UNICAMERAL UPDATE

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Legislature adjourns sine die mid-biennium

The first session of the 109th Legislature adjourned sine die June 2, the 89th day of the scheduled 90-day session.

La Vista Sen. John Arch, Speaker of the Legislature, thanked senators for their hard work and long hours, especially the freshman class who are wrapping up their first legislative session.

"Now you know what it means to be a part of the Legislature — a very challenging and rewarding experience," Arch said. "The days are long; the nights are longer. Debates are intense; emotions run high and relationships are tested."

The Legislature passed a total of 322 bills this year, including measures amended into other proposals, Arch said, and he encouraged senators to consider the work left to do to make Nebraska an even better place to live.

The speaker urged members to use the interim to focus on constituent priorities and how best to work together across their differences when returning to the Capitol in January. He also offered a note of caution regarding the state's fiscal situation ahead of the next legislative session.

"As I reflect on what I anticipate in 2026, I will predict that our biggest challenge next year will be our budget once again," Arch said.

When crafting bills for next year, senators should keep in mind the state's "uncertain" fiscal situation, he said, especially "notes of concern" involving economic models related to future revenue streams.

Gov. Jim Pillen, in his address to lawmakers, praised the "historically conservative budget package" passed this session, which he said lawmakers accomplished while still investing in education, property tax relief and safety.

Pillen thanked senators for their work on legislation to ban "fake meat," protect young people from the harms of social media, improve the lives of teachers and reduce government inefficiency.

"I'm incredibly proud to partner with all of you on so many of these initiatives," Pillen said.

The second session of the 109th Legislature is scheduled to convene Jan. 7, 2026. ■







Above top: Senators take final reading votes June 2.
Middle: Speaker John Arch discusses the legislative session.
Bottom: Gov. Jim Pillen thanks senators for their work.

INSIDE: Paid sick leave limitations approved • Bill to ban cannabinoids passed over

BANKING, COMMERCE & INSURANCE

Bill aimed at protecting youth online passed

A proposal meant to protect children's private information and provide parental tools to monitor their online safety was given final approval May 28.

LB504, introduced by Lincoln Sen. Carolyn Bosn at the request of Gov. Jim Pillen, creates the Age-Appropriate Online Design Code Act. Under the act, a covered online service is required to protect user data of known minors — defined as those under age 18 — and provide options to limit certain design features.


Sen. Carolyn Bosn

A covered online service is defined as one that has minors as more than 2% of its total users, which operates in Nebraska and meets certain revenue or data volume thresholds. The bill does not apply to government entities.

Among other provisions, the bill requires a covered online service to provide covered minors with "easy-to-use" tools that prevent other individuals from viewing a minor's personal data and limit covered design features.

Certain covered design features — including infinite scroll, rewards or incentives, push alerts and appearance-altering filters — are prohibited for users younger than 13.

Parents will be provided with the ability to view, manage and control a child's privacy and account settings and restrict their ability to make in-app purchases and other financial transactions.

Violations of the act will constitute a deceptive trade practice under the Uniform Deceptive Trade Practices Act. Beginning July 1, 2026, a covered service could receive a civil penalty of not more than $50,000 per violation.

Senators passed LB504 on a vote of 42-7.

BUSINESS & LABOR

Paid sick leave limitations approved

Senators passed a measure May 28 intended to clarify provisions of a ballot initiative passed by Nebraska voters that guarantees paid sick leave.

The successful ballot initiative, passed last November, provides eligible Nebraska employees the right to earn and use paid sick leave for family health needs based on the size of their employer — up to 40 hours annually for employers with fewer than 20 employees and 56 hours for businesses with more than 20 employees.

LB415, sponsored by Lincoln Sen. Beau Ballard, exempts individual owner-operators, independent contractors and individuals who work fewer than 80 hours annually from the provisions of the initiative, known as the Nebraska Healthy Families and Workplaces Act. Employees who are


Sen. Beau Ballard

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eligible for paid sick leave under the act will begin to accrue leave after 80 hours of consecutive employment.

Under the bill, employers with paid sick leave policies that equal or exceed the amount of paid sick leave required by the initiative are not required to provide any additional paid sick leave.

The measure also clarifies that employers are not required to pay out employees for unused paid sick time when they leave their place of employment. Employees who are rehired within 12 months will have their unused sick time reinstated.

The bill also includes provisions of LB698, sponsored by Sidney Sen. Paul Strommen. Those provisions exempt several groups from the Nebraska Healthy Families and Workplaces Act, including temporary and seasonal agricultural employees, workers under age 16 and businesses with 10 or fewer employees.


Sen. Paul Strommen

The provisions also remove protections for workers who face retaliation from their employer for using paid sick leave and the ability for employees to seek restitution for earned sick leave that was not granted.

Finally, LB415 includes provisions of two additional bills heard by the committee this session. The provisions of LB402, sponsored by Elkhorn Sen. R. Brad von Gillern, classify gambling winnings as earnings under the Employment Security Act and allow the state Department of Labor to collect the overpayment of unemployment benefits of an individual who failed to report their gambling winnings.


Sen. R. Brad von Gillern

Provisions of LB435, sponsored by Fremont Sen. Dave Wordekemper, change requirements for obtaining an elevator mechanic license and establish requirements for obtaining an elevator contractor license under the Conveyance Safety Act.


Sen. Dave Wordekemper

Omaha Sen. Machaela Cavanaugh offered a motion to recommit the bill to the Business and Labor Committee. After two hours of discussion, Ballard offered a motion to invoke cloture, which ends debate and forces a vote on the bill. The motion was adopted 33-16. Thirty-three votes were needed.

LB415 then passed on a vote of 33-16 and takes effect Oct. 1.

EDUCATION

TEEOSA review commission created

Lawmakers gave final approval May 30 to a measure that creates a commission to review the state's school funding formula.

Introduced by Seward Sen. Jana Hughes, LB303 establishes the School Finance Reform Commission. The commission is tasked with studying and providing advisory recommendations related to school funding, including an evaluation of the Tax Equity and Educational Opportunities Support Act formula, and issuing annual reports to the Clerk of the Legislature.


Sen. Jana Hughes

The 18-member committee will include 12 members appointed by the governor, including five at-large members, four superintendents or school board members and representatives of a class V school, a class IV school and postsecondary education with expertise in school finance.

The three nonvoting legislative members will include the chairperson or a designee of the Revenue and Education committees, with no more than two members from the same political party. The commission also will include the commissioner of education, the property tax administrator and a representative of the governor's office.

The bill also provides that expenditures to pay for employer contributions to the School Employees Retirement System — to the extent such expenditures exceed the amount that would have been made at a contribution rate of 7.35% — may be included in the general fund budget of expenditures.

For school fiscal years 2025-26 and 2026-27, the amount of such expenditures from school fiscal year 2024-25 may be carried over and included in the budget authority for the general fund budget of expenditures for those fiscal years.

LB303 passed on a 48-0 vote and took effect immediately.

Education package approved

A package of education-related bills was narrowed over the course of three rounds of debate this week before being given final passage June 2.

LB306, introduced by the Education Committee, allows the Board of Trustees of the Nebraska State Colleges to enter into long-term leases or financ-

ing agreements to fund or refinance student housing and activity centers.

The measure also grants the Coordinating Commission for Postsecondary Education the authority to act as the primary body responsible for overseeing the transition of data collection, grants, programs and related responsibilities from the U.S. Department of Education to the governing boards and administrators of Nebraska's postsecondary institutions, or to the commission itself.

Additionally, the bill clarifies that individuals who have obtained a GED or a high school diploma equivalent are eligible for the Door to College Scholarship, which provides financial assistance for undergraduate students in Nebraska who graduated from a Youth Rehabilitation and Treatment Center high school or an approved public, private or parochial high school after being discharged.

LB306 incorporates provisions from three additional bills considered by the committee this session.

Under amended provisions of LB378, introduced by Omaha Sen. Bob Andersen, both public and private postsecondary institutions must report biannually on any funding received from foreign adversarial entities, including contracts, gifts and grants. Institutions must submit such reports to the postsecondary coordinating commission, which will make them publicly available on its website.


Sen. Bob Andersen

Provisions of LB497, introduced by Glenvil Sen. Dave Murman, allow students enrolled in a private, denominational, parochial or nonaccredited school to participate in extracurricular activities in the district closest to where the student's parent resides that offers the activity if the home district does not.


Sen. Dave Murman

Amended provisions of LB625, introduced by Norfolk Sen. Robert Dover, require the Department of Administrative Services to create and maintain a public website outlining financial information about Nebraska school districts, including details on revenue sources and expenditures.


Sen. Robert Dover

Lawmakers passed LB306 on a vote of 41-8 and the measure took effect immediately.

General file

The bill was first discussed on general file May 21, but was passed over after an Education Committee amendment that would have incorporated several other proposals was not adopted.

One of the bills in the committee amendment was Central City Sen. Loren Lippincott's LB550.

Under LB550, school districts would be required to implement a policy allowing students to attend off-site released time religious instruction — or RTRI — for at least one non-core curriculum class period per week. Parents, guardians or educational decisionmakers would have to provide written consent for a student to participate in RTRI, which would be required to occur off school property.


Sen. Loren Lippincott

Omaha Sen. Megan Hunt offered an amendment, adopted 25-9, to remove the provisions of LB550 from the committee amendment. RTRI organizations often use incentives like t-shirts and snacks to draw students to the program, she said, which could ostracize students who don't participate in RTRI.

"Parents can send their kids to whatever religious instruction they want to, but part of a public education in Nebraska does not include 120 minutes for church," Hunt said. "It includes reading, writing, arithmetic and bringing them up for a successful future."

Omaha Sen. John Fredrickson supported Hunt's amendment, saying the measure likely would require teachers to repeat lessons to accommodate students who missed class to attend RTRI.

Sen. Tom Brandt of Plymouth also supported the amendment. He said allowing kids to leave school for RTRI could "cheapen" the value of the classes they miss to do so.

Also included in the committee amendment were:

- Omaha Sen. Ashlei Spivey's LB440, which would adopt the Education Leave and Support Act and provide teachers facing family or medical challenges with three weeks of paid family and medical leave;


Sen. Ashlei Spivey

- LB408, sponsored by Lincoln Sen. George Dungan, which would establish the Special Education Teacher Forgivable Loan Program Act; and


Sen. George Dungan

- LB682, introduced by the Education Committee, which would

restrict school superintendents from receiving income from other education-related employment, such as work with education foundations or consulting.

Following rejection of the committee amendment on a 22-23 vote, Murman requested that the bill be passed over on the agenda.

When general file debate resumed May 27, senators incorporated three bills — LB378, LB497 and LB625 — that originally were part of the unsuccessful committee amendment into LB306 before voting 28-3 to advance the measure to select file.

Select file

During select file debate May 29, Spivey attempted to add revised provisions of her LB440 and Lincoln Sen. George Dungan's LB408, which both were originally part of the Education Committee amendment, into LB306.

Under Spivey's amendment, school districts would be required to contribute 0.35% of the taxable wages paid to covered employees to the state treasurer quarterly, beginning Jan. 1, 2026.

Spivey said the proposal no longer would require teachers to match the district's 0.35% contribution and instead would provide only two weeks' worth of substitute teacher costs, rather than the initially proposed six weeks.

Elmwood Sen. Robert Clements opposed the amendment, saying such matters should be negotiated between schools and teachers, not decided by the Legislature.

Also opposing the amendment was North Platte Sen. Mike Jacobson. He said the proposal would create a new "unfunded mandate" for school districts and, as a result, could lead to increased property taxes.

Lincoln Sen. Danielle Conrad supported Spivey's amendment, saying it would provide benefits similar to those offered to other public sector workers, such as law enforcement, during a time when the state is facing a teacher shortage.

"This isn't just some sort of special benefit just for teachers," Conrad said. "It's part of modernizing an approach to ensure that we meet employees' needs amid a crisis ... so that they can stay in the workforce."

Senators rejected Spivey's amendment on a 17-25 vote. Dungan then filed an amendment to consider his LB408 separately.

By establishing a forgivable loan program for special education teachers, Dungan said, more individuals might choose to enter the teaching profession and stay in Nebraska.

Murman supported Dungan's amendment, saying it could encourage those considering pursuing teaching to focus on special education careers and "fill the gap" in that specialization.

Clements opposed the amendment. He said the Education Future Fund — the measure's proposed funding source — currently lacks the resources to sustain such a program.

The Dungan amendment failed 20-23.

Hallstrom then offered an amendment to remove a requirement in the bill that state colleges accept Classic Learning Test, or CLT, results when determining eligibility for the Nebraska Career Scholarship. The amendment, adopted 25-14, also clarifies that SAT scores may be used to determine eligibility, along with ACT scores, which Hallstrom said are "better indicators of readiness" for college and more secure than the CLT.

Murman opposed the amendment, saying the CLT is secure and utilizes webcam technology to track students' surroundings and their movements while taking the exam.

Additionally, he said, numerous colleges and universities have begun accepting CLT scores in addition to ACT and SAT scores, including Baylor, Florida State University and Pepperdine.

"This is a growing trend, and Nebraska can either get on board with that trend by rejecting this amendment, or we can stay in the dust," Murman said.

After adopting Hallstrom's amendment, senators advanced LB306 to final reading by voice vote and gave the measure final approval June 2.

EXECUTIVE BOARD

New legislative oversight division created

Lawmakers gave final approval May 30 to creation of a new division within the Nebraska Legislature and reorganization of the institution's oversight functions.

Currently, there are five divisions that carry out the institutional and administrative functions of the Nebraska Legislature, including the Office of the Public Counsel. That division includes the Office of Inspector General of Nebraska Child Welfare and the Office of Inspector General of the Nebraska Correctional System.

LB298, introduced by Sen. John Arch of La Vista, creates the Division of Legislative Oversight and moves the Legislative Audit Office, OIG for child welfare and OIG for corrections under the new division.


Sen. John Arch

The bill also creates the Legislative

Oversight Committee, which replaces the existing Performance Audit Committee. Members will consist of the speaker of the Legislature, chairperson of the Executive Board, chairpersons of the Appropriations, Health and Human Services and Judiciary committees and four state senators appointed by the Executive Board.

LB298 also makes a number of changes to how the inspectors general obtain information, including:

- updating and clarifying subpoena authority;
- removing mandatory direct computer access for IG staff;
- clarifying that information is to be provided to IGs in the most efficient, timely and least burdensome manner;
- clarifying that IGs will suspend an investigation at the request of a law enforcement agency;
- requiring that the IGs be notified as soon as practicable when a criminal investigation involving a death or serious injury required to be reported to the IG has commenced and concluded;
- providing that any confidential information or records shared with the Division of Legislative Oversight, Ombudsman's Office or the IGs remain confidential; and
- creating a process by which the executive and judicial branches may object to production or disclosure of legally privileged records, reports or documents and negotiate terms of production and disclosure.


Sen. Myron Dorn

The measure also includes the provisions of Adams Sen. Myron Dorn's LB228, which makes several technical changes to the Performance Audit Act.

LB298 passed on a 46-2 vote and took effect immediately.

Potential third term for state senators approved

Nebraska voters will decide whether to amend the state constitution to extend term limits for members of the Legislature under a measure given final approval May 28.


Sen. Robert Dover

LR19CA, introduced by Norfolk Sen. Robert Dover, will extend the current limit of two consecutive four-year terms for state senators to three consecutive four-year terms if approved by Nebraska voters at the 2026 statewide primary election.

Senators voted 39-10 to approve the measure. Thirty votes were needed.

GOVERNMENT, MILITARY & VETERANS AFFAIRS

Bill defining male, female in state law for sports access passed after cloture vote

A measure that defines male and female in state law for purposes of access to interscholastic sports received final approval May 28.


Sen. Kathleen Kauth

LB89, introduced by Omaha Sen. Kathleen Kauth at the request of Gov. Jim Pillen, restricts participation in K-12 and postsecondary school sports to teams that correspond to a student's sex as defined in the bill.

The measure defines a male as an individual who "naturally has, had, will have or would have, but for a congenital anomaly or intentional or unintentional disruption," a reproductive system that at some point "produces, transports and utilizes sperm for fertilization."

It defines females as individuals whose reproductive systems do the same, but with eggs.

Students will be required to provide confirmation of their sex through a document signed by a doctor or under the authority of a doctor in order to participate in a sport that is designated for a single sex. Female students may participate in sports designated for males if no female-only alternative exists. The act does not restrict participation in coed sports.

The measure will apply to private schools only if the school's students or teams compete against a public school in an interscholastic sport or the school is a member of an athletic association.

LB89 requires the governing body of each school that is subject to it to adopt a policy implementing the act.

Omaha Sen. Megan Hunt offered a motion on final reading to recommit the bill to the Government, Military and Veterans Affairs Committee. After an hour of debate, Kauth offered a motion to invoke cloture, or cease debate and vote on the bill.

The motion prevailed 33-16 and lawmakers passed LB89 on a vote of 33-16.

State boards and commissions modified, eliminated

Lawmakers passed a bill May 28 that modifies or eliminates more than

three dozen state-established entities.

LB346, introduced by La Vista Sen. John Arch at the request of Gov. Jim Pillen, modifies or eliminates 40 boards, commissions, committees and councils.


Sen. John Arch

Among the entities eliminated under the measure are the:

- Nebraska Aquaculture Board;
- Breast and Cervical Cancer Advisory Committee;
- Climate Assessment Response Committee;
- Nebraska Child Abuse Prevention Fund Board;
- Children's Behavioral Health Task Force;
- Natural Gas Fuel Board; and
- Women's Health Initiative Advisory Council.

Senators passed LB346 on a 49-0 vote.

Fire marshal fees increased

An array of fees charged by the State Fire Marshal will increase under a bill given final legislative approval May 28.

LB434, sponsored by Fremont Sen. Dave Wordekemper, increases fees on more than a dozen licenses, inspections and reviews undertaken by the fire marshal's office. For example, under the bill, a fireworks display permit will increase from $10 to $100, a retailer license from $25 to $100 and a distributor license from $500 to $1,000.


Sen. Dave Wordekemper

The bill also increases the fee for building plan reviews from not more than $500 to not more than $5,000 and the cap on fire alarm inspection fees from not more than $100 to not more than $200.

It also changes the late submittal fee for remodeling or construction project reviews to a flat $100 in addition to the plan review fee.

LB434 passed on a 47-2 vote and took effect immediately.

Election measure approved

Senators gave final approval May 28 to the state's annual election cleanup bill.

LB521, introduced by Bellevue Sen. Rita Sanders, contains recommended updates to the Nebraska Election Act as suggested by the secretary of state's office.


Sen. Rita Sanders

Among other provisions, the bill specifies the form and contents for petitions for partisan and nonpartisan candidates for President of the United States and other elective offices, as well as petitions for the establishment of a new political party.

The bill also provides for notice to a voter from an election commissioner or county clerk satisfying a request from that voter to cancel their voter registration and specifies a procedure for circumstances where a qualified candidate declines placement on a general election ballot.

The measure includes provisions of three additional election proposals:

- LB19, sponsored by Sen. John Cavanaugh of Omaha, which allows primary and metropolitan class cities to change the timing of city elections;
- LB243, introduced by Sanders, which makes technical changes; and
- LB659, sponsored by Sen. Bob Andersen of Omaha, which requires an election commissioner or county clerk using a vote counting device to conduct at least three independent tests before counting begins.


Sen. John Cavanaugh


Sen. Bob Andersen

LB521 passed on a 49-0 vote and took effect immediately.

Foreign adversary registration, transnational repression bill passed

A measure that establishes registration and reporting requirements for certain foreign entities in Nebraska was approved by lawmakers May 30.

LB644, introduced by Lincoln Sen. Eliot Bostar at the request of Gov. Jim Pillen, creates two new acts in state law: the Foreign Adversary and Terrorist Agent Registration Act and the Crush Transnational Repression in Nebraska Act.


Sen. Eliot Bostar

Under the bill, agents of foreign principals from adversary nations or terrorist organizations are required to file a detailed registration statement with the Nebraska Attorney General's Office, including the nature of all activities, agreements and financial transactions.

LB644 also regulates dissemination

of informational material by registered agents, who are required to file copies with the attorney general within 48 hours of transmission. Agents must maintain detailed records of their activities for three years, open to inspection, with civil penalties of up to $50,000 per violation, per year.

State employees currently required to file financial interest statements will be required to deny foreign agent status under the measure, and businesses and nonprofits are required to indicate compliance with the act in filings with the Nebraska secretary of state.

The attorney general has authority to issue civil investigative demands of potential violations of the act and agents may face expulsion or dismissal from Nebraska postsecondary institutions if found to be in violation.

The bill also establishes the Crush Transnational Repression in Nebraska Act. Those provisions enhance penalties to the next higher classification for certain offenses — including assault, terroristic threats and stalking — if committed by an agent of a foreign principal with the intent to:

- coerce action on behalf of a foreign principal;
- force an individual to leave the U.S.;
- suppress protected conduct, such as free speech or the free exercise of religion; or
- retaliate for protected conduct.

The bill authorizes the Nebraska State Patrol to prepare a report on transnational repression threats and permits them to develop training for law enforcement on identifying and responding to transnational repression.

It also adds requirements for lobbyists and consultants working for Chinese military companies to acknowledge that they are acting as agents of a foreign adversary, with a civil penalty of $100,000 per violation for noncompliance. Informants whose information leads to a violation finding under this provision would be paid $50,000 from the Nebraska Accountability and Disclosure Cash Fund.

LB644 also prohibits research facilities from using genetic sequencers or software produced by foreign adversaries, their state-owned enterprises or businesses domiciled or affiliated with them.

Finally, the bill requires companies bidding on public contracts to certify that they are not "scrutinized companies" under federal law and do not subcontract with such companies or provide products originating from them. Exceptions are provided for certain electrical suppliers and when no other reasonable option exists.

Lawmakers passed LB644 on a 37-11 vote.

HEALTH & HUMAN SERVICES

Juvenile support pilot program clears final round

A bill intended to provide support services to at-risk Omaha youth and their families was given final approval May 30.

LB48, sponsored by Omaha Sen. Terrell McKinney, creates the five-year Family Resource and Juvenile Assessment Center Pilot Program to provide culturally relevant services to family and youth involved in or at risk of entering the juvenile justice system.


Sen. Terrell McKinney

The bill requires the state Department of Health and Human Services to designate two centers within a metropolitan class city to provide 24/7 support services, including youth counseling, parenting support, job training, conflict resolution and substance abuse treatment. Omaha is the state's only metropolitan class city.

The department also must establish a designation process for the centers, who are required to implement a data collection system to assess program effectiveness, track youth and family outcomes and incorporate feedback directly from those served.

The bill appropriates $500,000 annually for each center from the Medicaid Managed Care Excess Profit Fund. No more than $50,000 may be used for administration expenses.

LB48 passed on a vote of 27-21.

SNAP eligibility sunset date eliminated

A bill relating to eligibility and work requirements for the Supplemental Nutrition Assistance Program was given final approval May 28.

Income eligibility guidelines for SNAP were expanded in 2021 from 130% of the federal poverty level to 165%. That expansion was scheduled to expire Oct. 1. LB192, sponsored by Grand Island Sen. Dan Quick, eliminates the sunset date and retains the current income eligibility level.


Sen. Dan Quick

The measure also includes provisions of LB656, sponsored by Omaha Sen. Bob Andersen, which prohibits the state Department of Health and Human Services from seeking, applying or renewing a work requirement waiver

for SNAP benefits unless expressly required to do so by federal law.


Sen. Bob Andersen

DHHS also could require all eligible SNAP recipients to participate in the employment and training program at the department's discretion.

LB192 passed on a 41-8 vote.

Suicide prevention training for child welfare staff approved

Lawmakers gave final approval May 29 to a bill that requires suicide awareness and prevention training for staff who provide direct services within the state's child welfare system.

LB217, sponsored by Omaha Sen. John Fredrickson, requires the state Department of Health and Human Services to develop suicide awareness and prevention training for child welfare staff, foster care providers and child-placing agency employees.


Sen. John Fredrickson

The training must include current best practices of behavioral and mental health training. All qualified staff are required to complete the training prior to any independent contact with youth and families and annually thereafter.

LB217 passed on a vote of 47-1.

Foster youth Social Security reforms passed

Senators passed a bill May 30 that seeks to reform the use of Social Security benefits received by eligible Nebraska foster children.

Current Nebraska law allows the state Department of Health and Human Services to apply for Social Security benefits on behalf of eligible state wards and act as their representative payee. The department then is authorized to use a portion of those funds to reimburse the state for the foster youth's care.

Among other reforms, LB275, sponsored by Omaha Sen. Megan Hunt, requires the department to conserve at least 20% of all Social Security benefits in a separate trust fund, beginning when a foster child is 14 years old. The percentage will gradually increase as the child ages until reaching 50% for beneficiaries who are 18 and older.


Sen. Megan Hunt

The bill also allows an adult known to a foster child to serve as their Social Security representative payee and requires the department to use all available Title IV-E funding prior to the use of state general funds for a beneficiary's care.

LB275 passed on a 29-19 vote.

Health reporting requirements modified, eliminated

A bill that makes a number of changes to reports that the state Department of Health and Human Services is required to provide to lawmakers was given final approval May 30.

LB376, introduced by the Health and Human Services Committee, updates and eliminates certain reporting requirements, including several related to Medicaid, youth rehabilitation and treatment centers, behavioral health services, newborn hearing tests, work and education programs, handgun purchase disqualifications, prenatal care and child welfare expenditures.

The bill also provides a sunset date of June 30, 2028, for a current requirement that Nebraska counties maintain offices and service facilities for the administration of public assistance programs at no cost to the department.

Senators passed LB376 on a vote of 47-1.

Behavioral health provider measure passed

Senators approved a bill May 28 that establishes new requirements for behavioral health contract service providers, managed care organizations and Medicaid integrity audits.

LB380, introduced by Sen. John Fredrickson of Omaha, adds requirements for the state Department of Health and Human Services regarding behavioral health contract services and places restrictions on contractors through the state's managed care organizations.

The bill requires the DHHS Division of Medicaid and Long-Term Care to define network adequacy and contractor compliance with federal and state laws for coverage of mental health and substance use disorders. It also requires:

- public access to all surveys, financial analyses, contract audits and parity reports prepared by a contractor;
- access to mental health and substance use disorder providers through regulation, network adequacy and provider rate adequacy;
- establishment of a monthly electronic communication system with all Medicaid providers and communication of any change in contracts with managed care organizations; and

- annual posting on the DHHS website of criteria that the division uses to assess network adequacy of each MCO.

Under the measure, managed care organizations are:

- prohibited from limiting mental health and substance use disorder coverage more than other conditions;
- required to maintain adequate provider networks for mental health and substance use disorder services;
- required to utilize generally recognized standards of care criteria and make utilization review policies public; and
- prohibited from revoking authorization for mental health and substance use disorder services after a provider renders such service.

The bill includes provisions of LB381, also introduced by Fredrickson, which seek to improve transparency and oversight in Nebraska's Medicaid auditing system.

Among other provisions, the measure requires program integrity contractors to provide clear justification for an audit and provide an appeals process. It also prohibits recovery of overpayments before all appeals are exhausted except in cases involving a credible allegation of fraud, limits claim reviews to within three years from the date of payment and limits record requests to relevant documents proportional to the services being audited.


Sen. Eliot Bostar

Also included are provisions of Lincoln Sen. Eliot Bostar's LB610, which allow DHHS to seek federal approval for implementation of the Ground Emergency Medical Transport Act.

The department is allowed to distribute the supplemental reimbursement to eligible providers under a payment method based on ground emergency medical transport services provided to Medicaid beneficiaries. The supplemental reimbursement may not exceed the amount of financial participation received as a result of the claims submitted.

Senators voted 48-1 to pass LB380.

Aging agency funding bill approved

A measure intended to address a budget deficit within agencies that support aging Nebraskans passed May 28.

LB382, introduced by Pender Sen. Glen Meyer, expands permissible uses of the Medicaid Managed Care Excess Profit Fund to include reimbursement for the cost of services provided by the eight Nebraska Area Agencies on Aging.


Sen. Glen Meyer

The bill appropriates $2 million in fiscal year 2025-26 and FY2026-27 from the fund to be used for eligible activities under the Nebraska Community Aging Services Act — such as nutrition, transportation and in-home care support services — distributed equally to each of the eight agencies.

The bill passed on a 48-1 vote.

JUDICIARY

Judicial omnibus measure approved

Lawmakers passed a measure May 30 containing a number of bills addressing sentencing and the courts.

LB150, introduced by Lincoln Sen. Carolyn Bosn, addresses mandatory minimum sentences for habitual criminals convicted of certain theft or controlled substance possession offenses. Under the bill, the mandatory minimum sentence for these crimes is three years, with a maximum not to exceed 20 years.


Sen. Carolyn Bosn

During select file debate May 28, Bosn offered an amendment that replaced the bill with a modified version of the proposal. She said the amendment harmonizes the bill with other measures moving through the Legislature this session. It also delays statewide implementation of the veteran justice program until July 1, 2027.

Bosn said the delay was necessary because the Legislature did not provide the courts specific funding to cover the "substantial" cost to implement the program statewide during this budget cycle. In addition, she said, the courts are still working on how best to implement the program in sparsely populated areas of the state.

Elmwood Sen. Robert Clements, chairperson of the Appropriations Committee, said the courts indicated in their budget hearing that it would cost approximately $9 million over the next two years to implement the veteran justice program in every court in Nebraska.

Speaking in support of the amendment, Clements said the courts do not have a line item in their budget for the program and did not object to delaying the implementation date.

Sen. Danielle Conrad of Lincoln said she was disappointed that the Legislature would "walk back" the statewide establishment of the veteran justice program, which she said was passed with bipartisan support.

The Bosn amendment was adopted 39-0 and lawmakers advanced LB150 to final reading on a 37-0 vote.

The measure includes provisions of the following bills:

- LB93, introduced by Lincoln Sen. George Dungan, which clarifies the right to discovery in criminal proceedings;


Sen. George Dungan

- LB136, sponsored by Sen. Rick Holdcroft of Bellevue, which requires that a corporate employer be served only at the address of its registered agent, instead of an employee's physical workplace, when a garnishment summons is issued for a debtor employed by the corporation;


Sen. Rick Holdcroft

- LB219, introduced by Dungan, which eliminates a current nine-month minimum post-release supervision requirement for Class III and IIIA felonies;
- LB329, sponsored by Elkhorn Sen. R. Brad von Gillern, which replaces the definition of "school employee" in state statutes relating to sexual abuse with "school worker";


Sen. R. Brad von Gillern

- LB386, introduced by Sen. Tanya Storer of Whitman, which directs the Nebraska Commission on Law Enforcement and Criminal Justice to seek and obtain federal funding for a pilot program to improve mental health resources in county jails or other facilities;


Sen. Tanya Storer

- LB412, sponsored by Syracuse Sen. Bob Hallstrom, which allows an individual who has reason to believe he is the biological father of a child to file a civil proceeding to determine paternity;


Sen. Bob Hallstrom

- LB539, introduced by Sen. Brian Hardin of Gering, which eliminates a requirement that the Nebraska State Patrol establish its own system for conducting criminal history record checks for firearm purchases;


Sen. Brian Hardin

- LB606, sponsored by Holdcroft, which eliminates obsolete references in state law to the Division of Parole Supervision; and
- LB694, introduced by Omaha Sen. Dunixi Guereca, which adds military and veteran status to the existing list of protected classes that cannot be discriminated against in employment, public accommodation, housing and certain government activities.


Sen. Dunixi Guereca

LB150 passed on a vote of 43-5 and took effect immediately.

Bill to ban hemp-derived cannabinoids passed over

A bill that would bar the sale of hemp-derived cannabinoids in Nebraska was passed over on the final round of debate May 30 at the request of the introducer.

LB316, introduced by Omaha Sen. Kathleen Kauth, would prohibit the sale of hemp products containing more than 0.3% of any strain of THC and classify hemp products above that limit as marijuana.


Sen. Kathleen Kauth

Under the bill, a 10% excise tax on the retail sale of cannabinoid products would be imposed beginning Jan. 1, 2026, with all revenue generated directed to the Property Tax Credit Cash Fund.

Additionally, LB316 would provide for a consumer "safe harbor" period and prevent prosecution for possessing

illegal hemp until Dec. 31, to allow consumers to dispose of products legally.

Kauth said the proposal would prohibit the sale of "dangerous" merchandise in the state and ensure that the products Nebraskans purchase are safe.

"Our job is to provide product safety [and the] certainty that when you walk into a store and you purchase something off the shelf, that it is not going to kill you," she said.

Omaha Sen. John Cavanaugh opposed LB316 and offered a motion to return the bill to the Judiciary Committee.

Rather than banning cannabinoids, he said, lawmakers could ensure product safety by enacting a regulatory framework to require that businesses are properly licensed, check IDs and adhere to packaging rules.

"This is an industry that needs regulation, and [LB316] is not the way to do it," Cavanaugh said. "This will shut down all of these stores, these growers and these folks who can be good actors in our community."

Sen. Danielle Conrad of Lincoln also opposed the measure. Consumer demand for the products the bill would ban is clear, she said, with over 300 stores in Nebraska selling cannabinoids.

"We live in a free society," Conrad said. "If these products are not right for you, don't take them."

As discussion neared the time for a cloture motion to cease debate, Blair Sen. Ben Hansen said he could not support the bill without an amendment to ensure that it would not conflict with the implementation of the medical cannabis initiative passed last year.

"The language that is in this bill could be used to greatly impact medical marijuana, and that is something I cannot have," Hansen said. "I think the people passed that [initiative] for a specific reason, and I think they are then due to have what they voted for."

Following Hansen's announcement, Kauth requested that LB316 be passed over. The Legislature then moved to the next item on the agenda without voting on the measure. The bill was not debated again this session.

Judge salary increases passed

Lawmakers gave final approval May 28 to a measure that raises the salary of Nebraska judges.

All Nebraska judges are paid using a statutory formula based on a percentage of the salary of the chief justice.

LB513, sponsored by Sen. Carolyn Bosn of Lincoln, increases judges' salaries by 1.5% over the next two fiscal years. The bill raises Nebraska Supreme Court judges' salaries to $228,431 on July 1, 2025, and to $231,858 on July 1, 2026.


Sen. Carolyn Bosn

The measure is projected to have a General Fund impact of $1.336 million in fiscal year 2025-26 and $2.685 million in FY2026-27.

LB513 passed on a 38-11 vote and took effect immediately.

Judicial package approved

Senators passed a proposal May 29 that increases penalties for certain traffic violations and includes several other public safety measures.

LB530, sponsored by Omaha Sen. Kathleen Kauth, increases speeding violation fines in all categories and clarifies that driving at more than double the posted maximum speed limit is considered prima facie evidence of reckless driving.


Sen. Kathleen Kauth

Additionally, the bill increases the criminal penalty for motor vehicle homicide to a Class IV felony if an individual dies as a result of a driver's actions.

Other measures included in LB530 are:

- LB6, introduced by Lincoln Sen. Carolyn Bosn, which enhances penalties for providing an individual with fentanyl if that person is seriously injured or dies as a result;
- LB124, sponsored by Sen. Rick Holdcroft of Bellevue, which updates the penalty for motor vehicle homicide of an unborn child caused by driving under the influence from a Class IIIA to a Class IIA felony;


Sen. Rick Holdcroft

- LB395, introduced by Niobrara Sen. Barry DeKay, which allows law enforcement to inspect sealed records of individuals younger than 25 who apply for a gun permit or handgun purchase to check for prior domestic violence adjudications and requires courts to inform juveniles about firearm possession prohibitions after completing probation;


Sen. Barry DeKay

- LB404, sponsored by Sen. Bob Hallstrom of Syracuse, which allows the court to extend a pro-

bation term if the probation officer and the probationer jointly apply for it;


Sen. Bob Hallstrom

- LB556, introduced by Ralston Sen. Merv Riepe, which lowers the allowable age for youth detention from 13 to 11;


Sen. Merv Riepe

- LB600, sponsored by Sen. Wendy DeBoer of Bennington, which allows the Nebraska Department of Transportation to reduce speed limits temporarily under conditions such as adverse weather, emergencies or traffic congestion and outlines rules for drivers encountering stopped vehicles; and


Sen. Wendy DeBoer

- LB684, introduced by Lincoln Sen. Eliot Bostar, which transfers juvenile probation functions from the Office of Probation Administration to a newly established executive branch Juvenile Probation Agency and makes a number of other changes.


Sen. Eliot Bostar

Lawmakers voted 37-11 to pass LB530.

REVENUE

Nameplate capacity tax distribution to community colleges approved

Lawmakers passed a bill May 30 meant to address an unintended consequence of a recent change in the way community colleges are funded.

Owners of private renewable energy generation facilities pay a nameplate capacity tax in lieu of personal property taxes on equipment used to generate electricity. Counties where the infrastructure is located distribute the revenue to local political subdivisions based on the amount of property taxes they levy.

In 2023, lawmakers eliminated most of community colleges' property tax levy authority and replaced the lost revenue with state funding. In doing so, however, they inadvertently reduced nameplate capacity tax revenue to community colleges.

LB50, sponsored by Niobrara Sen. Barry DeKay, requires counties to allocate 5% of nameplate capacity tax revenue to the community college area in which the renewable energy generation facility is located before distributing the rest to other political subdivisions.

The bill passed on a vote of 45-3.

Disability savings program incentive approved

Lawmakers passed a measure May 30 intended to bolster a program that helps Nebraskans pay for disability-related expenses.

LB391, sponsored by Glevil Sen. Dave Murman, creates the Give to Enable Support Act and an associated cash fund. Under the new program, the state treasurer will use private contributions to open Enable Savings Plan accounts for qualifying applicants who do not already have one.


Sen. Dave Murman

The tax-advantaged accounts, authorized by the Legislature in 2015, may be used to pay for beneficiaries' qualifying disability-related expenses, including education, housing, transportation and personal support services.

Under LB391, the treasurer will determine the minimum amount to place in each new account and may approve as many applications as funding allows each year.

Contributions may be deducted from federal adjusted gross income for state income tax purposes, within certain limits.

The state Department of Revenue estimates that the bill will reduce state general fund revenue by $137,000 in fiscal year 2026-27, $160,000 in FY2027-28 and $200,000 in FY2028-29.

LB391 passed on a vote of 45-3.

First responder tuition waiver expanded

Correctional and youth detention officers will qualify for a tuition waiver under a bill passed by lawmakers May 30.

Under the First Responder Recruitment and Retention Act, law enforcement officers, professional firefighters and their legal dependents are entitled to a full tuition waiver at a Nebraska state university, state college or community college if they meet certain requirements.

Under LB608, sponsored by Lincoln Sen. Eliot Bostar, correctional and youth detention officers and their qualifying children also will qualify for

waivers, beginning July 1, 2027.

Additionally, individuals who are disabled as a result of injury or illness that resulted from or is connected to employment as a first responder, as well as their qualifying children, now qualify for a waiver.

Civilian firefighters at Offutt Air Force Base also now are included in the program.

The waiver for correctional officers and youth detention officers, disabled individuals who served in those roles and their qualifying children is available only for attendance at the University of Nebraska.

Beginning July 1, 2028, the bill requires the Coordinating Commission for Postsecondary Education to reimburse the university for 50% of the tuition waivers granted in the preceding year to those individuals. If state appropriations are not enough to pay all submitted claims, the commission will prorate the university's total reimbursement.

Senators voted 36-12 to pass LB608.

Local option sales tax disclosure rules updated

Lawmakers passed a bill May 30 intended to help municipalities better track and predict local option sales tax receipts.

The state tax commissioner is required to provide a municipality that has adopted a local option sales tax with a list of the names and addresses of local retailers that have collected the tax. Previously, the municipality could request the information annually.


Sen. Bob Andersen

Under LB613, sponsored by Omaha Sen. Bob Andersen, a municipality may make the request three times per year and also ask for certain additional information as long as it does not include data on the specific revenue, expenses or operations of any particular business.

Additionally, the bill requires the commissioner to send, upon request, electronic copies of local option sales and use tax returns and certain other information to an individual authorized by a municipality to review the confidential documents.

Under LB613, the authorized individual also may disclose tax returns and other information to another municipal employee to verify the:

- accuracy of the collection, analysis and forecasting;
- accuracy of the allocation made between various municipalities of the tax due; or that
- taxes are used according to their approved purpose.

Finally, the bill allows a municipality to request from the state Department of Revenue a list of businesses that have applied to receive tax incentives under certain programs. That request may be made annually.

LB613 passed on a vote of 45-3.

Revenue omnibus bill approved

Senators passed a package of revenue-related bills May 30, including a measure under which Nebraska educational savings plan trust accounts may be used to pay for private K-12 education.

The Revenue Committee introduced LB647 as a shell bill. It was amended to include provisions of seven other bills considered by the committee this session.

Under the amended provisions of LB131, sponsored by Elkhorn Sen. Tony Sorrentino, Nebraska educational savings plan trust accounts may be used to pay for private elementary and secondary school tuition, not to exceed $10,000 per beneficiary per taxable year, beginning Jan. 1, 2029.


Sen. Tony Sorrentino

The amended provisions of LB242, introduced by Sen. Merv Riepe of Ralston, update a measure passed during last year's special session that limits increases in city and county property tax request authority.


Sen. Merv Riepe

Among other updates, the measure:

- modifies the property tax request authority calculation to ensure that it accounts for a political subdivision's growth;
- provides a one-time mechanism allowing cities and counties to carry forward unused restricted funds authority; and
- removes a revenue cap on local occupation taxes.

The amended provisions of LB314, sponsored by Sorrentino, allow a political subdivision and nonprofit corporation to apply for temporary approval for state assistance under the Sports Arena Facility Financing Assistance Act if each has adopted a resolution authorizing either co-applicant to pursue financing or bonds to acquire, construct, improve or equip an eligible sports arena facility.

The approval becomes permanent if a building permit for the facility is issued within 24 months of the temporary approval. If a permit is not issued within that period, the temporary approval becomes void.

The amended provisions of LB401, introduced by Elkhorn Sen. R. Brad von Gillern, clarify a provision allowing

Nebraskans to pay their state income taxes through a passthrough entity such as an LLC.


Sen. R. Brad von Gillern

The measure also requires notices of deficiency to include a written statement detailing the facts, circumstances and reasons the state tax commissioner used to determine that a taxpayer did not report the correct amount of tax on an income tax return.

The amended provisions of LB566, introduced by Sen. Dan Quick of Grand Island, extend the sunset date for an income tax credit for the purchase of a home in an extremely blighted area from Jan. 1, 2026, to Jan. 1, 2032.


Sen. Dan Quick

Under the amended provisions of LB628, sponsored by Norfolk Sen. Robert Dover, a taxpayer who encumbers their property with a perpetual recreational trail easement may apply for a property tax exemption for the portion of the property that has been encumbered with the easement.


Sen. Robert Dover

The provisions of LB709, introduced by Sen. Eliot Bostar of Lincoln, create a refundable state income tax credit equal to 10% of the federal adoption expenses tax credit allowed to a taxpayer in the same taxable year.


Sen. Eliot Bostar

The state Department of Revenue estimates that LB647 will reduce state general fund revenue by $499,000 in fiscal year 2025-26, $1.2 million in FY2026-27 and $2 million in FY2027-28.

The bill passed on a vote of 35-13 and took effect immediately.

Defense contractor tax incentive created

Lawmakers approved a measure May 30 intended to encourage certain defense contractors to locate their highly skilled workers in Nebraska.

The Revenue Committee introduced LB649 as a shell bill. It was amended to include a proposal sponsored by Bellevue Sen. Rita Sanders that creates a wage credit for companies that employ qualifying workers "exclusively dedicated to supporting military defense efforts" in Nebraska.

To qualify, a company must employ at least 10 qualified workers in Nebraska during the year immediately before the year of application. For the rest of the 10-year performance period, a company must employ at least the same number of workers as in the prior year.

A company is required to pay wages at a rate equal to at least 150% of the statewide average hourly wage in the base year and then increase wages by at least 2% per year after that.

If its application is approved by the state tax commissioner, a company will receive a wage credit equal to 5% of the total compensation paid to all qualified employees during the year. The credit may be used to reduce income tax withholding or payor tax liability.

The incentive is available beginning July 1, 2027. Total credits are capped at $40 million over 10 years.

If a company fails to maintain the required employment and wage levels, all or a portion of its credits will be recaptured or disallowed.

The measure requires the state Department of Revenue to submit an annual report on the program to the Legislature.

LB649 passed on a vote of 44-4.

Good life district fixes amended, approved

Lawmakers passed a bill June 2 making several updates to a state initiative intended to spur large retail developments.

The Good Life Transformational Projects Act, passed by the Legislature in 2023, authorizes the state Department of Economic Development to create "good life districts" in which transactions are subject to a state sales tax rate of 2.75%, half the current rate of 5.5%.

Elkhorn Sen. R. Brad von Gillern, sponsor of LB707, said during select file debate May 27 that the measure is intended to fix "cracks" in the program that could lead to a "devastating" loss of state revenue if left unaddressed.

"Prior to [LB]707," he said, "there were serious concerns from multiple parties that the good life district program was simply handing a blank check to development groups with little to no assurance that the state would reap a fair return on its investment."

Von Gillern introduced an amendment, adopted 37-0, that replaced the proposal with a modified version that he said balances the interests of developers, cities and the state.

As amended, the bill repeals the current rate reduction and instead imposes a state sales tax rate that is 50% of the current rate on transactions by good life district applicants or retailers that physically occur in a district. Sales of motor vehicles, motorboats, ATVs and certain other vehicles are excluded.

A good life district applicant or retailer will be eligible for a refund of 50% of the state sales tax paid on development costs for a new business, an additional good life district retailer or a relocated good life district

retailer, within certain limits.

Once a city has established an economic development program for its good life district, the state tax commissioner is required to allocate 50% of the state sales taxes from qualifying transactions to the city. The allocated taxes will be a local source of revenue for the program.

LB707 eliminates a city's ability to adopt a local option sales tax to fund development in a district, but a city still may establish a business occupation tax as a local source of revenue.

The bill also:

- limits the amount of allocated state sales taxes that may be generated by existing retailers;
- accounts for the relocation of existing businesses to a good life district; and
- defines new-to-market retailers as those that did not exist within 40 miles of a district prior to its creation.

Before a good life district is approved, an applicant must submit a report to the department and the city in which the district will be located. The report must include evidence that the project is financially viable and that the applicant owns land within the proposed boundaries of the district, among other information.

LB707 also allows for the creation of up to six project areas within a good life district. Once the department approves a project area, the applicant, the department and the city must enter into a memorandum of understanding requiring that local sources of revenue derived from within a project area be used for eligible costs within the project area.

Under the bill, a political subdivision that is an approved good life district applicant must pay state sales tax on building material purchases for a new business that will offer taxable sales in the district.

The state Department of Revenue estimates that LB707 will increase state general fund revenue by $1.1 million in fiscal year 2025-26, $1.3 million in FY2026-27 and $696,000 in FY2027-28.

Under von Gillern's amendment, a city would have needed to receive voter approval before establishing an economic development program and receiving state sales tax revenue to help fund a good life district project.

Sen. Rick Holdcroft of Bellevue introduced a select file amendment, adopted 40-0, that he said exempts Bellevue from that requirement. He said the city established a good life district under current law and already has invested $40 million in its project.

"Requiring the city to hold a public election to access state funds introduces unnecessary costs, uncertainty and risks of project delay or cancellation," Holdcroft said.

Von Gillern's amendment would have allowed a city or village in which all or a portion of a good life district is located to request that the state Department of Economic Development approve an adjustment to the district's boundaries.

Under an amendment introduced by Lincoln Sen. Eliot Bostar, adopted 36-1, a city or village may request only that a district's boundaries be reduced. He said the change protects taxpayers by ensuring that a district may grow only with legislative approval.

After the adoption of further technical amendments, senators advanced LB707 to final reading by voice vote.

On final reading May 29, senators voted to return the bill to select file to consider an amendment offered by von Gillern. Under the amendment, which he said includes several technical changes, the updated sales tax rate provisions will apply to qualifying good life district transactions that occur on and after Oct. 1 rather than July 1.

Senators voted 46-0 to adopt the amendment and again advanced LB707 to final reading by voice vote.

The bill passed June 2 on a vote of 49-0 and took effect immediately.

TRANSPORTATION & TELECOMMUNICATIONS

Transportation omnibus bill approved

A bill to align Nebraska's transportation statutes with federal regulations received final approval from lawmakers May 28.

LB398, introduced by Sen. Mike Moser of Columbus, ensures that the state complies with the most recent federal laws and regulations that govern the state Department of Motor Vehicles and Nebraska State Patrol.



Sen. Mike Moser

Among other changes, the bill increases civil penalties for motor carrier violations, updates medical certification requirements for commercial driver's license holders and requires the department to post certain information to the Commercial Driver License Information System.

As amended, the measure includes provisions of six other bills heard by the Transportation and Telecommunications Committee this session.

The amended provisions of LB114, sponsored by Moser, increase fees for certain driver and motor vehicle records maintained by the department.

The provisions of LB134, introduced by Bellevue Sen. Rick Hold-

croft, require the department to create six license plate designs intended to honor veterans and military service members.


Sen. Rick Holdcroft

The provisions of LB343, introduced by Sen. Tom Brandt of Plymouth, decrease the organizational license plate fee from $70 to $40, the same as the alternate license plate fee.


Sen. Tom Brandt

The provisions of LB563, also sponsored by Brandt, require the department to issue permanent license plates for commercial fertilizer trailers.

The provisions of LB568, introduced by Omaha Sen. John Fredrickson, require the department to issue Arbor Day license plates.


Sen. John Fredrickson

The associated fees are directed to a new fund administered by the University of Nebraska Board of Regents, which will award grants to the Nebraska Statewide Arboretum for tree planting, environmental education and other purposes.

The provisions of LB175, introduced by Sen. Bob Hallstrom of Syracuse, require a railroad's successor in interest to provide at least one adequate crossing for a person who owns land on both sides of a right-of-way.


Sen. Bob Hallstrom

LB398 passed on a vote of 45-4 and took effect immediately.

URBAN AFFAIRS

Veto of housing agency bed bug requirements sustained

An attempt to override the governor's veto of a measure requiring the Omaha Housing Authority to address bed bug infestations fell short May 27.

LB287, introduced by the Urban Affairs Committee, would require a housing agency in a metropolitan class city to address beg bug infestations within a certain time frame, among other requirements. Omaha is the state's only metropolitan class city.

Included in the bill are the amended provisions of LB514, also sponsored by the committee. They would allow a metropolitan class city to require a housing authority to comply with any city rental inspection and registration ordinance, code enforcement and inspection of residential rental properties.

Also included are the amended provisions of LB321, introduced by Sen. Rita Sanders of Bellevue. They would allow sanitary and improvement districts to pay for improvements by collecting special assessments on property located outside the boundaries of the district to the extent the improvements benefit that property.


Sen. Rita Sanders

LB287 passed May 14 on a 34-15 vote.

In his veto letter, Gov. Jim Pillen said the bill's requirements are redundant because local governments already have the authority to enforce "basic sanitation and anti-infestation standards" within their communities. Additionally, he said, OHA already is subject to "rigorous" oversight by the U.S. Department of Housing and Urban and Development, which provides most of the agency's funding.

The provisions of LB287 that allow an SID to impose taxes on property owners outside its jurisdiction "[disrupt] foundational principles of fair governance and the importance of avoiding taxation without representation," Pillen added, saying the policy change "deserved significantly more debate and deliberation by the Legislature."

Omaha Sen. Terrell McKinney, committee chairperson, filed a motion to override the veto, which was taken up for debate May 27. He said LB287 was amended in collaboration with the city of Omaha to avoid a state mandate while still ensuring that the city has the power to address the bed bug infestations, which McKinney said have continued "unchecked" by federal, state and local governments.

He said LB321 drew no opposition at its hearing and was included in the bill because it was considered uncontroversial.

"We can come back and fix the tax issue," McKinney said, "but these conditions in which people are living need to be addressed as soon as possible."

Omaha Sen. John Cavanaugh supported the override motion. He said Omaha officials have argued that they lack the authority to address problems at OHA. LB287 would not require the city to address the beg bug problem but would make it clear that it has the power to do so, Cavanaugh said.

Sen. Bob Hallstrom of Syracuse opposed the override motion after voting to pass LB287. He said he was "asleep at the switch" during debate on the Sanders proposal and that the constitutionality of allowing an SID to tax property owners outside its boundaries is an unsettled question.

Sanders also opposed the motion.

She said the provisions of LB321 were included in the committee amendment without her knowledge and that she is willing to work on the proposal "at a later time."

The override motion failed on a vote of 24-24. Thirty votes were needed.

Middle-income housing program expanded

The construction of rent-to-own housing units in urban areas will qualify for state assistance under a bill approved by lawmakers May 28.

Under LB288, introduced by the Urban Affairs Committee, the construction of rent-to-own housing and the development of upper-story housing for occupation by a rent-to-own tenant are eligible for grants under the Middle Income Workforce Housing Investment Act.

A rent-to-own housing unit must be a tenant's primary residence, and the tenant may not own a home or other residential real estate.

A rent-to-own housing lease must provide that at least $50 of the tenant's monthly rent be set aside in an account maintained by the property owner.

When the lease ends, the owner is required to distribute money in the account to the tenant to use for a down payment and closing costs on the purchase of a home. The tenant will have the option to purchase the rent-to-own unit at fair market value one year after the lease begins.

As amended, LB288 includes provisions of four other measures considered by the committee this session.

The provisions of LB450, sponsored by Sen. John Fredrickson of Omaha, update the Property Assessed Clean Energy Act, under which municipalities may agree to provide financing for the installation of certain energy efficiency improvements in exchange for a property owner's agreement to pay an annual assessment.


Sen. John Fredrickson

Under Fredrickson's measure, grid resiliency improvements — including backup power generators, solar panels with battery storage and smart grid technology — also will qualify for the agreements.

The amended provisions of LB626, introduced by Norfolk Sen. Robert Dover, update the Community Development Law.


Sen. Robert Dover

They allow a municipality to approve redevelopment projects that use tax-increment financing in areas where less than 20% of the housing is affordable housing — which the bill defines as workforce housing, low-income housing or housing intended for households earning less than 150% of the applicable county's median income.

The provisions of LB622, also introduced by Dover, change how the department disburses grants under the Nebraska Affordable Housing Act.

Beginning July 1, 2026, the department will disburse grant funds equal to 80% of the housing development costs to the grant recipient upon approval and 20% upon the project's completion.

LB288 was amended on select file to include amended provisions of LB531, sponsored by Sen. Kathleen Kauth of Omaha. They prohibit the state Department of Economic Development from requiring any new construction project or rental conversion project that receives funding from the Affordable Housing Trust Fund to comply with the 2018 International Energy Conservation Code.


Sen. Kathleen Kauth

Under Kauth's measure, the department is not required to review building plans and specifications for compliance with the code if they have already been reviewed by a county, city or village enforcing a local building code that includes the international code's requirements.

LB288 passed on a vote of 43-6.

Business park project boundary change approved

Lawmakers passed a bill May 28 intended to provide greater flexibility in the siting of a proposed North Omaha business park.

The Economic Recovery Act, passed by the Legislature in 2022 and updated in 2023, provided funding for pandemic recovery projects in North and South Omaha and other communities that were disproportionately impacted by the COVID-19 pandemic.

Under the act, the state Department of Economic Development has granted $90 million to a nonprofit economic development organization for the development of a business park located within the boundaries of a metropolitan class city and within two miles of a major airport. Omaha is the state's only metropolitan class city.

LB290, introduced by the Urban Affairs Committee, instead requires the project to be located within the boundaries of an inland port district in Omaha. Grant funds may not be used in the downtown or northern downtown areas of Omaha.

The bill passed on a vote of 31-18. ■

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