

Legislature adjourns sine die, 15 senators depart

The second session of the 108th Legislature adjourned sine die April 18.

Senators leaving the Legislature due to term limits are: Thurston Sen. Joni Albrecht, Bellevue Sen. Carol Blood, Brainard Sen. Bruce Bostelman, Gordon Sen. Tom Brewer, Bayard Sen. Steve Erdman, Hastings Sen. Steve Halloran, Elkhorn Sen. Lou Ann Linehan, Kearney Sen. John Lowe, Omaha Sen. Mike McDonnell, Omaha Sen. Tony Vargas, Fremont Sen. Lynne Walz, Omaha Sen. Justin Wayne and Lincoln Sen. Anna Wishart.

Dunbar Sen. Julie Slama is not seeking reelection and Sen. Fred Meyer of St. Paul, who was appointed last year, has chosen not to run for election.

In his address to lawmakers, Gov. Jim Pillen said senators should be proud of their accomplishments during the



Gov. Jim Pillen said he plans to call lawmakers back to the Capitol to address property tax reform.

108th Legislature, which included passage of two “fiscally conservative” budgets, investments in Nebraska’s health care system, improvements to child care access and protection of Nebraska infrastructure from global adversaries.

He said the Legislature’s decision not to pass a property tax relief package, however, was “unacceptable,” and he vowed to call senators back for a special session later this year.

“With this Legislature’s failure to enact meaningful property tax

relief, we’re behind at the first half, but we’ve still got a second half to go,” Pillen said. “I will call as many [special] sessions as it takes to finish the long overdue work of solving our property tax crisis.”

Additionally, the governor said he would convene a

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Tax relief measure passed over, special session suggested

Lawmakers passed over Gov. Jim Pillen’s property tax relief proposal on final reading April 18 without voting on it, ending consideration of the bill this session.

LB388, as introduced by Elkhorn Sen. Lou Ann Linehan, would have made a technical change to state law regarding the sales tax rate.

A Revenue Committee amendment would have replaced the bill with a proposal to increase the state sales tax rate, impose sales tax on the

purchase of certain items and services and eliminate exemptions for others.

The additional revenue would have funded a companion proposal that would have ended the refundable income tax credit against school taxes paid that was created under LB1107 in 2020. It instead would have “front loaded” the funds allocated to the credit by increasing foundation aid to public schools, reducing their reliance on property taxes.

On select file April 10, Linehan

introduced an amendment, adopted 28-6, that replaced the bill with a proposal retaining many of the committee amendment’s provisions but leaving out the proposed rate increase.

The Legislative Fiscal Analyst estimates that the bill as amended would have reduced state general fund revenue by \$160.5 million in fiscal year 2024-25. It would have increased general fund revenue by approximately \$35.8 million in FY2025-26 and \$40.8

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Legislature adjourns sine die, 15 senators depart

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special session to enact “winner-take-all” legislation to end Nebraska’s split system of awarding electoral votes if there is sufficient legislative support.

“Enjoy halftime,” Pillen said in his closing remarks. “We’ll see you again here soon.”

La Vista Sen. John Arch, Speaker of the Legislature, thanked senators for their hard work during the 60-day session, which resulted in the passage of 370 bills.

“Within those pieces of legislation are good government policies that will grow our economy, workforce and our community, strengthen our K-12 education, provide more support to our families, reform our criminal justice system, protect our valuable resources and improve the physical and mental well-being of Nebraskans,” he said.

In addition to legislative accomplishments, Arch said, senators should also be proud of their efforts to increase public accessibility to the Legislature. Improvements include the addition of an “easy-to-follow” bill tracker on the Legislature’s website and updates to the online public



Senators gather in the George W. Norris Chamber for a final group photo on the last day of the 2024 session.

comment options, he said.

Finally, Arch praised senators for successfully hitting the “reset button” after last year’s acrimonious legislative session that resulted in prolonged filibusters and division among lawmakers. This year, senators improved communication and worked together to find compromise in order to pass legislation, he said.

“We took the 60-day opportunity to define ourselves as a solutions-focused, problem-solving Legislature,” Arch said, “and for that, Nebraskans will benefit.”

The first session of the 109th Legislature is scheduled to convene Jan. 8, 2025. ■

UNICAMERAL UPDATE

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Tax relief measure passed over, special session suggested

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million in FY2026-27.

Linehan's amendment would have imposed sales tax on candy and soft drinks and ended exemptions for the cleaning and repair of clothing, lottery tickets and certain veterinary services.

One new provision would have ended the LB1107 credit and created the Property Tax Relief Act, beginning with tax year 2024.

Under the program, the state would have disbursed funds to counties, which then would have credited each parcel based on the school district taxes levied. The credit would have appeared on the parcel's property tax statement.

The total amount of relief granted for tax year 2024 would have been \$750 million. After that, the amount would have increased by \$30 million per year.

Another new provision would have increased Nebraska's refundable credit based on the federal Earned Income Tax Credit. The state credit would have increased from 10% of the federal credit to 15% beginning with tax year 2025.

The Linehan amendment would have raised the excise tax on a package of cigarettes from 64 cents to \$1 and imposed a 25% tax on consumable hemp products.

It also would have increased the tax on electronic nicotine delivery systems containing 3 milliliters or less of consumable material from five to 10 cents per milliliter. The tax on systems containing more than 3 milliliters would have increased from 10 to 20%.

Sen. Jana Hughes of Seward offered a select file amendment, adopted 25-12, that instead would have imposed a 20% tax on all electronic nicotine delivery systems.



Sen. Lou Ann Linehan said the Revenue Committee worked diligently with stakeholders to try and pass LB388 this year.

Taxing vaping products at wholesale would bring Nebraska in line with the majority of states that impose a tax on those products, Hughes said.

Linehan's amendment also would have imposed a 7.5% tax on companies doing business in Nebraska if their gross advertising revenue exceeds \$1 billion.

Dunbar Sen. Julie Slama introduced an amendment to strike those provisions.

She said the measure would violate federal law by effectively taxing only digital advertising services and not comparable offline services. A similar Maryland law passed three years ago has been the subject of numerous lawsuits, Slama said.

Sen. Megan Hunt of Omaha supported Slama's amendment, saying the tax would hurt small businesses that rely on large digital advertising companies to promote their products and services.

The amendment failed on a vote

of 18-18.

Beginning July 1, 2024, Linehan's amendment also would have limited the annual increase in a political subdivision's property tax request to no more than 3% or the percentage change in the consumer price index, whichever is greater.

Several exceptions to the limit would have applied, including increases based on real property growth and amounts approved by voters.

A political subdivision also could have increased its property tax request authority by an amount needed to implement a 6% increase in compensation for understaffed law enforcement officer, firefighter or corrections officer positions.

Omaha Sen. Jen Day offered an amendment under which that exception also would have applied to the amount of property taxes budgeted for vehicles, equipment, capital improvements, technology and compensation

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DEPARTING SENATORS

THIS YEAR MARKS THE END OF SERVICE FOR FIFTEEN SENATORS. BEFORE ADJOURNMENT, DEPARTING SENATORS ADDRESSED THEIR COLLEAGUES, REFLECTING ON THEIR TIME IN THE NEBRASKA UNICAMERAL.



SEN. JONI ALBRECHT

“It’s just an unbelievable honor and privilege to have served in this legislature and with all of you.”



SEN. CAROL BLOOD

“Today, I do not say goodbye, but I do say try to do better each and every day to make Nebraska residents proud and for the greater good of all.”



SEN. BRUCE BOSTELMAN

“We’ve seen many challenges during these years and we came together to meet the needs of family, of neighbors and strangers alike.”



SEN. TOM BREWER

“We have so many days on this Earth and that’s not for us to determine ... so you’ve got to squeeze everything you can out of those moments and don’t look back with regret.”



SEN. STEVE ERDMAN

“I’ve never been in the military – I’ve never been in a foxhole – but I think what we do here, and the camaraderie we have, is similar to that. We made friends for life here.”



SEN. STEVE HALLORAN

“I don’t think any one of my fellow senators came here thinking only of themselves ... you came here for the future of Nebraska ... to make it a better place than you found it.”



SEN. LOU ANN LINEHAN

“Don’t be afraid to ask questions. Don’t be afraid to admit you don’t know everything. Don’t be afraid to try big things ... the only thing you should worry about is your conscience.”



SEN. JOHN LOWE

“I wish to thank all of you for serving with me and I’m humbled to have served with you.”



SEN. MIKE MCDONNELL

“Working together, we can make a difference going forward ... it’s not about us, it’s about the citizens of Nebraska that we all serve.”



SEN. FRED MEYER

“It’s been one of the pleasures of my life to serve with you ... my appreciation, from my heart, goes out to all of you.”



SEN. JULIE SLAMA

“To the staff and to the pages, don’t you dare listen if somebody tells you to wait your turn when the opportunity to serve comes up.”



SEN. TONY VARGAS

“The greatest professional experience I’ve had in my lifetime has been doing this work right here and being with you in this work.”



SEN. LYNNE WALZ

“Learn to embrace change. Learn to listen and empathize. Learn to humble yourselves and put others first and you will be changed for the better.”



SEN. JUSTIN WAYNE

“Even to those who I don’t always see eye to eye [with] I hold your perspective in high regard. Your dedication to Nebraska inspires all of us.”



SEN. ANNA WISHART

“Lean into differences – seek out people who challenge you and inspire you. Climb a mountain together, both literally and figuratively, because it’s in those spaces of differences where making a difference occurs.”

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requirements related to law enforcement, fire safety, corrections and public safety communications.

Day said the cap in Linehan's amendment would be too restrictive for the state's fastest growing communities, including Gretna.

The amendment failed on a vote of 10-20.

Sen. Danielle Conrad of Lincoln introduced an amendment that would have added county attorneys and public defenders to the exception for pay increases. It failed on a vote of 15-20.

Bayard Sen. Steve Erdman opposed Linehan's amendment, saying it would provide only a small amount of additional property tax relief.

Erdman offered an amendment that he said would strike all of the Linehan amendment's provisions except the taxing authority cap and the frontloading of the LB1107 funds. The latter would provide property tax relief to Nebraskans without requiring them to claim a credit, he said.

Conrad supported Erdman's amendment, saying it would avoid a



Sen. Julie Slama said LB388 would enact one of the largest tax increases in state history.

tax increase that disproportionately would affect low-income Nebraskans while more equitably distributing the LB1107 funds.

Even with the proposed increase to Nebraska's credit based on the EITC, she said, Linehan's proposal "puts more pressure on working families than it provides relief."

Erdman's amendment failed on a vote of 18-19.

Lawmakers then voted 28-14 to advance LB388 to final reading.

On the final round of debate April 18, Slama offered a motion to return the bill to select file and strike the enacting clause. She said the only Nebraskans who would pay less

in taxes under the measure are the minority of property owners who currently do not claim the LB1107 credit.

Slama and others said the Legislature could create a better proposal to reduce property taxes in a dedicated special session.

"I would rather handle this specific issue, our tax code, in a longer process over [a] special session when it's the one thing we're focused on," she said.

Linehan said LB388 would result in a tax shift, not an increase, and that the proposal would do what many stakeholders have suggested by broadening the state's sales tax base. Linehan added that she was "willing" to return for a special session on tax policy.

"But I hope we have a lot of conversations between now and then about all your perfect answers to this problem," she told opponents, "because it's easy to say 'no, no, no.'"

At Linehan's request, Speaker John Arch of La Vista passed over LB388. The Legislature moved to the next item on the agenda without voting on the bill, ending debate on it this session. ■



Sen. Jen Day said growing cities need greater flexibility in their property tax asking.

AGRICULTURE

Agriculture proposal clears final round

Lawmakers passed an omnibus agriculture measure April 11.

LB262, introduced by the Agriculture Committee, clarifies and combines terms within the Nebraska Pure Food Act to align with the federal Food and Drug Administration Food Code and adds insect production to the definition of an agricultural product in state law.

The bill includes the provisions of four additional measures considered by the committee this session.

Portions of Sumner Sen. Teresa Ibach's LB999 transfer licensure and regulation of hemp cultivation from the state Department of Agriculture to the U.S. Department of Agriculture, beginning Jan. 1, 2025. The provisions also terminate the state Hemp Commission and the Hemp Promotion Fund, and transfer any money in the fund to the state's Noxious Weed Cash Fund.

The state will continue to regulate the transportation of hemp.

Provisions of Ibach's LB1061 increase the checkoff assessment collected under the Nebraska Corn Resources Act at the time corn enters commercial channels from 0.5 cents per bushel to 1 cent per bushel, beginning Oct. 1. The measure also reduces the percent of the Nebraska Corn Board's budgeted expenditures that can be used to influence federal legislation.

The provisions of LB321, sponsored by Plymouth Sen. Tom Brandt, change

regulations under the Nebraska Pure Food Act related to the cottage food industry – which authorizes the sale of foods prepared in private homes and sold directly to consumers. The provisions allow such producers to sell certain time- and temperature-controlled items to consumers in person.

Senators passed LB262 on a 47-0 vote.

Foreign land ownership restrictions updated

Lawmakers passed a measure April 11 intended to modernize restrictions on foreign ownership of land in Nebraska.

LB1301, introduced by Niobrara Sen. Barry DeKay on behalf of Gov. Jim Pillen, adds a number of conditions to the right of foreign individuals or foreign-owned companies to own land in the state.

Under the bill, Individuals and entities are subject to greater scrutiny and restrictions on land ownership in Nebraska if they are on the sanctions list maintained by the federal Office of Foreign Assets Control of the U.S. Department of the Treasury or determined by the U.S. Secretary of Commerce as having engaged in a long-term pattern or serious instances of conduct significantly adverse to U.S. national security.

Among other provisions, the measure allows individuals to report suspected foreign ownership of land by a restricted entity, and the state Department of Agriculture is required



Sen. Tom Brandt

to investigate suspected violations and refer them to the state attorney general or, if necessary, retain outside counsel.

The court may terminate a lease that is in violation of the bill and the state may sell any real estate acquired under the bill's divestment provisions.

LB1301 passed on a 46-0 vote.

Nitrogen reduction incentive program created

Senators approved creation of a program April 11 to incentivize the reduction of nitrogen use in Nebraska farming practices.

LB1368, sponsored by Sumner Sen. Teresa Ibach, creates a nitrogen reduction incentive program to be administered by the state Department of Natural Resources. The program will provide an annual incentive of \$10 per acre to qualified farmers who verify a reduction in commercial fertilizer rates of either 40 pounds per acre or 15% by incorporating a qualifying product into the farm's nutrient plans.

The program is be funded through a one-time transfer of \$1 million from the Water Resources Cash Fund to a newly created Nitrogen Reduction Incentive Cash Fund, and \$100,000 in general funds in fiscal year 2024-25 and FY2025-26.

The department may apply for additional state, federal or private grant funding.

LB1368 passed on a 42-0 vote.



Sen. Teresa Ibach



Sen. Barry DeKay

APPROPRIATIONS

Private school scholarship program debated, approved

Senators passed a bill April 18 that will provide millions in state dollars to fund private school scholarships

following a successful cloture vote.

LB1402, as originally introduced by Elkhorn Sen. Lou Ann Linehan, would have appropriated \$25 million in general funds in fiscal year 2024-25 to the state treasurer to provide grants to scholarship-granting organizations, who then would use the funds to provide scholarships to eligible students to pay costs associated with attending a K-12 qualified school.



Sen. Lou Ann Linehan

A qualified school is defined as any nongovernmental, privately operated nonprofit elementary or secondary school that complies with certain federal anti-discrimination provisions and fulfills the applicable accreditation or approval requirements established by the State Board of Education.

Linehan said she offered the bill as a replacement for the Opportunity Scholarships Act, which was passed by the Legislature last year. That measure, which she sponsored, allows individuals, passthrough entities, estates, trusts and corporations to claim a nonrefundable income tax credit of up to 50% of their state income tax liability on contributions they make to nonprofit organizations that grant such scholarships.

The Opportunity Scholarships Act was the subject of a successful referendum petition drive and the possible repeal of the law is slated to be on the November 2024 general election ballot.

On April 9, during first-round discussion on LB1402, Linehan said school choice in Nebraska is limited to those who can afford to move to a new public school district or pay private school tuition. She said the bill would give thousands of low-income families the same opportunity to choose the

best education for their children.

“We love school choice in Nebraska,” Linehan said. “We believe in choice – if you have the money to do it.”

She offered an amendment during general file debate that replaced a pending Appropriations Committee amendment and reduced the yearly scholarship cap to \$10 million. The state treasurer, rather than outside scholarship-granting organizations, will be responsible for overseeing the program and the treasurer may contract with an outside entity to administer it.

The amendment also repeals the Opportunity Scholarships Act.

As amended, LB1402 outlines eligibility requirements for students and contains a formula for scholarship distribution that gives first priority to students who received a scholarship under the Opportunity Scholarships Act while it existed, and their siblings.

Second priority goes to eligible students whose household income level does not exceed 185% of the federal poverty level or who have a family member actively serving in the armed forces, and those who are on an individualized education program, are in foster care or are experiencing bullying or harassment, among other criteria.

Individual scholarships are limited to 75% of the statewide average general fund expenditure for public school students. The state treasurer will report annually to the governor and the Legislature regarding the number of scholarships awarded, the number of students currently wait-listed, recipients’ demographic data and other information.

Linehan said 1,000 students have applied for scholarships under the current program, and many more have expressed interest. The \$10 million authorized in LB1402 to fund those scholarships amounts to a “rounding

error” compared to the \$1 billion lawmakers provided to public schools last session, she said.

Omaha Sen. Christy Armendariz supported the bill and the amendment. Taxpayers are obligated to educate the state’s children, she said, and many public schools are failing to do so. Only 26% of students at some schools in her district are proficient in English, Armendariz said, and math scores are even lower.

“We don’t have time to come up with other solutions,” Armendariz said. “I am quite frankly in a panic for every third grader this year who hasn’t learned to read.”

Sen. Jen Day of Omaha opposed the proposal. There are many contributing factors when public school students struggle, she said, including poverty, the impact of mass incarceration on families and childhood sexual abuse. Appropriating tax dollars to private schools isn’t the answer to those problems, she said.

“When we’re talking about a child actually being able to get an effective education, we have to address the problem holistically,” Day said.

Also speaking in opposition, Lincoln Sen. George Dungan said a direct appropriation to private schools is explicitly prohibited under the state constitution. The courts previously allowed tax dollars to fund college scholarships in Nebraska, he said, because they could be used at either public or private educational institutions. LB1402, however, provides scholarships only for K-12 private school students, he said.

Several proponents, including St. Paul Sen. Fred Meyer, said the two programs are fundamentally the same and dismissed the constitutionality argument.

“The legal question is behind us,” Meyer said.

Sen. John Cavanaugh of Omaha said LB1402 will silence the 117,000 Nebraskans who signed the referendum petition to place the repeal of the existing scholarship tax credit on the November ballot. Voters have made it clear that they want a say in how their tax dollars are used, he said, and lawmakers should not “interject” themselves and try to circumvent that process.

“The voters deserve an opportunity to be heard on this,” Cavanaugh said.

After four hours of general file debate, Linehan offered a motion to invoke cloture, which ceases debate and forces a vote on the bill and any pending amendments. The motion was adopted on a 33-13 vote. Thirty-three votes were needed.

Senators then voted 32-1 to adopt Linehan’s amendment and the committee amendment and advanced the measure to select file by voice vote.

LB1402 advanced through the second round of debate April 10. An initial vote on the bill’s passage April 18 fell one vote short of the 33 needed for it to take effect immediately.

Pursuant to the rules of the Legislature, a second vote was taken and LB1402 passed 32-14. The measure will take effect three calendar months after being signed by the governor as a result.

BANKING, COMMERCE & INSURANCE



Colorectal cancer screening coverage updated

Lawmakers gave final approval April 11 to a measure that changes provisions related to insurance coverage for colorectal cancer screening.

LB829, sponsored by Sen. Carol

Blood of Bellevue, prohibits insurance plans in Nebraska from charging deductibles, coinsurance or any cost-sharing requirement on a service or item that is an integral part of performing a colorectal cancer screening.



Sen. Carol Blood

Such services include preparation medications, anesthesia, polyp removal performed during a screening procedure, pathology examinations and specialist consultations.

The bill passed on a 41-5 vote and takes effect Jan. 1, 2025.

Insurance omnibus measure clears final round

Lawmakers passed a bill April 11 that makes a number of changes to insurance regulation and real estate law in Nebraska.

As introduced by Dunbar Sen. Julie Slama, LB1073 eliminates a requirement that at least one operations review of a third-party administrator within a semiannual review period be conducted onsite. The bill instead gives



Sen. Julie Slama

the director of the state Department of Insurance discretion to require an onsite evaluation if deemed necessary.

The bill contains the provisions of eleven other measures considered by the Banking, Commerce and Insurance Committee this session.

Provisions of LB446, sponsored by Lincoln Sen. Eliot Bostar, provide a regulatory framework for peer-to-



Sen. Eliot Bostar

peer vehicle sharing in Nebraska and determine the priority of insurance liability. They require that the owner and driver be insured under a motor vehicle liability insurance policy during each sharing period and specify what such a policy must include.

Also sponsored by Bostar, the provisions of LB885 create a lung cancer screening mandate for individuals between 50 and 80 years of age who currently smoke or who quit within the past 15 years and had a 20-pack per year smoking history. The provisions prohibit a deductible, coinsurance or cost-sharing requirement for qualified individuals.

Provisions of LB1136, sponsored by Norfolk Sen. Robert Dover, increase the maximum civil fine that the state Real Estate Commission may impose on an individual performing brokerage activities in Nebraska without a license. The provisions raise the cap from \$2,500 per complaint to \$5,000 or the total amount of commission earned by the licensee in each transaction subject to a complaint.



Sen. Robert Dover

Also included in the measure are:

- LB873, sponsored by Lincoln Sen. Beau Ballard, which increases from \$500 to \$5,000 the amount of “good funds” a person acting as a real estate closing agent must have available for disbursement at the time of closing a real estate transaction;
- LB990, introduced by Bostar, which alters the Pharmacy



Sen. Beau Ballard

Benefit Manager Licensure and Regulation Act;

- LB1024, also sponsored by Bostar, which changes provisions related to documents and information provided to an independent review organization under the Health Carrier External Review Act;
- LB1135, introduced by Dover, which prohibits use of right-to-list home sale agreements and changes provisions of the Nebraska Real Estate License Act;
- LB1147, sponsored by Bostar, which provides requirements for separate investment accounts that hold assets of index-linked variable annuity contracts;
- LB1148, introduced by Blair Sen. Ben Hansen, which changes requirements relating to insurance coverage of step therapy for certain drugs;
- LB1227, sponsored by Ballard, which allows a professional employer organization to offer its covered employees any health benefit plan that meets the requirements of the Multiple Employer Welfare Arrangement Act and the federal Employee Retirement Income Security Act; and
- LB1409, introduced by Bostar, which changes provisions of the Nebraska Condominium Act related to notification requirements regarding the subdivision of a unit, creation of timeshares or proposed amendment to a declaration that adversely affects the priority of the mortgagee's right to foreclose its lien or otherwise materially affects the rights and interests of the mortgagee or beneficiary.

LB1073 passed on a 44-0 vote and takes effect immediately.

Banking regulations approved

Several updates to Nebraska banking regulations were approved by lawmakers April 11.

LB1074, introduced by Dunbar Sen. Julie Slama at the request of the state Department of Banking and Finance, amends various areas of state law and the Uniform Commercial Code by adopting updates to federal law relating to banking and finance. The bill also changes provisions relating to credit union examinations, receivership bonds and remedies under the Commodity Code.

The measure includes LB1075, also introduced by Slama, which changes provisions of the Delayed Deposit Services Licensing Act, Nebraska Installment Loan Act, Nebraska Installment Sales Act, Nebraska Money Transmitters Act and the Residential Mortgage Licensing Act.

The provisions update existing requirements for background checks of consumer finance licensees and provide a requirement for those licensees to notify the state Department of Banking and Finance of any data security breaches within three business days.

Also included in the bill are the following:

- LB710, sponsored by Sen. George Dungan of Lincoln, which modernizes and updates the State Credit Union Act;
- LB872, introduced by Elmwood Sen. Robert Clements, which prohibits acceptance of central bank digital currency by state



Sen. Julie Slama



Sen. George Dungan

and local governments as a form of payment during financial transactions;

- LB1122, sponsored by Sen. Beau Ballard of Lincoln, which changes enforcement provisions relating to written solicitations for financial products or services and increases the fine from \$1,000 to \$5,000 per violation;



Sen. Beau Ballard

- LB1176, introduced by Dungan, which regulates public entity pooled investments;
- LB1290, sponsored by Bennington Sen. Wendy DeBoer, which aims to promote the use of special needs trusts by individuals with disabilities; and



Sen. Wendy DeBoer

- LB1294, introduced by Sen. Eliot Bostar of Lincoln, which changes provisions relating to data privacy, including certain certificates and information relating to vital records, and provides for certain records to be exempt from public disclosure.



Sen. Eliot Bostar

LB1074 passed on a 47-0 vote and takes effect immediately.

Foreign land purchase measure approved

Lawmakers passed a bill April 11 that requires an affidavit for real prop-

erty purchases near sensitive military areas in Nebraska.

LB1120, introduced by Gering Sen. Brian Hardin, requires purchasers of real property that is designated as “covered real estate” under federal law to swear an affidavit stating that they are not affiliated with any foreign government or adversary.



Sen. Brian Hardin

Responsibility for determining whether an affidavit is required rests solely with the purchaser and no individual or entity other than the purchaser will bear civil or criminal liability relating to an affidavit under the bill’s provisions.

Affidavits will be submitted to the register of deeds who will send a copy to the state attorney general. A falsely sworn affidavit is a misdemeanor offense.

LB1120 passed on a 45-0 vote.

BUSINESS & LABOR

Amateur athlete income provisions, unemployment tax rate changes approved

Lawmakers passed a bill April 11 that changes state law regarding name, image and likeness income opportunities for student athletes and authorizes a temporary reduction in the state’s unemployment tax rate.

LB1393, sponsored by Blair Sen. Ben Hansen on behalf of Gov. Jim Pillen, updates provisions of state law governing NIL activity for student



Sen. Ben Hansen

athletes, which involves the use of an individual’s name, image or likeness for commercial or promotional purposes.

Under the bill, Nebraska universities may assist student athletes with creating, identifying, facilitating or supporting NIL activities. A university may compensate a student athlete for the use of their name, image or likeness only if allowed by a college athletic association policy, court order or settlement agreement.

Among other provisions, the measure also clarifies that NIL compensation of a student athlete does not inherently make the athlete an employee of the institution.

In addition, LB1393 changes the allowable yield factor when determining the combined tax rate under the state’s Unemployment Security Law and lowers the rate by 5% from Jan. 1, 2025, through Dec. 31, 2029.

The bill passed on a 42-0 vote and takes effect immediately.

EDUCATION

Nonpublic school regulations updated

Lawmakers gave final approval April 11 to a measure that loosens regulations for Nebraska private, parochial, denominational, group or home-based schools that choose not to meet accreditation requirements. Such schools commonly are referred to as “exempt.”

LB1027, introduced by Elmwood Sen. Robert Clements, simplifies the application process to attend an exempt



Sen. Robert Clements

school and aligns it with the application process for public schools. Under the bill, only one parent must apply to the state Department of Education for their child to attend an exempt school. Current law requires both parents or guardians to apply.

The bill removes the department’s authority to visit or inspect exempt schools and proctor achievement testing of exempt students. It also removes subject matter testing requirements for exempt school employees, aligning the requirements with those of public schoolteachers.

LB1027 passed on a 44-1 vote.

Education package clears final round

Lawmakers gave final approval April 11 to an omnibus education proposal.

LB1284, introduced by Fremont Sen. Lynne Walz, provides funding and resources to implement the provisions of the Computer Science and Technology Education Act, which the Legislature passed in 2022.



Sen. Lynne Walz

The bill requires the state Department of Education to employ or contract with computer science specialists to develop and deliver computer science educator training for teachers. The training will be accessible to all teachers in the state, including those seeking supplemental computer science certification.

LB1284 also establishes the Computer Science and Technology Education Fund, which the department will administer. Walz offered an amendment during select file debate April 9, adopted 39-0, under which the fund will receive \$1 million from the Education Future Fund by June 30, 2025,

and \$500,000 annually if matching private funds are raised.

Additionally, the amendment narrowed the bill by removing provisions of Walz's LB1285, which would have provided scholarships and loans to individuals who work as direct support professionals to become teachers certified in special education.

Provisions of Lincoln Sen. George Dungan's LB964 also were removed by the amendment.

Those provisions would have adopted the Special Education Teacher Forgivable Loan Program Act. Instead of providing forgivable loans, the amendment extends eligibility for the Nebraska Career Scholarship to University of Nebraska students studying special education.



Sen. George Dungan

Finally, provisions from a number of measures included in LB1284 were removed or adjusted by the amendment to lower the bill's cost. Funds for Elkhorn Sen. Lou Ann Linehan's LB1253, which provides grants for dyslexia research, were reduced from \$1 million to \$500,000 in fiscal year 2025-26. Funding for Linehan's LB1254, which funds reading improvement mentorship programs, also was reduced from \$10 million to \$1.8 million in FY2025-26.



Sen. Lou Ann Linehan

Other measures included in the bill are:

- LB985, introduced by Linehan, which clarifies that eligibility for the Nebraska Teacher Recruitment and Retention Act also requires that an applicant teach in the area of their high-need certification;

- LB986, also introduced by Linehan, which amends the Teach in Nebraska Today Act to increase the maximum grant total awarded each year from \$5 million to \$10 million;
- LB1005, introduced by Walz, which provides technical changes to carry out provisions of a 2023 Education Committee omnibus bill;
- LB1014, also introduced by Walz, which reimburses school districts and educational service units for the cost of contracting with outside agencies to cover required services of school psychologists; and
- LB1050, introduced by Lincoln Sen. Danielle Conrad, which creates a pilot program administered by the state Department of Education to provide school districts with free menstrual products in FY2025-26.



Sen. Danielle Conrad

LB1284 passed on a 42-0 vote and takes effect immediately.

Omnibus education bill approved

Senators passed a proposal April 11 that updates the Nebraska Career Scholarship Act and includes several other education-related measures.

LB1329, as introduced by Glenvil Sen. Dave Murman, updates the Nebraska Career Scholarship Act by transferring its administration from the state Department of Economic



Sen. Dave Murman

Development to the Coordinating Commission for Postsecondary Education.

The bill expands the definition of "first-time freshman" to include dual enrollment graduates, updates scholarship eligibility to a 3.0 GPA or higher and aligns reporting with census data to consider all eligible programs, retention and graduation data.

LB1329 also modifies language regarding State Board of Education policies on truancy and allows school boards to determine the length of behavioral intervention training for employees.

Included in the bill are provisions of Gordon Sen. Tom Brewer's LB1399, which permit certain school districts to authorize security personnel and off-duty law enforcement to carry firearms on school grounds and at school-sponsored activities. Participating school districts are required to have a written policy regarding qualifications, training and the appropriate use of force. The provision does not apply to public elementary or secondary schools in Class III, IV or V school districts.



Sen. Tom Brewer

Other measures included in LB1329 are:

- LB231, introduced by Lincoln Sen. George Dungan, which directs school districts to provide written communication to parents or guardians regarding excessive absences;
- LB550, introduced by Sen. Beau Ballard of Lincoln, which allows K-12 students to



Sen. Beau Ballard

attend a public school outside their district once in elementary, middle school and high school, for a total of three times before graduation;

- LB673, introduced by Blair Sen. Ben Hansen, which provides grants to schools that adopt a policy to provide emergency response mapping data to law enforcement agencies;



Sen. Ben Hansen

- LB855, sponsored by Lincoln Sen. Danielle Conrad, which prohibits school districts from contracting with a collection agency to assess or collect interest, fees or other monetary penalties for outstanding debts on a student's school lunch or breakfast account;

- LB962, introduced by Sen. Justin Wayne of Omaha, which requires public schools to exclusively use the Gall-Peters or Autha-Graph projection map for teaching purposes in the classroom;



Sen. Justin Wayne

- LB1012, sponsored by Fremont Sen. Lynne Walz, which allows the Qualified Capital Purpose Undertaking Fund to be used for abatement projects to address school safety infrastructure concerns; and



Sen. Lynne Walz

- LB1385, introduced by Sen. Kathleen Kauth of Omaha, which streamlines the approval application process for teaching certificates and creates reciprocity among states for their issuance.



Sen. Kathleen Kauth

Senators passed LB1329 on a 40-0 vote.

GENERAL AFFAIRS

Cash amusement device, co-branded alcohol regulations approved

Senators passed a bill April 11 to regulate mechanical amusement devices and co-branded alcohol in Nebraska.

LB685, introduced by Kearney Sen. John Lowe, imposes a 5% annual tax on the net operating revenue of each mechanical amusement device in the state. Such devices are cash video machines that are used for games and contests and are considered games of skill. Fraternal organizations are exempt from the annual revenue tax.



Sen. John Lowe

Revenue generated from the tax will be distributed as follows:

- 40% to the Property Tax Credit Cash Fund;
- 10% to the Nebraska Tourism Commission Promotional Cash Fund;
- 2.5% to the state General Fund;

- 2.5% to the Compulsive Gamblers Assistance Fund; and
- 20% to the Charitable Gaming Operations Fund to carry out the bill's provisions.

The remaining 25% of tax revenue will be split between the cities and counties where mechanical amusement devices are located.

Beginning Jan. 1, 2025, the bill also requires an annual licensing fee of \$5,000 for manufacturers of mechanical amusement devices and \$100 per device, up to \$5,000, for distributors.

In addition, a retail establishment offering cash amusement devices is required to generate at least 60% of their gross operating revenue from other sources under the bill. The state tax commissioner is responsible for establishing a central server to receive accurate revenue and income reporting from cash devices across the state. Once the server is operational, each cash amusement device must be connected to it at all times.

The bill also includes provisions of LB836, introduced by Lowe, which prohibit co-branded alcoholic beverages from being sold immediately adjacent to any non-alcoholic food or drink portraying cartoons or "youth-oriented images." The bill defines a co-branded alcoholic beverage as one that contains the same or similar brand name, logo or packaging as a non-alcoholic beverage.

Businesses with less than 2,500 square feet of retail space are exempt from the provision but must display a clearly visible sign stating that the co-branded beverage contains alcohol and can be purchased only by persons who are 21 years of age or older.

LB685 passed on a 46-0 vote.

GOVERNMENT, MILITARY & VETERANS AFFAIRS

Felon voting restriction eliminated

Lawmakers removed a restriction to the restoration of voting rights for felons in Nebraska April 11.

Currently, a person automatically regains his or her voting rights two years after completion of a felony sentence, including parole. LB20, introduced by Omaha Sen. Justin Wayne, eliminates this waiting period.



Sen. Justin Wayne

Senators passed LB20 on a vote of 38-6.

Omnibus election measure passed

Lawmakers gave final approval April 11 to an omnibus election measure.

LB287, sponsored by Gordon Sen. Tom Brewer, includes the provisions of several bills related to the state's election laws heard by the Government, Military and Veterans Affairs Committee this session.



Sen. Tom Brewer

Under current law, the state attorney general is required to file an action in the appropriate court within 10 days of any state officer's refusal to implement an act that has been deemed unconstitutional by a prior attorney general's



Sen. Danielle Conrad

written opinion.

LB1191, sponsored by Lincoln Sen. Danielle Conrad, repeals that section of state law.

Provisions of LB861, sponsored by Elkhorn Sen. Lou Ann Linehan, change the processes for removing a signer's name from a petition. The provisions eliminate the current requirement of a signed, sworn affidavit executed in the presence of an election commissioner, county clerk or notary public. Instead, a signer can remove their name by signing and delivering a written letter to the secretary of state, election commissioner or county clerk.



Sen. Lou Ann Linehan

Election officials will be required to verify the signature on the removal letter with the signature appearing in voter registration records. The criminal penalty for falsifying a signature withdrawal letter is the same as the penalty for signing a petition when not legally qualified to do so.

Among other provisions, LB1152, sponsored by Brewer, changes procedures for voter registration removal, presidential elector meeting locations and dates and verification of driver's licenses and state identification cards.

LB287 also includes provisions of:

- LB47, introduced by Sen. Myron Dorn of Adams, which amends the Open Meetings Act to authorize rural fire districts to post notice of their meetings prominently in three conspicuous places, instead of the current requirement to publish in a



Sen. Myron Dorn

newspaper of general circulation in the public body's jurisdiction;

- LB269, sponsored by Bayard Sen. Steve Erdman, which removes obsolete language in state law related to the 2021 redistricting process;
- LB302, introduced by Linehan, which makes a number of changes to the Nebraska Accountability and Disclosure Act regarding salary and conflict of interest disclosures;
- L B 3 1 3 , sponsored by Kearney Sen. John Lowe, which amends state election law regarding the process for filling vacancies in Nebraska's delegations to the U.S. Senate and House of Representatives; and
- LB513, introduced by Brewer, which provides for alternative means of public notice under the Open Meetings Act when timely newspaper publication is unavailable and adds two categories of public bodies that may expand use of videoconferencing for their public meetings.



Sen. John Lowe

LB287 passed on a 46-0 vote and takes effect immediately.

History Nebraska to become code agency

A state agency with a recent history of controversy will be placed under the direct authority of the governor by a bill passed April 11.

Under LB1169, introduced by Bayard Sen. Steve Erdman, the Nebraska State Historical Society – commonly known as History Nebraska – will become a code agency under Nebras-

ka state law. Code agency directors are appointed by the governor with legislative approval and report directly to the governor.



Sen. Steve Erdman

Among other provisions, the bill outlines the director's duties, which include ensuring that the study and presentation of exhibits and other material is conducted in a way that "stimulates, encourages and protects" freedom of expression and academic freedom.

LB1169 removes administrative duties from the board of trustees and instead gives them an advisory role to the director. It also prohibits the director from serving on the board of any charitable organization that provides monetary or other support to History Nebraska and requires prior approval of gifts to the agency of real property or with a monetary value of \$10,000 or more.

Senators passed the measure on a 39-4 vote.

Pacific conflict stress test requirements, Asian American commission created

A bill meant to prepare supply chains and critical infrastructure for the risk of a possible Pacific conflict was given final approval April 11.

LB1300, sponsored by Lincoln Sen. Eliot Bostar, requires an assessment of all risks to state or national security, economic security or public health in the event of a conflict involving China or other countries in the area of the Pacific Ocean and the U.S. or its allies.



Sen. Eliot Bostar

The governor will be required to publish the nonconfidential aspects of the state risk assessment annually. Unauthorized disclosure of confidential information would be a Class III misdemeanor.

In addition, LB1300 creates the Committee on Pacific Conflict and outlines membership and expectations, including production of the annual threat report. The measure also prohibits companies from designated countries from bidding on certain state or local procurement contracts.

The measure contains provisions of Bellevue Sen. Rita Sanders' LB2, which create a state Commission on Asian American Affairs. The commission will consist of 14 individuals of Asian ancestry appointed by the governor and will be tasked with enhancing the cause of Asian American rights and developing solutions to problems common to all Asian American residents of Nebraska.



Sen. Rita Sanders

LB1300 also includes provisions of five additional proposals.

Provisions of LB869, introduced by Bostar, expand the mission of county veterans service committees to encompass aid to all veterans, regardless of whether their term of service was during wartime. The provisions also clarify that a person who served on active duty for training in the Nebraska National Guard is eligible to receive assistance from county veterans service committees.

LB887, sponsored by Gordon Sen. Tom Brewer, creates the Nebraska Nonprofit Security Grant Program to be administered by the Nebraska Emergency Management Agency. The proposal outlines a list of authorized uses for grant funds, which NEMA

will begin providing Jan. 1, 2025. Individual recipient organizations will have an annual grant cap of \$100,000 and total annual grant awards are capped at \$500,000.

Provisions of LB1358, introduced by Omaha Sen. Mike McDonnell, prohibit metropolitan and primary class city council members from increasing their salaries, or the mayor's salary, in excess of inflation as calculated by the Consumer Price Index plus 1% without a public hearing, a two-thirds vote of the council and voter approval. Salaries may be raised no more than once every two fiscal years.



Sen. Mike McDonnell

The measure also sets maximum salary levels for directors of public power districts and salary limitations for metropolitan utilities districts and counties.

Finally, LB1300 includes provisions of LB1048, introduced by Bostar, which require certain chemical facilities in Nebraska to participate in a federal program relating to cybersecurity and infrastructure security and LB1243, sponsored by McDonnell, which create the Wildland Incident Response Assistance Team within the office of the state fire marshal.

The bill passed on a 46-0 vote and takes effect immediately.



Medicaid translation requirement passed

A bill that requires the state to provide coverage for all necessary translation and interpretation services

for individuals who receive Medicaid passed April 11.

LB62, sponsored by Omaha Sen. Machaela Cavanaugh, requires the state Department of Health and Human Services to provide the coverage, as well as reimbursement for providers, and to “take all actions necessary” to maximize federal funding to do so.



Sen. Machaela Cavanaugh

Funding for the measure will come from the Medicaid Managed Care Excess Profit Fund.

The bill includes provisions of Cavanaugh’s LB871 that require DHHS to submit an annual report to the Legislature by Nov. 1 of each year detailing current and anticipated Temporary Assistance for Needy Families program expenditures.

The report will include a description of each program or service funded by TANF, the number of people being served, total costs and expenditures and the TANF purpose met by each program or service.

For programs other than the Aid to Dependent Children program, the report will include a “clear statement” explaining how an expenditure for that program or service is more likely to help families achieve economic mobility and self-sufficiency than an increase in ADC expenditures.

The measure also includes provisions of Cavanaugh’s LB1237, which require a DHHS annual report on Medicaid redeterminations.

LB62 passed on a vote of 34-6.

ADC child support income exclusion approved

Lawmakers passed a bill April 11 that changes how child support is

handled for Nebraska recipients of the Aid to Dependent Children program.

Under current law, ADC recipients are required to surrender to the state any child support received from a noncustodial parent. LB233, introduced by Omaha Sen. John Cavanaugh, creates a passthrough to allow a custodial parent who receives ADC to also receive up to \$100 of the child support paid for one child and \$200 for two or more children.



Sen. John Cavanaugh

Child support income from the passthrough will be disregarded when calculating ADC monthly assistance payments.

LB233 passed on a vote of 46-0 and takes effect July 1, 2027.

Medicaid dental reimbursement increased

Lawmakers gave final approval April 11 to a bill that seeks to increase access to dental services for Nebraska Medicaid recipients.

LB358, sponsored by Fremont Sen. Lynne Walz, increases the reimbursement rate for dental services provided under Medicaid by 12.5% for fiscal year 2024-25.



Sen. Lynne Walz

The bill passed on a 47-0 vote and takes effect immediately.

Child care subsidy exemption passed

Lawmakers passed a bill April 11 to provide an exemption under the Child Care Subsidy program for certain pro-

viders who care for their own children.

Current Nebraska law prohibits the state Department of Health and Human Services from providing a subsidy to an eligible child care provider who provides direct care for their own child.

LB856, sponsored by Omaha Sen. John Fredrickson, creates an exemption if an employer has attempted to make reasonable accommodations to ensure that a provider is not caring for their own child but such an accommodation cannot be made. An eligible child care provider also may enroll their child in a program other than their own to receive a subsidy.



Sen. John Fredrickson

LB856 passed on a vote of 38-7 and takes effect July 1, 2025.

Child care measure clears final round

Lawmakers passed a bill April 11 to broaden options for determining child care provider reimbursement rates and establish intergenerational care facility grants.

Under current law, the state Department of Health and Human Services is required to conduct a market rate survey every two years to determine provider reimbursement rates under the Child Care Subsidy Program.

LB904, introduced by Bennington Sen. Wendy DeBoer, gives the department authority to consider a different federally approved methodology to determine reimbursement rates or to create their own model



Sen. Wendy DeBoer

and seek federal approval. If DHHS chooses to continue using the existing method, the bill requires that the reimbursement rate be at least the 75th percentile of the current market rate survey.

The measure also includes provisions of a bill that seeks to incentivize creation of on-site child care services in the state’s nursing and assisted living facilities.

LB1178, introduced by Lincoln Sen. Anna Wishart, creates the Inter-generational Care Facility Incentive program to provide one-time start-up grants for child care programs in nursing and assisted living facilities that are certified for Medicare or Medicaid. The program will be funded through a one-time \$300,000 appropriation from the Medicaid Managed Care Excess Profit Fund.



Sen. Anna Wishart

Certified facilities are eligible for a grant of up to \$100,000 for structural updates, outside campus space, equipment and supplies. Facilities that have been cited for providing a substandard quality of care during their most recent survey are not eligible to receive a grant.

The bill also requires DHHS to collaborate with a statewide association representing long-term care facilities and other stakeholders prior to Oct. 1, 2024, to develop the program and identify barriers that may impede the development of intergenerational care facilities.

LB904 passed on a vote of 45-0.

Prescription drug donation program created

Nebraska will establish a program to allow the donation of prescription

drugs under a bill passed April 11.

LB1035, sponsored by Sen. Jana Hughes of Seward, requires the state Department of Health and Human Services to create a prescription drug donation program to permit the donation and dispensing of qualifying prescription drugs.



Sen. Jana Hughes

Under the bill, medications may be donated by individuals or entities, including manufacturers and health care facilities. Donations must:

- undergo inspection prior to donation;
- be in original, unopened, sealed and tamper-evident packaging;
- bear an expiration date more than six months after the donation date, except in limited cases; and
- not be restricted for distribution by the U.S. Food and Drug Administration.

Participation is voluntary and the bill includes civil and criminal protections for individuals and entities that donate medications. The department will designate a nonprofit organization to administer the program.

Lawmakers passed LB1035 on a 47-0 vote.

Opioid fund changes approved

Nebraska will have new tools to address the state’s opioid crisis under a bill passed by lawmakers April 11.

LB1355, introduced by Sen. Tony Vargas of Omaha, renames the Nebraska Opioid Recovery Fund – which contains state settlement



Sen. Tony Vargas

dollars related to the opioid crisis – as the Nebraska Opioid Recovery Trust Fund and makes a number of changes to how the fund is used.

The bill directs the state treasurer to make the following annual transfers:

- \$400,000 to the state Department of Health and Human Services Cash Fund to carry out the Overdose Fatality Review Teams Act;
- \$1.25 million to the Training Division Cash Fund;
- \$3 million to the Opioid Prevention and Treatment Cash Fund, created by the bill; and
- an amount determined by the Legislature to the newly created Opioid Treatment Infrastructure Cash Fund.

LB1355 states legislative intent that 25% of the total settlement funds received by the state be transferred to the Opioid Prevention and Treatment Cash Fund and 75% to the Opioid Treatment Infrastructure Cash Fund.

Funds disbursed to the cash fund will be distributed proportionally among the state’s regional behavioral health authorities. Dollars appropriated to the infrastructure fund will be used for state and local public-private partnerships for entities engaged in opioid treatment, including capital construction and renovation. Administrative costs are capped at 5%.

Also included in LB1355 is legislative intent to appropriate \$500,000 in general funds to DHHS for distribution to local public health departments for opioid use prevention and mediation. Funds appropriated for this purpose will be offset by a reduction in the state’s appropriation to the Behavior Health Aid program.

An appropriation of \$250,000 in general funds to support research on opioid addiction and misuse prevention at the University of Nebraska

Medical Center also will be offset by a reduction in the Behavioral Health Aid appropriation.

Finally, regional behavioral health authorities and local public health departments are required to report in even-numbered years regarding the use of funds.

LB1355 passed on a 41-0 vote and takes effect immediately.

JUDICIARY

Child abuse tort claim measure amended, approved

Lawmakers passed a bill April 18 that allows political subdivisions to be sued for harm caused to a child by sexual or other abuse under certain circumstances.

LB25, as originally introduced by Omaha Sen. Justin Wayne last session, would have established a process for awarding punitive damages in civil actions.



Sen. Justin Wayne

Wayne offered an amendment to a pending Judiciary Committee amendment during general file debate April 9 that gutted the bill and instead allows civil claims involving child sexual or other abuse under the Political Subdivisions Tort Claims Act.

Claims may be filed if the harm done is a “proximate result” of a political subdivision’s failure to exercise reasonable control over an employee or failure to protect a person in their care, custody or control from harm by a non-employee.

The existing act has a cap of \$1 million and claims cannot be made

against the state.

Wayne said political subdivisions will be liable only if a victim can demonstrate that “reasonable care” was not taken to protect a child from abuse by an employee or an outside entity while a child is in the political subdivision’s care — such as on a field trip.

“Every parent is sending their kid to school with the assumption that they’re going to be ok ... but somehow this reasonable care, when it comes to sexual assault, we feel schools can’t meet that standard?” Wayne said.

North Platte Sen. Mike Jacobson opposed the amendment, saying he would prefer a measure that was limited only to schools or with a smaller cap on damages. He said attorneys for victims pursue entities that they believe will provide the most monetary gain for their clients and that are motivated to settle lawsuits.

“One thing that we always need to keep in mind is, whenever an attorney [is] representing a client — who’s suing on their behalf — they’re looking for the deep pockets,” Jacobson said.

Sen. George Dungan of Lincoln pushed back on that characterization, saying attorneys are not “ambulance chasers” but are seeking to help individuals who have been hurt.

“The reality of the situation is [that] the individuals who are doing this kind of work, the vast majority of the time, are doing so to protect and to help individuals who have been wronged, and to try to prevent that behavior in the future by virtue of holding the perpetrator accountable monetarily,” Dungan said.

Speaking in support of the bill, Bayard Sen. Steve Erdman said lawmakers should be more concerned with protecting children than protecting schools from financial liability. Schools that are doing what’s necessary to keep children safe “have nothing

to fear” from the proposal, he said.

“This is for those schools who may not be doing things right,” Erdman said. “This is trying to protect those children who are in a situation that is unacceptable.”

The Wayne amendment was adopted 32-15 and the committee amendment 27-12. The bill then advanced to select file on a 26-14 vote.

Lawmakers advanced LB25 to final reading April 10 on a vote of 28-16 and passed the bill April 18 on a 28-17 vote.

Veteran justice program created

Lawmakers approved creation of a justice program aimed specifically at the needs of the state’s veterans under a bill passed April 11.

As introduced last session by Gordon Sen. Tom Brewer, LB253 would have created a second law enforcement academy in western Nebraska. The bill was gutted this session and replaced with a proposal to establish a veteran justice program.



Sen. Tom Brewer

The program, to be created by the state probation administrator, will be available to active-duty military personnel and veterans. It will allow an individual who has committed a qualifying offense to request that a court defer entry of judgment of conviction pending completion of a case plan.

The program will be available in every district and county court and will apply to crimes committed after July 1, 2025. The program is prohibited from interfering with the operation of any existing problem-solving court.

A veteran will be eligible to participate if they can demonstrate that

a condition from military service contributed to a qualifying offense. Offenses that will exclude participation in the program include those that are not probation eligible, registerable sex offenses, a third or subsequent charge of driving under the influence or an offense that results in the death of another person.

The program requires evidence-based treatment tailored to challenges arising from military service, including PTSD and traumatic brain injury. Case plans must be developed with experts and include input from the veteran. A risk assessment must include the risk of intimate partner violence regardless of the offense.

Any documents submitted by a veteran related to a program eligibility determination are not subject to public disclosure. If a veteran is determined eligible, the court is required to notify the victim of the alleged offense.

Among other provisions, the bill also requires courts to recognize veteran status as a mitigating factor in determining sentencing and training for law enforcement, court and correctional personnel to increase their understanding of cases involving veterans.

The state court administrator is required to track outcomes for veterans who participate in the program, including completion status, recidivism, housing and employment status. An annual report will be submitted to the Judiciary Committee.

LB253 passed on a 44-0 vote.

Reentry framework for formerly incarcerated individuals approved

Lawmakers passed a measure April 11 that seeks to overhaul Nebraska’s approach to parole, probation and reentry for formerly incarcerated individuals.

LB631, sponsored by Sen. Terrell McKinney of Omaha, makes a number of changes to the state Board of Parole. Under the bill, board members are required to receive initial and ongoing training on ethics, cultural competency, implicit bias and the board’s powers and duties.



Sen. Terrell McKinney

A board member will be considered “in neglect of duty” if they miss 12 full days of hearings in a calendar year unless the absence is due to circumstances beyond the member’s control. A board member found to be in neglect of duty will be removed from the board.

In addition, the bill prohibits denial of parole for a committed offender solely because the state Department of Correctional Services delayed or did not offer necessary programming due to operational issues, including staffing shortages, maintenance issues or lack of funding.

The measure incorporates LB348, introduced by Omaha Sen. Justin Wayne, which creates the Community Work Release and Reentry Centers Act. Among other provisions, the bill enables the Division of Parole Supervision and the state Department of Correctional Services to contract with private providers to establish work release and reentry centers at various locations throughout the state.

Responsibility for certain reentry programs and services is transferred from the department to the Board of Parole with the goal of providing work release opportunities, vocational training, education, programming and behavioral and mental health treatment prior to full parole.

The measure also creates the Reentry Continuity Advisory Board to

identify areas for collaboration on reentry issues. Among other members, the advisory board will include representatives of the department and the Board of Parole, as well as a formerly incarcerated individual, a victims’ rights representative and individuals with expertise in public policy, mental and behavioral health and restorative justice.

The advisory board will assist in establishing and evaluating performance metrics for probation staff and provide an annual report detailing the outcomes of parole decisions, reentry efforts, recidivism rates and challenges encountered.

Among other provisions, LB631 also prohibits a state agency or political subdivision from excluding an individual from consideration for a program grant solely because he or she currently is or previously was on probation or parole.

Finally, the bill contains provisions of the following measures:

- LB334, introduced by Omaha Sen. Mike McDonnell, which creates minimum standards for reentry housing facilities throughout Nebraska;
- LB1126, introduced by Lincoln Sen. Carolyn Bosn, which creates a career readiness pilot program to assist justice-involved individuals in obtaining the National Career Readiness Certificate; and
- LB1145, also sponsored by



Sen. Mike McDonnell



Sen. Carolyn Bosn

Bosn, which transfers the Division of Parole Supervision to the state Department of Correctional Services.

Senators passed LB631 on a vote of 39-4.

Preservation of sexual assault forensic evidence extended

Individuals who have undergone a sexual assault forensic examination can request law enforcement to preserve their forensic evidence for an additional 20 years under a bill passed by senators April 11.

LB870, introduced by Omaha Sen. Machaela Cavanaugh, requires law enforcement to notify



Sen. Machaela Cavanaugh

an individual of the intended destruction or disposal of such evidence no later than 60 days before the end of the statutorily required retention period.

A law enforcement agency is not required to provide such notice for forensic evidence that was provided anonymously. Under the bill, an individual also may request to be informed when there is a status change in their case.

LB870 passed on a 47-0 vote.

Safe haven provisions expanded

Lawmakers passed a bill April 11 to expand safe haven provisions for Nebraska infants.

Current state law allows for the surrendering of infants 30 days or younger in person at a hospital. LB876, sponsored by Bellevue Sen. Rick Holdcroft, raises the age to 90 days and provides additional options for a parent or a person acting on

the parent's behalf to voluntarily release custody of an infant.

In addition to hospitals, the bill allows a parent or designee to surrender physical custody to an emergency care provider or at a fire or police station that is staffed 24 hours a day. No individual can be prosecuted solely for the act of surrendering a newborn under the bill's provisions.

LB876 also appropriates \$65,000 to the state Department of Health and Human Services in fiscal year 2024-25 and \$10,000 in FY2025-26 to develop, implement and maintain a public information program regarding the bill's provisions.

Senators voted 47-0 to pass the bill.

Consumer protections updated

A bill that grants Nebraska's attorney general increased powers to prosecute businesses and business owners for deceptive or unfair trade practices was given final approval by lawmakers April 11.

LB934, introduced by Lincoln Sen. Carolyn Bosn, authorizes the attorney general to bring a trial by jury under the Consumer Protection Act or the Uniform Deceptive Trade Practices Act. A defendant also could demand a jury trial for claims brought under either act.

Under the bill, the attorney general can freeze assets of businesses or business owners suspected of engaging in deceptive practices with reasonable cause.



Sen. Rick Holdcroft



Sen. Carolyn Bosn

LB934 also includes provisions of Omaha Sen. Christy Armendariz's LB1096, which expand the Uniform Deceptive Trade Practices Act to include the creation, distribution, monetization or promotion of sexually explicit conduct, obscene material or material that is harmful to a minor as deceptive trade practices.

LB934 passed on a 46-0 vote and takes effect immediately.

Adult website age verification passed

Lawmakers approved a proposal April 11 that requires websites containing sexually explicit content to verify a user's age.

LB1092, introduced by Glenvil Sen. Dave Murman, adopts the Online Age Verification Liability Act. The bill attempts to prohibit a commercial entity from knowingly publishing or distributing material harmful to minors online by requiring them to use a reasonable age verification method to ensure that anyone attempting to access such material is at least 18 years old.

The age verification requirement would apply only if a "substantial portion" of the website's content, defined as one-third or more, meets the bill's definition of being harmful to minors.

Authorized age verification methods include digitized identification cards, third-party age-verification services or methods that rely on public or private transactional data.



Sen. Christy Armendariz



Sen. Dave Murman

A commercial entity or third party that performs an age verification is prohibited from retaining a person's identifying information after access to the material has been granted.

LB1092 does not apply to any legitimate news-gathering organization or broadcaster, and internet providers will not be held liable if a minor accesses explicit content due to an entity's failure to implement an age verification method. The bill also allows individuals, parents or guardians harmed by an entity that violates the act's provisions to pursue a lawsuit and potentially recover damages.

LB1092 passed on a 35-3 vote.

Civil practice proposal approved

A measure that makes several updates to Nebraska's laws governing civil practice and procedure was passed by lawmakers April 11.



Sen. Danielle Conrad

Introduced by Lincoln Sen. Danielle Conrad, LB1195 contains the provisions of the following bills:

- LB832, introduced by Bellevue Sen. Carol Blood, which authorizes the governor to accept full or partial cession or retrocession of federal juvenile jurisdiction on behalf of the state when offered by the appropriate federal authority;



Sen. Carol Blood

- LB902, introduced by Bennington Sen. Wendy DeBoer, which prohibits an assisted living facility from requiring a third-party fi-

nancial guarantee as a condition of admission, expedited admission or continued stay unless the third-party has legal access to a resident's income;



Sen. Wendy DeBoer

- LB1220, introduced by Lincoln Sen. Carolyn Bosn, which updates property law regarding personal representatives, small estate affidavits, payments and transfers to minors and the roles of trustees and conservators;
- LB1265, introduced by Conrad, which requires the Commission on Public Advocacy to establish eligibility criteria and guidelines for service providers seeking funds from the Legal Aid and Services Fund and clarifies that grants should be awarded only to legal service providers offering direct legal representation; and
- LB1268, introduced by Conrad, which raises the homestead exemption from \$60,000 to \$120,000 regarding judgment liens and forced sale.

Senators passed LB1195 on a 45-0 vote.

Recognition of tribal involuntary commitment orders approved

Lawmakers passed a proposal April 11 meant to facilitate cooperation between tribal, state and local authorities regarding involuntary commitment of tribal members.

LB1288, sponsored by Lincoln Sen. Jane Raybould, requires state and local authorities to recognize tribal hold orders, commitment orders and

emergency protective custody orders issued for tribal residents of Indian country, as defined by federal law, beginning Oct. 1.



Sen. Jane Raybould

The bill also allows for transportation of persons civilly committed under tribal law and requires reimbursement of treatment and transportation costs by the tribe. Tribes will be notified of the discharge or transfer of an individual who is subject to the bill's provisions.

The measure includes provisions of LB923, sponsored by Omaha Sen. Terrell McKinney, that add a tribal enrollment card as a valid form of proof of identification and age for the purchase of alcohol and for an application for a handgun transfer certificate.



Sen. Terrell McKinney

LB1288 passed on a 30-8 vote.



Energy producer meeting requirement passed

Certain developers of energy generation facilities in Nebraska will be required to hold a public meeting regarding their plans under a bill passed by lawmakers April 11.

Under LB399, sponsored by Sen. Tom Brewer of Gordon, the applicant for any proposed electric



Sen. Tom Brewer

generation or privately developed renewable energy generation facility with a generating capacity greater than 10 megawatts must hold at least one public meeting with advance notice in one of the counties in which the proposed facility will be located.

At least 50% of the governing body of the electric supplier must attend the meeting either in person or by videoconference and at least one member must be physically present. Real property owners must have an opportunity to comment on the proposed facility and a report of the meeting must be provided to the Nebraska Power Review Board.

The bill's provisions do not apply if the proposed facility will be located on real property owned by the applicant at the time of the application.

LB399 also changes a requirement for filing a decommissioning plan for private energy suppliers from the tenth year of operation to the sixth year.

Lawmakers passed the bill on a 46-0 vote.

Natural resources omnibus bill clears final round

A package of bills related to natural resources, including one that allows for an online hunting and fishing guide and outfitter database, received final approval from senators April 11.

Under LB867, introduced by Sen. Bruce Bostelman of Brainard, the state Game and Parks Commission may maintain the database on its website and charge a registration fee to administer it. Applicants who meet the bill's requirements will be placed in the database for three years.

Also included in LB867 are the provisions of six other bills heard by



Sen. Bruce Bostelman

the Natural Resources Committee this session.

The amended provisions of LB866, also sponsored by Bostelman, eliminate a requirement that at least one member of the Nebraska Power Review Board be an accountant and increase the number of consecutive terms a member may serve from two to three.

The bill allows no more than one person who has been a director, officer or employee of any electric utility or an elective state officer to serve on the board at the same time.

The bill also increases the per diem for most board members from \$60 to \$100 per day and increases the cap on total annual pay from \$6,000 to \$7,000.

The amended provisions of LB868, introduced by Bostelman, extend the Petroleum Release Remedial Action Cash Fund's sunset date from June 30, 2024, to June 30, 2028. They also direct investment earnings to the fund and repeal a provision allowing transfers to the state's General Fund.

The amended provisions of LB971, sponsored by Sen. Loren Lippincott of Central City, require the state Game and Parks Commission to issue upon application a free, one-day hunting permit, habitat stamp and Nebraska migratory waterfowl stamp to any veteran who is a Nebraska resident and was discharged or separated under honorable conditions.

The permit and stamps are valid only on Veterans Day in the year in which they are issued.

The amended provisions of LB1001, introduced by Lincoln Sen. Danielle Conrad



Sen. Loren Lippincott



Sen. Danielle Conrad

rad, require the commission to establish a migratory waterfowl hunting season for veterans and members of the armed forces during which those individuals may hunt as long as they have a valid hunting permit and all required stamps.

The amended provisions of LB1406, sponsored by Sen. Rita Sanders of Bellevue, require the commission to offer an annual park entry permit to active-duty military members who are stationed in Nebraska. The fee is \$5, regardless of residency.



Sen. Rita Sanders

Finally, the provisions of LB636, introduced by Thurston Sen. Joni Albrecht, prohibit political subdivisions from enacting any ordinance or other policy that restricts or prohibits the types or fuel sources of energy that natural gas utilities, natural gas transmission companies and certain other entities may use or deliver to serve customers.



Sen. Joni Albrecht

LB867 passed on a vote of 47-0 and takes effect immediately.

Conservation exemption for road projects approved

A bill intended to better balance the conservation of Nebraska's threatened and endangered species with highway maintenance received final approval from lawmakers April 11.

Under LB1335, sponsored by Columbus Sen. Mike Moser, the Nebraska Nongame and Endangered Species Conservation Act will not apply to any action of state agencies, po-

litical subdivisions or their contractors when designing, constructing, reconstructing, repairing, operating or maintaining transportation infrastructure, with some exceptions.



Sen. Mike Moser

The act will apply to any initial action by an exempt party that creates new transportation infrastructure in areas not previously dedicated to the exempt party’s lawful duties or any subsequent action that increases the area of existing transportation infrastructure, which includes roads, streets and highways.

LB1335 also requires state agencies to ensure, in consultation with the state Game and Parks Commission, that any action authorized, funded or carried out by the agency is not likely to jeopardize the continued existence of any endangered or threatened species or result in the destruction or adverse modification of critical habitat.

Under the bill, public roads, streets, highways and any associated right-of-way are considered manmade structures and are not critical habitat for purposes of NESCA.

As part of the consultation process, the commission can permit an agency’s incidental taking of an endangered or threatened species.

The bill also requires an exempted party to consider a transportation project’s impact on endangered or threatened species and restore areas of temporary disturbance on real property it owns after construction, reconstruction, repair, operation or maintenance, to the extent it deems practical.

Additionally, LB1335 allows the commission to determine that any species of wildlife or wild plant should receive a different state-listed status after a change in its federal status by

completing a formal listing process.

Except in certain circumstances, the commission cannot designate or remove designation of critical habitat for threatened or endangered species without first providing public notice and meeting several other requirements.

Senators voted 35-3 to pass the bill.

Power plant closure requirements, other measures approved

A bill containing measures intended to ensure the reliability of the electric grid received final approval from lawmakers April 11.

LB1370, sponsored by Sen. Bruce Bostelman of Brainard, requires public power districts and other public power entities to provide written notice to the Nebraska Power Review Board prior to a final decision on whether a dispatchable electric generation facility with a capacity of more than 100 megawatts should be retired.

As amended on select file, the bill requires the notice to include recommendations on necessary transition activities, including education and job training, to avoid economic harm to workers at a retired facility or to an affected community.

After receiving notice of the proposed decommissioning, the board may hold a hearing, which will be closed to the public. Regardless of whether a hearing is held, the board must provide written recommendations as to whether the closure is in the best interests of the entity and its customers.

Recommendations are advisory only, but the entity is required to consider them before making a final decision.

The requirements do not apply to any decision to retire a facility made prior to the bill’s effective date.

As amended, LB1370 also includes

provisions of four other measures heard by the Natural Resources Committee this session.

The amended provisions of LB120, introduced by Bostelman last session, require electric suppliers to provide written notice to the Power Review Board before commencing construction on or acquiring certain electric generation facilities or transmission lines located within a 10-mile radius of a military installation. A similar requirement applies to the owner of a privately developed renewable energy generation facility.

The notice will certify that the facilities contain no materials, electronics or other components manufactured by any foreign government or foreign nongovernment person determined to be a foreign adversary under federal regulations.

An electric supplier is exempt from the requirement if it certifies to the board that it complies with the critical infrastructure protection requirements issued by the North American Electric Reliability Corporation.

As amended on select file, the bill also allows a private developer to certify that they are in compliance with the NERC requirements if the facility is connected to the grid under certain conditions.

The amended provisions of LB956, sponsored by Lincoln Sen. Eliot Bostar,

require an owner of a wind energy conversion system to apply to the Federal Aviation Administration for approval to install and operate light-mitigating technology on the system before it begins operation, after it commences a substantial physical modification — or repower — or after extending, renewing or executing a power purchase agree-



Sen. Eliot Bostar

ment in certain circumstances.

The requirement goes into effect July 1, 2025.

The bill requires an owner to install the technology on wind turbines within two years of receiving FAA approval. The owner of a system existing prior to July 1, 2025, that does not commence a repower is required to install the technology on or before July 1, 2035.

The amended provisions of LB969, introduced by Sen. Barry DeKay of Niobrara, increase the minimum dollar amount thresholds of certain projects for which a public power district is required to advertise for sealed bids.



Sen. Barry DeKay

The provisions of LB1260, sponsored by North Platte Sen. Mike Jacobson, allow a director of a public power and irrigation district to have an interest in a residential lease or water service agreement with the district and to discuss or vote on those agreements.



Sen. Mike Jacobson

Lawmakers voted 40-0 to pass LB1370, which takes effect immediately.

NEBRASKA RETIREMENT SYSTEMS

State Patrol retirement changes clear final round

A proposal that changes provisions related to the Nebraska State Patrol Retirement System was given final

approval April 11.

Under the retirement plan currently, the contribution rate for both State Patrol members and the state is 16.26% of a member's monthly compensation.

LB196, sponsored by Lincoln Sen. Eliot Bostar, reduces the contribution rate for patrol members to 10% and increases the state contribution rate to 24%.



Sen. Eliot Bostar

The bill also extends the deadline to file a claim under the state's In the Line of Duty Compensation Act from one year to three years after the date of death and provides for review of a denied claim by the Lancaster County District Court.

LB196 passed on a 45-0 vote and takes effect immediately.

Firefighter retirement changes amended, approved

Lawmakers amended a bill that makes changes to the retirement system for certain Nebraska firefighters before giving the measure final approval April 11.

State law classifies cities based on population. First class cities are those with a population between 5,001 and 100,000.

LB686, as originally introduced last session by Fremont Sen. Lynne Walz, would have created a new cash balance retirement plan — which essentially is a pension plan — with a guaranteed annual return of at least 5% for firefighters in those cities. A Nebraska Retirement Systems Committee amendment instead would



Sen. Lynne Walz

have incorporated a number of other measures to change the existing defined contribution plan.

Senators rejected the committee amendment during the first round of debate and lawmakers advanced the bill to select file on the promise of ongoing negotiations.

During second-round debate April 9, North Platte Sen. Mike Jacobson offered an amendment that mirrored the committee amendment with two significant changes. The Jacobson amendment does not include a provision to require that cities provide two years of health insurance benefits upon retirement for eligible firefighters, which was objected to during earlier discussion on the bill.

The amendment also changes a provision allowing two or more firefighter retirement committees to choose to pool investments and administration of plan benefits. Under the Jacobson amendment, such pooling must be done through an interlocal agreement that expressly states that the city will not be responsible for ongoing management of pooled investments or any liability relating to such management.

In addition, city general funds, forfeiture funds held by the city and funds held for an account of any firefighter who was employed by a city on Jan. 1, 1984, cannot be used to fund or operate a pooled asset agreement.

Jacobson said the negotiated solution was meant to ensure that any such agreement's costs would be borne by the firefighters themselves if cities were not part of the process.

Walz spoke in support of the amendment and the compromise.

"It was a well fought fight," Walz said. "There are a bunch of firefighters who really appreciate the work."

As amended, LB686 also makes a series of adjustments to contribution rates.

Under the bill, the current firefighter contribution rate of 6.5% will increase gradually to 12.7% beginning Oct. 1, 2026. The city contribution rate will increase gradually from the current 13% to 15% beginning Oct. 1, 2026.

Beginning July 20, 2024, firefighters in an absolute coverage group – those who also contribute to Social Security – will receive an offset from their retirement contribution equal to 6.2% of their salary. Cities that employ firefighters in an absolute coverage group will receive the same offset.

The offsets will not apply to cities with a population of more than 60,000 in a county with a population of more than 100,000.

Following the 38-0 adoption of the Jacobson amendment, lawmakers advanced LB686 to final reading by voice vote. Lawmakers passed the bill April 11 on a 43-2 vote.

REVENUE

Homestead exemption changes approved

Lawmakers gave final approval April 18 to a bill modifying Nebraska's homestead exemption program.

As amended on general file, LB126, sponsored by Omaha Sen. Jen Day, would have created a new exemption under which claimants would have paid a minimum amount of property taxes based on their household income. The exemption would have been available to each category of current homestead exemption claimants.



Sen. Jen Day

A veteran who was discharged under honorable conditions, is drawing compensation from the U.S. Department of Veterans Affairs because the veteran is at least 50% disabled due to a service-connected disability and is not eligible for a total homestead exemption also would have qualified for the new exemption.

On select file April 10, Sen. Lou Ann Linehan of Elkhorn introduced an amendment, adopted 35-0, to strike the proposed exemption. She said the measure's fiscal note was "just too big."

The state Department of Revenue estimates that LB126 as amended on the first round of debate would have reduced state general fund revenue by \$71.3 million in fiscal year 2025-26 and \$76.9 million in FY2026-27.

As amended on the second round of debate, the bill allows current homestead exemption recipients to remain eligible for an exemption if a valuation increase pushes the value of their homestead above the allowed maximum.

For homesteads valued at or above the maximum value, the exempt amount will not be reduced and the homestead will remain eligible for an exemption for the current year if it received an exemption in the previous year, was valued below the maximum value in the previous year and is not ineligible for an exemption for any reason other than exceeding the maximum value by at least \$20,000.

The exception does not apply if the valuation increase is due to improvements to the homestead.

The bill also updates the definition of "occupy" under the homestead exemption program. Under LB126, a departure from a property for health or legal reasons does not disqualify an owner from receiving an exemption so long as they demonstrate an intention to return to the property.

Finally, LB126 requires county as-

sessors or county clerks to correct the assessment and tax rolls after a final order of an applicable administrative body or court.

Senators voted 49-0 to pass the bill.

Tax credits for caregivers, others created

Lawmakers approved a bill April 18 creating several new tax credits, including one to help Nebraskans offset expenses they incur when caring for a family member.

Under LB937, introduced by Lincoln Sen. Eliot Bostar, a family caregiver is eligible for a nonrefundable income tax credit equal to 50% of expenses incurred that are directly related to the care for and support of an eligible family member.

As amended on general file, LB937 also contains provisions of several other bills heard by the Revenue Committee this session.

On select file April 10, Bostar offered an amendment, adopted 34-0, that he said would cap, delay or adjust various provisions to reduce the bill's cost.

Credits for caregivers are limited to \$1.5 million in fiscal year 2025-26 and FY2026-27 and \$2.5 million in the following years.

Under the provisions of LB901, introduced by Sen. Lou Ann Linehan of Elkhorn, purchases made by a nonprofit organization are exempt from state sales and use tax if the nonprofit acquires property or contracts to build, improve or repair property that will be transferred to a nonprofit whose purchases already are exempt.

The amended provisions of



Sen. Lou Ann Linehan

LB1002, sponsored by Plymouth Sen. Tom Brandt, set the maximum amount of tax credits available under the Nebraska Biodiesel Tax Credit Act at \$1 million in FY2024-25 and \$1.5 million in the following years.



Sen. Tom Brandt

Under the amended provisions of LB1022, introduced by Sen. Rita Sanders of Bellevue, film and television production companies may apply for a refundable income tax credit equal to at least 20% of their qualifying expenditures attributable to the production of films, documentaries and other projects in Nebraska.



Sen. Rita Sanders

The state Department of Economic Development could approve no more than \$500,000 in credits in FY2025-26 and \$1 million in the following years.

The amended provisions of LB1025, introduced by Bostar, create the Individuals with Intellectual and Developmental Disabilities Support Act.

The provisions allow qualifying direct support professionals who care for individuals with intellectual and developmental disabilities to claim a refundable state income tax credit.

Employers of direct support professionals can claim a new nonrefundable credit, as can employers that either employ an individual receiving services pursuant to a Medicaid home and community-based services waiver or provide certain services to an individual pursuant to such a waiver.

The state Department of Revenue may approve a total of \$1 million in credits in FY2025-26, \$1.5 million in FY2026-27 and \$2 million in later years.

Under a bill passed last session,

grocery stores, restaurants and agricultural producers may apply for a nonrefundable state income tax credit equal to 50% of the value of food they donate to food banks, pantries or rescues, up to a maximum of \$2,500.

Under the provisions of LB1040, introduced by Omaha Sen. John Fredrickson, the department may approve \$500,000 in credits each fiscal year beginning in FY2025-26.



Sen. John Fredrickson

The amended provisions of LB1072, sponsored by Sen. George Dungan of Lincoln, allow a producer or importer of sustainable aviation fuel to claim a nonrefundable income tax credit based on the number of gallons in all sold or used qualified mixtures. The department may approve \$500,000 in credits each fiscal year.



Sen. George Dungan

Under the amended provisions of LB1084, introduced by Sumner Sen. Teresa Ibach, a Class III short-line rail company located wholly or partly in Nebraska can apply to the department for a nonrefundable tax credit equal to 50% of its qualified maintenance expenditures during the tax year.



Sen. Teresa Ibach

The credit amount cannot exceed \$1,500 per mile of track. The department may approve no more than \$500,000 in credits in FY2025-26 and \$1 million in later years.

Under the provisions of LB1158, sponsored by Bostar, the state treasurer will contract with a medical debt relief

coordinator to purchase and discharge medical debt of eligible residents.

Nebraska residents with a household income at or below 400% of the federal poverty guidelines or with medical debt equal to at least 5% of the individual's household income will qualify. Contributions to the program's fund are deductible for state income tax purposes.

Under the amended provisions of LB1184, introduced by Bostar, Nebraska taxpayers can apply to the department for a one-time, refundable state income tax credit of up to \$1,000 to offset the cost of installing a reverse osmosis system at their primary residence if test results show high levels of nitrates, uranium or certain chemicals in the drinking water.

The department may approve a total of \$500,000 in credits in FY2024-25 and the following two fiscal years and \$1 million in later years.

The amended provisions of LB606, introduced last session by Sen. Joni Albrecht of Thurston, allow individuals, passthrough entities, corporations, estates and trusts to claim a nonrefundable credit of up to 50% of their state income tax liability on contributions they make to qualifying pregnancy help organizations.



Sen. Joni Albrecht

Total credits are limited to \$500,000 in FY2025-26 and \$1 million in FY2026-27 and later years.

Provisions of Brandt's LB1047 expand the list of denaturants subject to an excise tax paid by ethanol producers and impose the tax on 2% of certain agricultural ethyl alcohol sold that is unfit for beverage purposes.

Finally, provisions of LB58, introduced by Omaha Sen. John Cavanaugh, exempt diapers from state sales

and use tax.

The department estimates that LB937 will reduce state general fund revenue by \$1.2 million in fiscal year 2024-25, \$6.7 million in FY2025-26 and \$8.8 million in FY2026-27.

The bill passed on a vote of 45-0.

Full expensing provisions clear final round

Lawmakers approved a bill April 18 intended to incentivize Nebraska businesses to invest in new equipment and technology.

The 2017 Tax Cuts and Jobs Act enacted by Congress allowed businesses to fully and immediately deduct expenses for certain business machinery and equipment, as well as research or experimental expenditures. Those two tax breaks have since expired, requiring businesses to deduct their expenditures over a period of several years.

LB1023, as introduced by Elkhorn Sen. R. Brad von Gillern, decouples Nebraska's tax code from both federal provisions, reinstating the deductions for state income tax purposes.

On select file April 10, von Gillern introduced an amendment, adopted 33-0, that allows businesses to deduct 60% of the cost of expenditures for certain business assets in the tax year in which the property is placed in service.

Deductions for business assets and research or experimental expenditures are allowed beginning with tax year 2026 rather than tax year 2025, as originally proposed.



Sen. John Cavanaugh

Von Gillern said the changes, which match those made at the federal level, were necessary to reduce the measure's impact on state tax revenue.

As amended on general file, LB1023 includes provisions of five other bills heard by the Revenue Committee this session, including two that relate to income earned by nonresidents.

Under the amended provisions of LB173, sponsored by Sen. Eliot Bostar of Lincoln, and LB416, introduced by Omaha Sen. Kathleen Kauth, compensation paid to a nonresident individual does not constitute income derived from sources within Nebraska under certain conditions.

The provisions of LB1049, also sponsored by Bostar, decrease the maximum occupation tax on receipts from the sale of telecommunications service from 6.25% to 4% beginning Oct. 1, 2024.

Under the amended provisions of LB1113, introduced by Sen. Fred Meyer of St. Paul, business equipment used primarily for the capture and compression of carbon dioxide is eligible for a personal property tax exemption under the ImagiNE Nebraska Act.

Finally, LB1023 allows an employer that pays relocation expenses for a qualifying employee to apply to the state Department of Revenue for a refundable state income tax credit of



Sen. Eliot Bostar



Sen. Kathleen Kauth



Sen. Fred Meyer

up to \$5,000 per employee.

As amended on select file, the bill also allows the credit to be used to offset premium and related retaliatory taxes and franchise taxes.

The state Department of Revenue estimates that LB1023 will reduce state general fund revenue by \$10.5 million in fiscal year 2024-25, \$31.5 million in FY2025-26 and \$38.7 million in FY2026-27.

The bill passed on a vote of 49-0.

EMS funding increased

Lawmakers approved a bill April 11 intended to aid recruitment and retention of emergency medical personnel.

LB1108, sponsored by Adams Sen. Myron Dorn, requires the state treasurer to transfer \$1.27 million from the state Game and Parks Commission Capital Maintenance Fund to the Nebraska Emergency Medical System Operations Fund each fiscal year beginning in June 2025.

The Nebraska Emergency Medical System Operations Fund, which is administered by the state Department of Health and Human Services, is used to carry out activities related to the design, maintenance or enhancement of the statewide trauma system and to support emergency medical services programs.

Under the bill, the fund also will be used to provide financial support for the statewide patient care reporting system and trauma registry and for the recruitment, retention and training of emergency care providers.

LB1108 also requires the department to submit an annual report to the Legislature that explains how the money appropriated to the depart-



Sen. Myron Dorn

ment from the fund was spent or why it was not spent.

The bill passed on a vote of 46-0 and takes effect immediately.

Revenue package containing good life district changes approved

Lawmakers gave final approval April 18 to a package of tax-related measures, including one under which cities may use local tax revenue to pay for the development of special retail districts.

LB1317, sponsored by Elkhorn Sen. Lou Ann Linehan, was introduced as a placeholder.

As amended, it contains the provisions of several other bills heard by the Revenue Committee this session.



Sen. Lou Ann Linehan

The provisions of LB863, also introduced by Linehan, eliminate an income tax deduction for amounts received as annuities under the Federal Employees Retirement System. Lawmakers provided the deduction — originally proposed by Sen. Carol Blood of Bellevue — in a bill last year.

During select file debate April 10, Linehan said the committee did not intend to allow all federal retirement income to be deducted, only the amounts received under the Civil Service Retirement System.

Blood offered an amendment to strike Linehan's proposal and retain the FERS deduction. She said the intent of her original measure was to provide a deduction to all federal retirees.

The amendment failed on a vote of 6-32.

Under provisions of LB893, introduced by Sen. Teresa Ibach of Sumner, business equipment involved in the manufacturing or processing of liquid fertilizer or any other

chemical applied to crops — or the manufacturing of any liquid additive for a farm vehicle fuel — qualify for a property tax exemption under the ImagiNE Nebraska Act.

The amended provisions of LB1043, introduced by Omaha Sen. Terrell McKinney, require certain nonprofit organizations that own or acquire underutilized tax-exempt property in a high-poverty area to develop the property within three years.

The amended provisions of LB1093, sponsored by Sen. Eliot Bostar of Lincoln, update the First Responder Recruitment and Retention Act, which provides tuition assistance to qualifying first responders.

The provisions expand and clarify the definition of first responder to include any law enforcement officer and professional firefighter.

They also, with certain exceptions, prohibit an employer from canceling a first responder's individual or family health insurance policy if the first responder suffers serious bodily injury from an event that occurs while the first responder is acting in the line of duty.

Under the amended provisions of LB1134, introduced by Elkhorn Sen. R. Brad von Gillern, interest on refunds and additional taxes due



Sen. Teresa Ibach



Sen. Terrell McKinney



Sen. Eliot Bostar



Sen. R. Brad von Gillern

as a result of a decision on a property's valuation by the Tax Equalization and Review Commission will begin to accrue 30 days after the decision.

The provisions also allow two commissioners to constitute a quorum to hear and determine appeals or petitions.

Provisions of Bostar's LB1184 state legislative intent to appropriate \$1 million in general funds for fiscal year 2024-25 to the state Department of Environment and Energy to fund the installation of real-time nitrate sensors in monitoring wells.

The amended provisions of LB1217, sponsored by Bostar, update requirements for owners of rent-restricted housing projects and change how county assessors calculate valuation for those projects. They also allow the owner of a sales-restricted house to apply to the county assessor for a special valuation.

Under the provisions, certain nursing and assisted-living facilities will receive a property tax exemption based on the percentage of occupied beds provided to Medicaid beneficiaries. LB1317 also applies a property tax exemption to the commons area of a building that is owned by a charitable organization and used for student housing.

The amended provisions of LB1218, introduced by Bostar, impose an excise tax of 3 cents per kilowatt hour on the electricity used to charge electric and plug-in hybrid electric vehicles at a commercial electric vehicle charging station, beginning Jan. 1, 2028.

They also increase the additional registration fee for each motor vehicle powered by an alternative fuel from \$75 to \$150. The additional fee for a plug-in hybrid electric vehicle is \$75.

Under LB1317, an electric supplier may own, maintain and operate a direct-current, fast-charging station for retail services only at a location that is at least 15 miles from a privately owned station and at least one mile from a federally

designated alternative fuel corridor.

An electric supplier is required to conduct a right of first refusal process before beginning construction of a fast-charging station.

Bostar introduced a select file amendment, adopted 40-0, under which those requirements for electric suppliers end Dec. 1, 2027.

Effective Jan. 1, 2028, an electric supplier cannot operate a fast-charging station within 10 miles of a privately owned station that already is in operation or has a building permit and interconnection request to the electric supplier.

Bostar said the amendment was intended to address concerns that the right of first refusal process would be unfair to public power utilities that might want to provide fast-charging stations.

The provisions of LB1295, sponsored by von Gillern, create the Financial Institution Data Match Act. The measure requires the state Department of Revenue to operate a data match system with each financial institution doing business in Nebraska.

Under the system, the department will provide financial institutions a list of individuals with unpaid taxes that the institutions will match to their account records. Institutions will provide the department with a list of all matches.

The Good Life Transformational Projects Act, passed by the Legislature last year, authorizes the state Department of Economic Development to approve applications for “good life districts” that meet certain thresholds related to investment and job creation. Transactions within a district are subject to a reduced state sales tax rate of 2.75%.

Under the provisions of LB1374, introduced by Linehan, a city may — with voter approval — establish an economic development program for an area of the city included in a good life district and appropriate local sources of revenue to pay for development costs.

On select file, von Gillern introduced an amendment, adopted 32-1, that he said was intended to fill “gaps” in the current law.

A portion of the amendment — the specifications of which apply only to the city of Gretna — require a city to agree with the applicant of the good life district located there that the applicant will build and pay for infrastructure within the district and that the city will reduce its local option sales tax and levy occupation taxes within the district in an amount agreed to by the applicant and the city.

Among other changes, the amendment also allows applicants to change district boundaries and requires the department to approve those changes based on certain conditions. If the change will remove an area from the district, the department is required to receive written consent from affected property owners or hold a public hearing.

Additionally, the amendment allows the applicant of a good life district that is at least 1,000 acres in size to apply to the department to establish development and design standards for the district.

The department may approve the standards after holding a hearing. The standards apply to new construction and are in addition to any local zoning, building code or other city requirements.

Finally, the amendment requires the department to terminate a good life district if commitments for a percentage of the required investment threshold have not been made, beginning within three years of the district’s establishment rather than 10 years.

Sen. Eliot Bostar of Lincoln supported the amendment, saying the Legislature “opened the door too far” when it authorized the creation of good life districts.

“Where it stands now, essentially anything can be a good life district,” he said. “The benefits of the good life districts ... can be gained functionally without having to do much [if] any development.”

The provisions of LB1389, sponsored by Bostar, exempt broadband equipment from personal property tax if it is deployed in an area using federal Broadband Equity, Access and Deployment Program funds or in a qualified census tract located in a metropolitan class city and used to provide internet access at certain speeds.

The provisions of LB1397, introduced by Glenvil Sen. Dave Murman, exclude land used for commercial purposes that are not agricultural or horticultural — such as land used for a solar farm or wind farm — from the definition of agricultural and horticultural land for valuation purposes.



Sen. Dave Murman

LB1317 also makes changes intended to improve the accuracy of currently required reports on inheritance tax collected by counties and creates a collection system to intercept an individual’s gambling winnings to pay off any child support debts or unpaid taxes.

Blair Sen. Ben Hansen introduced a select file amendment, adopted 27-5, to include provisions of his LB1305. They expand the definition of bullion and add or subtract net capital gains or losses to or from federal adjusted gross income unless the gain or loss is derived from the sale of bullion as a taxable distribution from a retirement plan account.



Sen. Ben Hansen

Bostar introduced another amend-

ment on select file, adopted 37-0, under which a publicly owned stadium in a metropolitan class city may qualify for state assistance under the Sports Arena Facility Financing Assistance Act.

No more than \$1.25 million in state assistance for a stadium may be approved in any year, and the total amount of assistance is limited to \$25 million.

Bostar offered a further amendment, adopted 35-0, under which no state assistance can be paid until after July 1, 2027.

LB1317 passed on a vote of 49-0 and takes effect immediately.

Documentary stamp tax increase passed over on final reading

Consideration of a proposal to fund additional programs and services with a tax increase on real estate transactions ended on the final round of debate April 18 after senators passed over it without taking a vote.

Currently, counties collect a documentary stamp tax at a rate of \$2.25 for each \$1,000 in value on the transfer of real estate. Counties remit all but 50 cents of each \$2.25 collected to the state treasurer, who credits the proceeds to funds related to affordable housing, site development, homeless shelter assistance and behavioral health services.

LB1363, as introduced by Omaha Sen. Mike McDonnell, would have increased the rate to \$3.50 for each \$1,000 in value and directed the proceeds to several additional uses.



Sen. Mike McDonnell

A Revenue Committee amendment would have increased the rate by only 35 cents for each \$1,000 in value and eliminated proposed distributions to federally qualified health centers,

the Nebraska Film Office Fund and businesses linked to military bases.

During first-round debate April 9, the amendment failed on a vote of 24-9. Twenty-five votes were needed.

McDonnell introduced an amendment, adopted 25-10, that instead would have raised the rate to \$3.25 for each \$1,000 in value. It would have retained originally proposed distributions for military-related programs, innovation hubs, federally qualified health centers and the establishment and operation of an office to pursue and coordinate grant funding on behalf of the state.

McDonnell's amendment also contains provisions of LB1067, introduced by Sen. Robert Clements of Elmwood, that would have cut the inheritance tax rate that applies to remote relatives from 11% to 8% and the rate that applies to all other beneficiaries from 15% to 8%.



Sen. Robert Clements

The amendment would have allowed counties to retain \$1.15 of each \$3.25 in documentary stamp tax collected.

Clements supported the amendment, saying it would allow counties to retain an additional \$11 million in documentary stamp tax revenue, more than enough to offset an estimated \$8 million reduction in inheritance tax collections.

Norfolk Sen. Robert Dover opposed the amendment, saying any documentary stamp tax increase should be used to provide affordable housing. Dover said he supported the various programs in McDonnell's amendment but called the documentary stamp tax an "inappropriate" source of funding.

"If these things are important," he said, "why can't we fund them with general funds?"

Senators voted 27-10 to advance

LB1363 to the second round of debate.

On select file April 10, Clements offered an amendment to eliminate the proposed distribution to innovation hubs and instead direct those proceeds to the Affordable Housing Trust Fund.

The Clements amendment, adopted 26-6, also would have allowed refunds to those who paid inheritance taxes with respect to a person who dies on or after Jan. 1, 2024, and before the bill's operative date.

The Legislative Fiscal Analyst estimates that LB1363 would have increased documentary stamp tax collections by \$12.4 million in fiscal year 2024-25 and \$17.6 million in FY2025-26.

On final reading, Dover filed a motion to return the bill to select file and strike the enacting clause. He said LB1363 would increase the price of a home at a time when Nebraska is focused on making housing more affordable.

At McDonnell's request, Speaker John Arch of La Vista passed over the bill. The Legislature moved to the next item on the agenda without voting on LB1363, ending debate on it this session.

Income tax exclusion for guard members created

Senators approved a bill April 11 intended to help recruit and retain Nebraska National Guard members.

LB1394, sponsored by Gordon Sen. Tom Brewer at the request of Gov. Jim Pillen, allows guard members to exclude certain income — including income received for attending drills, annual training and military schools — from their federal adjusted



Sen. Tom Brewer

gross income for state tax purposes beginning with tax year 2025.

The bill passed on a vote of 41-0.

TRANSPORTATION & TELECOMMUNICATIONS

Municipal infrastructure aid program created

Senators gave final approval April 11 to a new program intended to help certain Nebraska cities pay for infrastructure improvements needed to attract manufacturers and other companies.

LB600, introduced by Sen. Loren Lippincott of Central City, creates the Municipality Infrastructure Aid Act.



Sen. Loren Lippincott

Under the act, first or second class cities or villages with a redevelopment plan approved under the Community Development Law may apply to the state Department of Economic Development for a grant to finance water and sewer systems, roads, bridges and activities related to site development.

In its application, a city or village must describe how the proposed improvements would attract and support any new business or business expansion and how that activity would create additional jobs in or near the city or village, among other information.

Applications also must include a cost-benefit analysis of the redevelopment plan. Only applications with a positive analysis may receive a grant.

Grants are limited to no more than \$5 million per application and grantees must provide matching funds equal to at least 25% of the amount of the grant.

As amended on select file, the bill

requires the state treasurer to transfer \$5 million from the state Cash Reserve Fund to the new program's fund before July 15, 2024.

LB600 passed on a vote of 47-0 and takes effect immediately.

County bridge working group created

A new working group will award state matching funds to repair and replace county bridges under a bill passed by lawmakers April 11.

The County Bridge Match Program, created by the Legislature in 2016 and administered by the state Department of Transportation, provides state funding to accelerate the repair and replacement of deficient bridges on the county road system.

LB1030, introduced by Brainard Sen. Bruce Bostelman, creates the County Bridge Match Working Group, which will develop criteria for program participation, as well as for county matching fund requirements. The group also will score applications and award funds.



Sen. Bruce Bostelman

The governor will appoint two of the group's members from a list of county highway superintendents, county surveyors or county engineers submitted by a statewide association representing county officials. The department director will select three department members to serve on the group.

LB1030 requires the state treasurer to make two \$4 million transfers, one this year and another in 2025, from the Road Operations Cash Fund to the Transportation Infrastructure Bank Fund to be used for the County Bridge Match Program.

The bill passed on a vote of 47-0 and takes effect immediately.

Updated broadband standards, 911 requirements approved

Lawmakers gave final approval April 11 to a bill harmonizing broadband internet standards and creating new requirements related to Nebraska's 911 service system.

Under LB1031, sponsored by Brainard Sen. Bruce Bostelman, the Nebraska Public Service Commission may not provide ongoing high-cost support from the Nebraska Telecommunications Universal Service Fund for any broadband serviceable location not capable of internet access at speeds of at least 100 megabits per second for downloading and 20 Mbps for uploading, unless the location is subject to a federally enforceable commitment for deployment of infrastructure capable of those speeds.

The requirement takes effect 18 months after the bill's operative date.

Beginning Jan. 1, 2029, the commission may not provide ongoing high-cost support for those locations regardless of any federally enforceable commitment.

LB1031 also updates several areas of state law to define broadband service as capable of providing internet access at speeds of at least 100 Mbps for downloading and 20 Mbps for uploading.

The provisions of five other bills heard by the Transportation and Telecommunications Committee this session also are included in LB1031.

The provisions of LB865, also sponsored by Bostelman, require broadband internet service providers operating in Nebraska to submit an annual report to the Nebraska Broadband Office with information on each standard internet service plan

advertised by the provider and the associated rates.

Under the provisions of LB1038, introduced by Sen. Barry DeKay of Niobrara, at least one of the five members representing the general public on the Nebraska Information Technology Commission must have agriculture as their principal business or occupation.



Sen. Barry DeKay

The provisions of LB1180, sponsored by Lincoln Sen. Anna Wishart, revise standards and criteria that determine eligibility of deaf, hard of hearing and speech-impaired Nebraskans who apply to the PSC for specialized telecommunications equipment.



Sen. Anna Wishart

Under the bill, two residents at the same address can receive equipment, and a recipient can reapply for assistance every three years instead of every five.

The amended provisions of LB1255, introduced by Sen. John Fredrickson of Omaha, require originating service providers, providers of telecommunications relay services and the state's next-generation 911 service contractor to ensure that 911 calls are transmitted to the next-generation 911 network no later than Jan. 1, 2026.



Sen. John Fredrickson

Providers and the contractor also are required to cause all translation and routing to be completed to deliver all 911 calls to the network.

Providers may enter into an agree-

ment with the commission to establish an alternative deadline for meeting the requirements.

Additionally, providers and the contractor must enter into an agreement to meet the transmission, translation and routing requirements no later than 10 months before the 2026 deadline. If no agreement is reached by then, they are required to notify the PSC to seek resolution.

LB1031 also requires the contractor to submit an annual report to the committee and the PSC on the capabilities and redundancies of the next-generation 911 network.

Under the amended provisions of LB1256, sponsored by Bennington Sen. Wendy DeBoer, a communications service provider required to file reports regarding 911 service system outages with the Federal Communications Commission also is required to file copies of those reports with the PSC.



Sen. Wendy DeBoer

The bill requires the PSC to hold a public hearing within 90 days of receiving a report. The requirement does not apply if a provider withdraws the report filed with the FCC or if the PSC waives it by a majority vote.

LB1031 passed on a vote of 47-0 and takes effect immediately.

Transportation and telecommunications omnibus bill approved

Lawmakers gave final approval April 11 to a bill containing technical changes requested by the state Department of Motor Vehicles as well as several other proposals related to transportation and telecommunications.

LB1200, sponsored by Columbus Sen. Mike Moser, updates state law

to conform with

federal regulations. As amended, the bill contains provisions of five other measures considered by the Transportation and Telecommunications Committee this session.



Sen. Mike Moser

The provisions of LB226, introduced by Sen. Tom Brandt of Plymouth, allow a contracting agency, when entering into a construction manager-general contractor contract, to combine the separate qualification and proposal steps into a single-step process if the agency determines that a single-step process is in its best interest.



Sen. Tom Brandt

The provisions of LB891, sponsored by Lincoln Sen. Carolyn Bosn, update the Motor Vehicle Industry Licensing Act to clarify that a manufacturer is any person who manufactures, assembles or distributes motor vehicles.



Sen. Carolyn Bosn

Under the bill, a manufacturer or distributor may not own a service facility or perform warranty or non-warranty work on its vehicles unless it manufactures or distributes electric vehicles and is not a franchisor.

The provisions of LB900, also introduced by Brandt, increase maximum truck length from 40 to 45 feet.

The provisions of LB929, sponsored by Sen. John Fredrickson of Omaha, require the state Department of Health and Human Services to coordinate with the Nebraska Public

Service Commission to ensure that the 988 Suicide and Crisis Lifeline can connect callers to, and receive communications from, the 911 service system.

The commission is required to adopt statewide standards providing for dual capability so that it will be operational by Jan. 1, 2025.

Finally, the provisions of LB966, introduced by Niobrara Sen. Barry DeKay, govern the movement of vehicular traffic facing flashing yellow arrow and steady red arrow indications. They also increase the precision with which the state Department of Transportation calculates Nebraska's fuel tax rate.

LB1200 passed on a vote of 47-0 and takes effect immediately.

URBAN AFFAIRS

Inland port measure, child care grant programs approved

Lawmakers passed a bill April 11 intended to give community members greater say in the development of a proposed inland port district in Omaha.

LB164, introduced by Omaha Sen. Terrell McKinney, makes several changes to the Municipal Inland Port Authority Act, which the Legislature created in 2021.



Sen. Terrell McKinney

It allows qualifying cities and counties to create an inland port authority with the power to plan and develop an inland port district. Up to five inland port districts may be designated throughout the state.

LB164 allows no more than one district to be created in a metropol-

itan class city. Omaha currently is the state's only metropolitan class city.

The bill requires an inland port authority within the boundaries of a metropolitan class city to create and operate an innovation district, conduct quarterly public input meetings, create and maintain a community advisory committee and meet several other requirements.

LB164 requires the state treasurer to transfer \$30 million from the Economic Recovery Contingency Fund to a new Inland Port Authority Fund. The treasurer also will transfer a certain amount of interest earned on federal coronavirus relief funds, as well as on funds related to the Perkins County Canal Project and the construction of a new state prison, to the Inland Port Authority Fund for the next two fiscal years.

The treasurer will use the new fund to provide grants to an inland port authority created within the boundaries of a metropolitan class city.

The bill also requires the state Department of Economic Development to meet certain requirements before releasing approximately \$90 million in grant funds it recently awarded to a nonprofit to develop a North Omaha business park.

Before releasing the funds, the department must require the grant recipient to attend all meetings of the community advisory committee and establish a separate bank account for the funds.

The recipient also must submit a financial pro forma, hold two public meetings to receive input on economic development initiatives within the business park and receive a letter of support from the inland port authority managing the inland port district where the park is located.

The bill also requires the state treasurer to transfer \$7 million from

the Economic Recovery Contingency Fund to the Museum Construction and Maintenance Fund for the construction of a new museum at Fort Robinson State Park. The state Game and Parks Commission is required to build and manage the museum.

Finally, LB164 includes provisions of LB1416, introduced by Sen. Eliot Bostar of Lincoln at the request of Gov. Jim Pillen. They create two grant programs intended to increase Nebraska's child care capacity.



Sen. Eliot Bostar

Under the first program, the state Department of Economic Development will award grants to cities, villages, counties, nonprofits and other eligible recipients identified by a statewide organization that supports children and families.

Applicants are required to provide a one-to-one match before receiving a grant. They may use the funds to provide financial support to a licensed child care program or a license-exempt provider serving children enrolled in a child care subsidy program, among several other uses.

Under the second program, the department will provide grants to certain new and existing licensed family child care programs and to regional hubs that will provide administrative and technical support to those programs.

LB164 passed on a vote of 37-6 and takes effect immediately.

Local anti-poverty plans, housing agency requirements approved

A bill intended to coordinate anti-poverty initiatives, as well as address concerns about Omaha's public housing agency, received final approval

from lawmakers April 11.

LB840, introduced by Omaha Sen. Terrell McKinney, requires certain cities to adopt a poverty elimination action plan no later than July 1, 2025, reevaluate the plan every two years and update it every five. Cities must submit the plans to the Urban Affairs Committee and the Clerk of the Legislature.



Sen. Terrell McKinney

Each city's plan must outline its goals for eliminating poverty in current high-poverty areas, qualified census tracts and economic redevelopment areas and describe its planned use of federal, state and local incentives to reach that goal.

In addition to the plans, LB840 requires cities to submit a report to the committee every other year describing their efforts to eliminate poverty.

The requirements apply only to primary and metropolitan class cities. Lincoln is the state's only primary class city, and Omaha is its only metropolitan class city.

LB840 also contains provisions of four other bills heard by the committee this session.

The amended provisions of LB530, sponsored by McKinney, make several changes related to local housing agencies established by metropolitan class cities.

Under the bill, the mayor will appoint an agency's nine commissioners — an increase from seven — including three resident commissioners. A commissioner may not have an ownership interest in or be employed by any entity doing business with the agency.

The bill requires a housing agency to comply with federal regulations regarding administrative grievance

procedures and establish a complaint process for residents.

As amended on select file, LB840 also requires a housing agency to make contact information for senior leadership and commissioners publicly available at the agency's offices and on its website.

Additionally, commissioners must hold a regular board meeting at least once every 90 days at a public housing facility that has at least 100 units. The agency is required to post all meeting notices and agendas in common spaces.

Currently, a housing agency resident has the opportunity to contest the termination of their tenancy in a hearing conducted by the agency.

The amended provisions of LB1046, sponsored by Sen. John Cavanaugh of Omaha, create new requirements for that process and for related eviction proceedings if a premises is located in a metropolitan class city.



Sen. John Cavanaugh

Beginning July 1, 2025, counsel must be appointed for the resident prior to the termination hearing unless they already are represented. If the resident does not request a hearing and the housing agency files an eviction, the county court is required to appoint counsel to represent the resident during eviction proceedings.

The housing agency will pay for any court-appointed counsel and cannot assess a fee against any resident for legal services provided.

LB840 also contains two proposals intended to address Nebraska's affordable housing shortage.

The amended provisions of LB881, introduced by Lincoln Sen. Beau Ballard, change the definition of urban

community in the Middle Income Workforce Housing Investment Act to allow cities in Lancaster and Sarpy counties other than Lincoln and Omaha to qualify for grants under the act.



Sen. Beau Ballard

The provisions of LB843, also sponsored by McKinney, increase from \$5 million to \$10 million the maximum grant that the state Department of Economic Development may award to a nonprofit development organization under the act.

The bill also decreases the amount of matching funds an applicant must provide from at least 50% of the grant funds awarded to at least 25%.

LB840 passed on a vote of 28-19.

Innovation hub measure clears final round

Lawmakers gave final approval April 11 to a proposal that updates the Nebraska Innovation Hub Act, renames and expands a community development law and limits the number of special retail districts that may be created statewide.

The Nebraska Innovation Hub Act allows the director of the state Department of Economic Development to designate private nonprofit corporations and postsecondary educational institutions as innovation hubs in certain geographic areas to stimulate partnerships, economic development and job creation.

LB1344, sponsored by Omaha Sen. Justin Wayne, allows an innovation hub to be located within an inland port district,



Sen. Justin Wayne

30 miles of a certain reservoir or any county with a population of less than 100,000.

It also increases the maximum number of innovation hubs that may be designated in the state's 1st Congressional District from four to six and in the 2nd Congressional District from three to four.

As amended, the bill contains provisions of Wayne's LB1356, which expand the definition of community betterment organization to include inland port authorities.

The bill renames and modifies the Community Development Assistance Act, which allows cities, villages, counties and other community betterment organizations engaged in eligible activities in community development areas to apply to the DED to have one or more programs certified for tax credit status.

Under the new Creating High Impact Economic Futures Act, agribusinesses, innovation hubs and inland

port authorities also are classified as community betterment organizations. The definition of community development area expands to include economic redevelopment areas, enterprise zones, counties with a population of less than 10,000 and inland port districts.

The operations of inland port authorities, sports complexes and intermodal facilities are among the new activities that are eligible for tax credit status.

Under the bill, individuals are eligible for a nonrefundable income tax credit equal to 100% of their contributions to a community betterment organization's certified programs or projects. Passthrough entities, corporations and estates or trusts are eligible for a nonrefundable credit equal to 50% of their contributions.

As amended on select file, the bill limits total credits for 2025 and 2026 to \$900,000 per year, with a total of \$300,000 per year for each congressional district. The annual limit increases

to \$3 million for 2027 and later years, with a total of \$1 million per year for each district.

The maximum amount of credits per program or project is limited to \$150,000 per year for both the 1st and 3rd congressional districts.

Finally, LB1344 contains provisions of Wayne's LB1228, under which no more than five good life districts may be created statewide. Under the bill, only one good life district may be created in a county with a population of 500,000 or more, not including a district created within an inland port district.

As amended on select file, LB1344 also allows a good life district to be created in a sanitary and improvement district in a county with a population of less than 100,000 if the project meets certain investment or employment thresholds.

Senators voted 41-0 to pass the bill. ■



Laurie Klosterboer, Gerald Van Ackeren and Chief Sergeant Burdette Burkart were thanked by the Legislature on their last day serving as Sergeants at Arms.

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Departing senators, from left: Sens. Carol Blood, Fred Meyer, Steve Erdman, Justin Wayne, Lou Ann Linehan, Mike McDonnell, Steve Halloran, Bruce Bostelman, Anna Wishart, Lynne Walz, Julie Slama and Tom Brewer. Not pictured: Sens. Joni Albrecht, John Lowe and Tony Vargas.