

# LEGISLATIVE BULLETIN

## LEAGUE OF NEBRASKA MUNICIPALITIES

107th Legislature, Second Session

March 11, 2022 - Bulletin 10



### ITEMS OF INTEREST TO MUNICIPALITIES

- **On March 15**, lawmakers will begin debating budget bills
- **LR 263CA:** Please ask your Senator(s) to support proposed constitutional amendment to prohibit unfunded mandates
- **LB 927:** Please ask you Senator(s) to support LB 927 relating to Omaha Arena, which incorporates provisions of LB 818 regarding Ralston Arena
- **LB 1165:** Government Committee advances bill to clarify levy and bond issue
- **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.

## LR 263CA: Please ask your Senator(s) to support proposed constitutional amendment to prohibit unfunded mandates

Thanks to **Sen. Carol Blood** of Bellevue, who introduced **LR 263CA**, to amend Article III, Section 22, to insert the following new language: *"The Legislature shall not impose responsibility for a program created after the year 2022 or an increased level of service required under an existing program after the year 2022 on any political subdivision of the state unless the subdivision is fully reimbursed by the state for the cost of such program or increase in level of service. Reimbursement by the state shall be in the form of a specific appropriation or an increase in state distribution of revenue to such political subdivision."*

Following the hearing before the Government, Military and Veterans Affairs Committee on Jan. 28, LR 263CA was advanced to General File on an 8-0 vote. Representatives

of statewide organizations representing political subdivisions testified in support of the measure; there was no opposition testimony at the hearing. Sen. Blood prioritized the proposal to enhance its chances of being heard this legislative session. LR 263CA already is on the Legislature's agenda; **since Speaker Hilgers is scheduling the budget bills for next week, LR 263CA may be debated later in the week or shortly thereafter.** PLEASE ASK YOUR SENATOR(S) TO SUPPORT THIS IMPORTANT CONSTITUTIONAL AMENDMENT. **All statewide organizations representing political subdivisions are encouraging their membership and others to support LR 263CA.** NACO is recommending that county officials ask local chambers of commerce and prominent



Sen. Carol Blood

business representatives to do so as well. The League, NACO, NASB and other organizations appreciate Sen. Blood's dedication to place this important proposal on the ballot at the November 2022 election. It takes 30 votes to place a proposed constitutional amendment on the ballot.

### How a bill becomes a law

1. Bill introduced by Senator
2. Clerk assigns number to bill
3. Bill referred to committee
4. Committee has public hearing
5. Committee votes to:
  - Hold
  - Kill
  - Advance to General File
6. General File
7. Select File
8. Final Reading
9. Bill sent to Governor
  - Bill becomes law without governor's signature
  - Signed by governor
  - Vetoed by governor
10. Veto Override
11. Bill becomes state law

## LB 1165: Government Committee advances bill to clarify levy and bond issue

**LB 1165**, introduced by **Sen. Rita Sanders** of Bellevue, adds clarifying language in the Nebraska Budget Act to resolve an ambiguity about the timing of levies and issuing bonds.

LB 1165 allows a governmental entity, which has authority to issue bonds to proceed with imposing a property tax even though funds have not yet been borrowed, but are expected to be borrowed during the fiscal year.

**Mike Rogers** of the Gilmore Bell law firm provided a letter to the League of Nebraska Municipalities that outlines the reasons this bill is important. In his letter, Mr. Rogers provides “in order to avoid unnecessary interest expense, it is natural for governmental entities to borrow money (“issue bonds”) as close as possible to the date on which funds will be needed for a project. Typically, funds are needed in the spring and summer during construction

season. So for new projects, bond issuance tends to naturally occur in the late winter or early spring.

The Nebraska State Auditor’s office has interpreted the Nebraska Budget Act to require issuance of bonds prior to the October property tax request deadline in order for a governmental entity to levy taxes for such bonds. The practical effect of that interpretation is that it prompts borrowing money before a governmental entity may be ready.

A legislative clarification to the Nebraska Budget Act could help the timing issue facing governmental issuers, given the timing factors discussed above.

LB 1165 would provide flexibility for governmental entities to borrow when prudent and not based primarily on the timing of a property tax request.

An example was provided at the public hearing on LB 1165 that if a city holds a bond election in September and the voters approve the bond issue, bonds would not typically be issued until sometime the following year when construction season begins, when there would be more certainty regarding how long the project will take to complete. The current interpretation of the Nebraska Budget Act by the State Auditor would prompt the issuance of bonds prior to the October property tax request deadline so that the property tax levy can begin to be collected, which would provide certainty about the availability of bond



*Sen. Rita Sanders*

proceeds, but it could hurt taxpayers because the interest expense is being incurred before project funds are needed.

In addition to a **League representative** testifying in favor of the bill, the **Nebraska Association of County Officials** (NACO) and the **Nebraska Association of School Boards** also provided strong testimony in support.

The **Auditor of Public Accounts** testified in a neutral capacity. The Government, Military and Veterans Affairs Committee advanced the bill on a 6-0 vote with two members being absent.

### Debate on budget bills to begin next week

Speaker of the Legislature Mike Hilgers announced March 11 that lawmakers would begin debating the budget bills March 15. Completing all three stages of debate on both the state budget and the ARPA budget will be a priority for the next two weeks, he stated.

### State Capitol Mailing Address

Senator  
District Number  
State Capitol  
PO Box 94604  
Lincoln, NE 68509-4604

## ***LB 927: Please ask your Senator(s) to support LB 927 relating to Omaha Arena, which incorporates provisions of LB 818 regarding Ralston Arena***

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 municipalities. [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.

As previously noted, the Standing Committee Amendment incorporates LB 818, introduced by Elkhorn **Sen. Lou Ann Linehan**, to allow the Ralston Arena to include parking structures under their turnback provision, increases the limit on the total sales tax turnback from \$50 million to \$100 million,

and strikes the requirement that the state assistance be paid within 20 years of the issuance of the first bond for the facility.

LB 927, introduced by Omaha **Sen. Rich Pahls**, makes several changes to the Convention Center Facility Financing Assistance Act relating to Omaha’s Arena. 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 must be for the use of the facility. It also must be within 600 yards of the convention and meeting center facility. LB 927 also 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.

### **Nebraska Legislature’s website offers feature to find your Senator and District on updated maps**

Lawmakers in September approved bills that established new district boundaries for several Nebraska governmental bodies for the next 10 years.

Those changes are reflected on

the Legislature’s website under the “Find your Senator and District” feature at [https://nebraskalegislature.gov/senators/senator\\_find.php](https://nebraskalegislature.gov/senators/senator_find.php).

You only need to type in your

street address, city and zip code for the name, photo and district number of your state Senator to appear on the computer. ■