

LEGISLATIVE BULLETIN

LEAGUE OF NEBRASKA MUNICIPALITIES

108th Legislature, First Session

March 24, 2023 - Bulletin 12



ITEMS OF INTEREST TO MUNICIPALITIES

- **LB 381:** League strongly opposes bill to authorize counties to impose a local option sales tax, including inside any incorporated municipality which has adopted a local option sales tax
- **LBs 481 and 533:** Urban Affairs Committee holds last day of public hearings
- **Hearing held to appoint Norfolk employee as Nebraska State Fire Marshal**
- **LB 412:** Transportation Committee Priority Bill contains several bills affecting municipalities
- **LB 559:** League opposes bill requiring elected officials in cities of the first class to file statements of financial interest
- **Committee hearings schedule**

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

LB 381: League strongly opposes bill to authorize counties to impose a local option sales tax, including inside any incorporated municipality which has adopted a local option sales tax

On March 23, the Revenue Committee held a hearing on **LB 381**, introduced by Omaha **Sen. Machaela Cavanaugh**, to adopt the Mental Health Wellness Act and authorize counties to impose a local option sales tax with a vote of the people, **including inside any incorporated municipality which already has adopted a local option sales tax.**

Current law in Section 13-319 provides as follows: "Any county by resolution of the governing body may impose a sales and use tax of one-half percent, one percent, or one and one-half percent upon the same transactions sourced as provided in

sections 77-2703.01 to 77-2703.04 within the county, but outside any incorporated municipality which has adopted a local sales tax pursuant to section 77-27,142, on which the state is authorized to impose a tax pursuant to the Nebraska Revenue Act of 1967, as amended from time to time. Any sales and use tax imposed pursuant to this section must be used (1) to finance public safety services provided by a public safety commission, (2) to provide the county share of funds required under any other agreement executed under the Interlocal Cooperation Act or Joint Public Agency Act, or (3) to finance public safety services provided by the county."

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A **League representative** testified in strong opposition to LB 381 stating that the League has no opposition to using county sales and use taxes for mental health wellness programs, however, the League strongly opposes allowing counties to do so inside any incorporated city or village which has adopted a local option sales tax. **A League representative also testified that**

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LBs 481 and 533: Urban Affairs Committee holds last day of public hearings

On Tuesday, the Urban Affairs Committee held its last day of public hearings for the year.

The first bill, **LB 533** changes plumbing board membership for Lincoln and provides for licensure requirements for plumbers in cities and villages. With the bill, the Lincoln plumbing board is increased from 5 to 7 members. It also changes the composition of the Lincoln plumbing board to include a master gas fitter and registered water conditioning contractor to the board to reflect the current membership of that board.

LB 533 also adds language that nothing in the law prohibits a city or village which has not established a plumbing board from requiring the licensure of plumbers. The Urban

Affairs Committee conducted an interim study last year that determined there are over 10 municipalities who license plumbers but do not have plumbing board.

The **City of Lincoln** and a **League representative** both testified in favor of the bill. There was no opposition.

Also heard on Tuesday was Lincoln **Sen. Jane Raybould's** bill to adopt the Housing Incentive District Act. **LB 481** encourages the development and renovation of housing in cities and counties in this state by authorizing cities and counties

to assist directly in the financing of public improvements, including the use of funding similar to tax-increment financing (TIF).

Two housing developers, the Nebraska Housing Developers Association and the Nebraska Association of County Officials testified in favor of the bill. A League representative testified in opposition to the bill stressing that the League is supportive of innovative ways to build more affordable housing in the state but raised some constitutional concerns about the bill, including allowing counties to use TIF. ■



Important dates to know

March 28: Full Day Floor debate begins

June 9: Final day of 90-day session

Hearing held to appoint Norfolk employee as Nebraska State Fire Marshal



Norfolk City Attorney Dani Myers-Noelle, State Fire Marshal Nominee Scott Cordes, and Norfolk Director of Administrative Services Lyle Lutt pose for a quick picture at the state Capitol.

2023 LEGISLATIVE SESSION



On March 23, the Legislature's Government Committee heard testimony on Gov. Pillen's nomination of Scott Cordes as State Fire Marshal. Cordes has been an employee of the City of Norfolk for 26 years and has served in a number of leadership positions in the Fire Department and in Norfolk city administration. Cordes has been involved in numerous League committees and working groups. The appointment was supported by a representative from the League, the Nebraska Professional Firefighters Association and the City of Norfolk. ■

LB 412: Transportation Committee Priority Bill contains several bills affecting municipalities

The Legislature's Transportation and Telecommunications Committee declared LB 412 to be one of the Committee's two priority bills. The committee amendment to LB 412 incorporates the provisions of several other bills that were heard before the Committee.

The amendment retains the provisions of the original LB 412 which provides clarification on how the Public Service Commission can distribute broadband grants to areas surrounding cities of the second class

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LB 559: League opposes bill requiring elected officials in cities of the first class to file statements of financial interest

LB 559, introduced by Bellevue **Sen. Carol Blood**, adds elected officials from cities of the first class, which includes mayors and members of the city council, to the list of people who are required to file statements of financial interests. The bill also requires for mandatory electronic filing to expedite the filing process for the Nebraska Accountability and Disclosure Commission (NADC).

In her opening, Sen. Blood talked about the importance of having more transparency

for elected officials regarding their financial interests. Several people testified in favor of the bill including the League of Women Voters, Common Cause Nebraska and the NADC. A League representative testified in opposition to the bill citing concerns about having an additional hurdle for city council members and mayors to have their names placed on the ballot. The League stated they did not object to electronic filing with the NADC.

The Government Committee has not yet acted on this bill. ■

Tax

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Section 13-319 should be amended to allow the use of county sales tax to adopt the Mental Health Wellness Act, however, only outside of any incorporated municipality which has a local option sales tax. A League representative also reminded the committee that the **ONLY** time the Legislature has authorized any county to impose a local option sales tax on top of a municipal sales tax was when Gage County needed funds to pay the settlement in the “Beatrice Six Case”; Adams Sen. Myron Dorn, primary introducer of the bill, was successful in getting authority for Gage County to do so **without a vote of the people**. The county sales tax imposed by Gage County is no longer in effect since the settlement was paid in full.

Of the 528 municipalities in Nebraska, 256 have local option sales tax approved by voters: Omaha, Lincoln, all 31 cities of the first class, 110 of the 117 cities of the second class and 113 of the 378 villages. The only other opponent to LB 381 who testified at the hearing was Doug Kagan, representing the Nebraska Taxpayers for Freedom.

The Assistant County Administrator of Douglas County testified in support of LB 381 indicating that Douglas County asked Sen. Cavanaugh to introduce the bill; Douglas County intends to collaborate with its Behavioral Health District to implement the Mental Health Wellness Act. Since the bill as introduced would authorize Douglas County to impose a sales tax on top of Omaha’s local option sales tax, it was noted that there would be significant dollars raised for their program. Also testifying in support was Christa Yoakum, Chair of the Lancaster County Board; Joe Kohout, representing the Nebraska Association of Regional Administrators which is comprised of the behavioral health administrators of the six Behavioral Health Districts; Jon Cannon, Executive Director of the Nebraska Association of County Officials; and a representative of the League of Women Voters. ■

Transportation

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and villages. There was some confusion created by the language in LB 1024 from last year’s legislative session.

LB 412 also contains an amended version of LB 122 related to the one-call system. The amendment has two main concepts. First, the amendment attempts to address the issue of repeat locate requests. The amendment would make it a violation of the act to request a locate if work cannot be commenced within 17 days or request a relocate if work cannot be commenced within 14 days. This was put in at the request of the League, the Rural Electric Association, OPPD, the gas companies and many others.

The second concept forms what is being called the “One-Call Hit Court” that will have authority to deal with small one-call disputes when infrastructure is damaged.

The amendment creates the Underground Excavation Safety Committee (the Hit Court) comprised of five members:

- State Fire Marshal (or designee)
- Two operators (underground facility owners)
- Two excavators

The duty of the Committee will be to review complaints of One-Call Act violations, determine if violations have occurred and determine if a civil penalty should be assessed when a violation has occurred.

If the recommended civil penalty is less than \$10,000 a process is initiated where the party can pay the fine or request a hearing under the APA etc. The Committee can require continuing education for a violator.

If the recommended civil penalty exceeds \$10,000 the matter shall be referred to the Attorney General for prosecution.

LB 412 also contains the provisions of LB 722 supported by the League and others. LB 722 would clarify that the Public Service Commission has authority to oversee the smooth transition of services to telecommunications ratepayers and broadband customers when a telecommunications carrier that wants to provide service in the territory of another provider purchases the infrastructure to serve those customers.

LB 412 also contains the provisions of LB 155 supported by the City of Omaha and the League. LB 155 clarifies that a fiber optic project in Omaha does not fall under the provisions of the Small Wireless Facilities Deployment Act.

LB 412 also contains the provisions of LB 359 which changes some of the deadlines in the Broadband Bridge Act. ■



NEBRASKA UNICAMERAL LEGISLATURE
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TENTATIVE SCHEDULE OF COMMITTEE HEARINGS

The order of the bills listed may not be the order in which they are heard that day in committee.

Wednesday, March 29, 2023

**Health and Human Services
Room 1510 - 1:00 p.m.**

Appointment	Dexter, April - Nebraska Rural Health Advisory Commission
Appointment	Fattig, Martin - Nebraska Rural Health Advisory Commission
Appointment	Kusek, Katherine - Nebraska Rural Health Advisory Commission
Appointment	Hesser, Kate - Nebraska Rural Health Advisory Commission
Appointment	Jensen, Linda L. - Board of Emergency Medical Services
Appointment	Kilstrom, Jonathan L. - Board of Emergency Medical Services
Appointment	Bowlin, Karen - Board of Emergency Medical Services
Appointment	Harrison, Prince - Board of Emergency Medical Services
Appointment	Batenhorst, Ryan K. - Board of Emergency Medical Services
Appointment	Lottman, Brent E. - Board of Emergency Medical Services
Appointment	Vaughn, Jr., Leslie L. - Board of Emergency Medical Services
Appointment	Stoney, Myra - Nebraska Rural Health Advisory Commission
Appointment	Smith, James - Board of Emergency Medical Services

If auxiliary aids or reasonable accommodations are needed for attendance at a hearing, please call the Clerk of the Legislature's Office at (402) 471-2271. Advance notice of ten business days is needed when requesting an interpreter.