction," she said.

Albion Sen. Tom Briese also supported LB644, saying the proposed postcard could be an "eye-opener" that encourages public engagement in the local budgeting process.

He also supported Halloran's amendment, saying a taxpayer who wins a valuation appeal should not have to "bankroll" their local government.

"You should be able to get your money back," he said. "And if you can't, I think some interest is appropriate to encourage and incentivize the counties to get you paid back."

Sen. John Arch of La Vista support-

ed LB644 on the first round of debate but said he would work with Hansen to amend the bill on select file.

Arch said he was concerned that property tax increases due to wage inflation or real property growth — particularly in Sarpy County — could trigger the proposed joint hearing. Arch also suggested that the state share the cost of creating and mailing the postcards.

Omaha Sen. Megan Hunt opposed LB644, saying it would impose an unfunded mandate on counties when many senators are focused on controlling local government spending.

“I trust local elected officials to handle their business,” she said. “I don’t think that they need us to babysit them and make them do this when in Nebraska we are already very mindful of taxation and spending.”

Senators voted 36-1 to advance the bill to select file.

URBAN AFFAIRS

Expanded SID authority clears first round

Sanitary and improvement districts could build off-street parking facilities under a bill that advanced from general file April 6.

LB81, introduced by Sen. Robert Hilke-mann of Omaha, would enable SIDs to acquire, purchase, own, erect, construct, equip, operate or maintain off-street parking facilities.

The bill’s intent, Hilkemann said, is for businesses operating outside of city limits to provide parking for their



Sen. Robert Hilkemann

employees and customers.

“These structures are to be built for the purpose of business,” he said.

Bellevue Sen. Carol Blood supported the bill. She said it would aid responsible development and foster affordable housing.

“Bellevue wouldn’t be Bellevue without SIDs,” Blood said.

Senators advanced LB81 on a 31-0 vote.

Home inspectors registry advances

Home inspectors in Nebraska would be required to register with the state under a bill advanced from general file April 6.

LB423, introduced by Omaha Sen. Steve Lathrop, would require Nebraska home inspectors to register with the Nebraska secretary of state,



Sen. Steve Lathrop

pay a registration fee and provide a certificate of general liability insurance of not less than \$250,000.

LB423 would take effect Jan. 1, 2023, and violations of the bill’s provisions would be a Class IV misdemeanor.

Under current law, home inspectors are not required to be licensed or register with the state, Lathrop said, leaving home buyers without recourse if inspectors overlook a defect that is costly to repair.

“The goal is simply to provide a minimum level of accountability for home inspectors and provide Nebraskans with some protection when making what is often the largest purchase of their lives,” he said.

An Urban Affairs Committee amendment, adopted 43-0, would establish a maximum registration fee of \$300 and allow an inspector to list any national home inspection certification he or she holds.

Lawmakers advanced LB423 to select file on a 41-0 vote. ■

Unicameral Youth Legislature registration open

High school students with an interest in law, government, leadership or public speaking are encouraged to register for the 2021 Unicameral Youth Legislature, which will convene June 13-16.

The Unicameral Youth Legislature is a four-day legislative simulation conducted at the State Capitol Building and coordinated by the Clerk’s Office of the Nebraska Legislature. Student senators will sponsor bills, conduct committee hearings, debate legislation and discover the unique process of the nation’s only unicameral.

Students will learn about the inner workings of the Legislature directly from senators and staff. Bills will be based on legislation considered during the current legislative session.

The University of Nebraska-Lincoln’s Extension 4-H Youth Development Office coordinates housing and recreational activities for the camp as part of their Big Red Summer Camps program.

Registration forms can be obtained from the Legislature’s Unicameral Youth Legislature page: www.NebraskaLegislature.gov/uyl.

The registration deadline is May 28.

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