

LEGISLATIVE BULLETIN

LEAGUE OF NEBRASKA MUNICIPALITIES

107th Legislature, Second Session

April 1, 2022 - Bulletin 13



ITEMS OF INTEREST TO MUNICIPALITIES

- **LB 1014:** ARP Act budget bill advances to Final Reading with \$47.7 million for COVID-related infrastructure improvements at NLETC still included in bill.
- **LB 927:** Please ask your Senator(s) to continue supporting LB 927 relating to arenas in Lincoln, Omaha and Ralston; **these three arenas provide the funding for CCCFF.**
- **LB 1273:** League-supported bill to provide increased benefits for law enforcement officers advances to Final Reading.
- **LR 263CA:** Constitutional amendment to end unfunded mandates advances to next round of debate.
- **LB 809:** Natural Resources Committee priority bill advances; includes League-supported bills, LB 809 and LB 924
- **Check the Legislature's web site** for more information about your state Senators and the session. The web site address is <http://nebraskalegislature.gov/web/public/home>.

**NOT ALL ITEMS OF INTEREST ARE INCLUDED ON THIS LIST.
ALSO SEE THE REMAINDER OF THE LEGISLATIVE BULLETIN.**

LB 1014:ARP Act budget bill advances to Final Reading with \$47.7 million for COVID-related infrastructure improvements at NLETC still included in bill

On March 28, the Legislature advanced **LB 1014** to Final Reading on a 33-7 vote following a successful cloture motion on a 34-4 vote to end a filibuster. **Unfortunately, LB 1014, which outlines the allocation of over \$1 billion of American Rescue Plan (ARP) Act funds received by the State of Nebraska, was filibustered over disagreements relating to tax cuts and criminal justice reform.** In order for a cloture motion to be successful to end a filibuster, 33 Senators must vote yes.

Albion **Sen. Tom Briese**, a member of the Revenue Committee and passionate advocate for the tax cut proposal (which failed twice previously with unsuccessful cloture motions), stated there were other Senators willing to join him to “torch” LB 1014 until the tax cut proposal advanced to Select File. Thanks to **Speaker Mike Hilgers** and Norfolk **Sen. Mike Flood** who urged their colleagues to advance LB 1014 to Final Reading while waiting to find out whether the dispute over tax cut issues and criminal justice reform could be resolved. Fortunately, LB



Sen. John Stinner



Speaker Mike Hilgers

1014 was advanced to Final Reading on March 28.

On March 31, Omaha **Sen. Justin Wayne** was successful in returning LB 1014 from Final Reading to Select File for a specific amendment to harmonize provisions with LB 1024, a bill introduced by Sen. Wayne relating to the North and South Omaha Recovery Act using ARP Act funds. LB 1014 was readvanced to Final Reading and likely will be considered for passage next week.

When the Legislature adjourned March 31, discussions continued on how to resolve the disputes relating to tax cuts and criminal justice reform. The tax cut proposal (*relating to property tax, personal income tax, corporate income tax and social security tax*) was amended into **LB 873** and advanced to Select File March 30; however, **LB 920**, introduced by Ralston **Sen. Steve**



Sen. Justin Wayne

Lathrop to address criminal justice reform and overcrowding in correction facilities, has been debated for several hours but not yet advanced to Select File.

The following three bills are linked together: LB 1014 (ARP Act bill); LB 873 (tax cut proposal); and LB 920 (criminal justice reform).

State Capitol Mailing Address

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LB 927: Please ask your Senator(s) to continue supporting LB 927 relating to arenas in Lincoln, Omaha and Ralston; *these three arenas provide the funding for CCCFF*

On March 31, the Legislature considered **LB 927** on General File; **thanks to Norfolk Sen. Mike Flood for explaining and advocating for LB 927 since Omaha Sen. Rich Pahls was ill and unavailable to do so.** LB 927, as introduced by Sen. Pahls, would make several changes to the **Convention Center Facility Financing Assistance Act** relating to arenas in **Lincoln** (Pinnacle Bank Arena) and **Omaha** (CHI Health Center). LB 927 would amend the definition of a convention and meeting center facility to add parking facilities that are nearby, but not connected to the convention and meeting center facility. The parking facility would be for the use of the arena; it also would need to be within 600 yards of the convention and meeting center facility. In addition, LB 927 would provide that state assistance may be used to acquire, construct, improve or equip nearby parking facilities and would increase the amount of state assistance from \$75 million to \$150 million for any one project.

Following Sen. Flood's opening remarks, Omaha **Sen. Lou Ann Linehan**, Chair of the Revenue Committee, explained the Standing Committee Amendment (AM2023) to LB 927, which incorporates the provisions of **LB 818**, introduced by Sen. Linehan, to amend provisions of the **Sports Arena Facility Financing Assistance Act** to allow the **Ralston Arena** to include parking structures under its turnback

provision, increasing the limit on the total sales tax turnback from \$50 million to \$100 million, and striking the requirement that the state assistance be paid within 20 years of the issuance of the first bond for the facility.

Before adopting the Standing Committee Amendment (AM2023) to LB 927, Omaha **Sen. Terrell McKinney** was successful in

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Sen. Mike Flood



Sen. Terrell McKinney



Sen. Justin Wayne



Sen. Ben Hansen



Sen. Lou Ann Linehan

LB 927: Please ask your Senator(s) to continue supporting LB 927 relating to the arenas in Lincoln, Omaha and Ralston; these three arenas provide the funding for the CCCFF

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amending AM2023 with **AM2632** to: 1) expand the area subject to throwback sales tax from 600 to 1,200 yards, increasing the number of hotels within which the arenas in Lincoln and Omaha could receive throwback sales tax; and 2) restructure how the 10 percent (of Omaha's 70 percent throwback sales tax) should be distributed in Omaha in areas with a high concentration of poverty. AM2632 was adopted with 28 ayes, 0 nays, 11 present and not voting and 10 excused and not voting. *(Unlike the Ralston Arena, the arenas in Lincoln and Omaha only receive throwback sales tax from hotels.)*

Blair **Sen. Ben Hansen** also was successful in amending the Standing Committee Amendment with **AM2505** to make necessary technical changes to his "postcard bill" (LB 644), which passed last year requiring a joint public hearing for any city, county, school district or community college intending to approve a property tax request that is higher than the prior year's property

tax request. AM2505 is essentially LB 1250, which Sen. Ben Hansen introduced this year to make the necessary changes in order for the "postcard bill" to be workable. AM2505 was adopted with 29 ayes, 0 nays, 9 present and not voting and 11 excused and not voting.

LB 927 was advanced to Select File as amended by the Standing Committee Amendment (incorporating the provisions of the McKinney and B. Hansen amendments) with 31 ayes, 0 nays, 8 present and not voting and 10 excused and not voting. Sen. Flood indicated he would be filing an amendment on Select File to LB 927 to fundamentally change the provisions of LB 39, passed in the 2021 session.

BACKGROUND INFORMATION:

The CCCFF is funded by 30 percent of the throwback sales tax generated from the arenas in Omaha, Ralston and Lincoln; the CCCFF provides critically important grants for municipalities across the state. [Click here](#) for a list of CCCFF grants to municipali-

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ties. [Click here](#) to read the latest CCCFF Annual Report by DED.

Thanks to **Sen. Mike Flood** of Norfolk, who negotiated with the League to allocate a portion of the CCCFF funds for grants to municipalities partnering with **"certified creative districts."** **Sen. Flood was the swing vote to advance LB 927 out of the Revenue Committee with the provisions of LB 818 for Ralston's Arena.** It takes five votes to advance the bill from the Revenue Committee; the League Executive Board negotiated provisions with Sen. Flood so that from July 1, 2023, to June 30, 2024, CCCFF funds for that one year only would be available to municipalities partnering with "certified creative districts." The grants shall not be less than \$100,000 or more than \$250,000 regardless of population. After June 30, 2024, grants from the CCCFF could be awarded to municipalities regardless of their partnering with a "certified creative district." As Sen. Flood emphasized in his presentation at the 2022 Mid-winter Conference, he feels strongly about the role of "certified creative districts" in growing the population in the State of Nebraska.

When do bills that are passed take effect?

Bills that are passed by the Legislature go into effect three calendar months after the Legislature adjourns unless they include an effective date or an emergency clause. Bills with an emergency clause

become effective at 12:01 a.m. the day after the Governor signs the bill, the Legislature overrides the Governor's veto, or five days after the Legislature approves a bill and the Governor fails to act on it.

LB 1273: League-supported bill to provide increased benefits for law enforcement officers advances to Final Reading

Thanks to **Sen. Eliot Bostar** of Lincoln for introducing **LB 1273**, which would allow a retired certified law enforcement officer to deduct the cost of health insurance premiums for Nebraska income tax purposes; such individuals must have served full-time for at least 20 years and must be at least 60 years of age to qualify for the deduction. The deduction would take effect for tax years beginning or deemed to begin on or after Jan. 1, 2023. The **League**, **NACO** and statewide organizations representing law enforcement support LB 1273 and LB 1272. **Thanks to Speaker Hilgers for selecting LB 1273 as a "Speaker Priority Bill."**

On March 3, when LB 1273 was considered on the Legislature adopted Revenue Committee Amendment AM2005 during General File debate to add the language from **LB 1272**, introduced by Hastings **Sen. Steve Halloran**, to increase the tuition waiver for law enforcement officers from 30-100 percent of the



Sen. Eliot Bostar



Sen. Steve Halloran

resident tuition charges of any state university, state college or community college. On March 3, AM2005 was adopted with 33 ayes; the bill was advanced to Select File with 41 ayes, 0 nays and 4 not voting.

In addition to LB 1273, as amended, the League strongly supports LB 1241 relating to law enforcement reciprocity and the \$47.7 million of ARP Act funds the Governor and Appropriations Committee included in the ARP Act budget (LB 1014).



Sen. Steve Lathrop

LR 263CA: Constitutional amendment to end unfunded mandates advances to next round of debate

On March 28, the Legislature debated **LR 263CA**, introduced by Sen. Carol Blood of Bellevue. Her constitutional amendment prohibits the Legislature from imposing responsibility for any program, or increasing the level of service for a current program, after 2022 on any political subdivision unless the political subdivision is fully reim-

bursed for the cost of the program or the increase in level of service.

Sen. Blood opened on the measure saying that cities, counties, school districts and other local governments across Nebraska have complained for decades about how unfunded mandates drive up property tax burdens. Although many Senators spoke in favor of the

constitutional amendment, some had concerns about the mechanics of implementing it. For example, one Senator raised questions about whether changing a building code, which increases cost, is an unfunded mandate. Other concerns raised included how the Legislature will define an unfunded mandate. At the

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LB 809: Natural Resources Committee priority bill advances; includes League-supported bills, LB 809 and LB 924

On March 30, one of the Natural Resources Committee's priority bills, **LB 809** advanced to Final Reading. In prior rounds of debate, LB 809 was amended by AM2004, which includes provisions of several other bills. LB 809 was introduced by **Sen. Mike Moser of Columbus** and supported by the League. LB 809 would amend the State Drinking Water Revolving Fund. LB 809 would make the following changes:

- Allows the Drinking Water Revolving Fund to buy or re-finance the debt obligation of a municipality or public water supply system.
- Increases the allowable amount of grant and loan forgiveness from the Drinking Water Revolving Fund from 50 percent to 75 percent of eligible project costs for a municipality or public water supply system serving



Sen. Tom Brewer

- 10,000 persons or fewer.
- Authorizes agreements from the Drinking Water Revolving Fund with all municipalities or public water systems to provide grants and loan forgiveness, for up to 75 percent of eligible project costs, concurrent with loans to public water systems



Sen. Mike Moser

for lead service line replacement projects in accordance with all federal regulatory and statutory provisions.

AM2004, incorporates the original provisions **LBs 924, 803 and 978** into LB 809.

LB 924 was introduced by **Sen. Tom Brewer** of Gordon and supported by the League. The original LB 924 would amend the Waste Reduction and Recycling Incentive Fund to expand an eligible use of the fund to allow grants for reimbursement of costs to Cities of the First Class for the deconstruction of abandoned buildings. Eligible deconstruction costs must be related to the recovery and processing of recyclable or reusable material from the abandoned buildings. The Waste Reduction and Recycling Incentive Fund is funded by the \$1.25 per ton landfill fee and a \$25 business fee. This specific use currently is limited to Cities of the Second Class and Villages.

LR 263CA: Constitutional amendment

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end of the debate, Sen. Blood promised to draft language and work with Senators who have concerns about the proposal. The League, the Nebraska Association of County Officials and other stakeholders are working on language to address the concerns raised during the first round of debate.

The measure advanced on a 34-5 vote. If LR 263CA is approved by lawmakers, the proposal will be placed on the ballot for voter approval at the 2022 general election.



Sen. Carol Blood