

# LEGISLATIVE BULLETIN

## LEAGUE OF NEBRASKA MUNICIPALITIES

109th Legislature, First Session

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## ITEMS OF INTEREST TO MUNICIPALITIES

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# LB 613: Thanks to Sen. Andersen and Speaker Arch, League bill advanced to Select File

Bill provides greater local option sales tax collection transparency for municipalities and ensure local option sales tax receipts are remitted back by the state to the appropriate municipality

On April 3, **LB 613** was considered on General File. Thanks to **Sen. Bob Andersen** of Omaha, primary introducer of LB 613, who explained the need for **LB 613** to change provisions relating to the disclosure of tax information to municipalities, providing greater transparency and ensuring that local option sales tax receipts are remitted back by the state to the appropriate municipality. **Special thanks to Speaker John Arch of La Vista for selecting LB 613 as one of his 25 "Speaker Priority Bills" and scheduling it early enough during the session to pass this year!**

Thanks again to **Sen. Stan Clouse** of Kearney and **Sen. Tony Sorrentino** of Elkhorn for co-sponsoring this important bill, introduced on behalf of the League. Papillion Mayor **David Black** submitted this

proposal to the League Legislative Committees which ultimately was supported by the League Executive Board. There are 268 cities and villages with voter-approved local option sales tax.

LB 613 would amend Section 77-2711 to provide that municipalities with local option sales tax could request *"any additional information requested by the municipality so long as the information does not include any data detailing the specific revenue, expenses, or operations of any particular business."* LB 613 would allow a city or village to make this request no greater than three times annually; currently, a municipality can make only one request annually. LB 613 provides that the Tax Commissioner shall

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Sen. Bob Andersen  
District 49



Sen. Stan Clouse  
District 37



Sen. Tony Sorrentino  
District 39



Sen. John Arch  
District 14

## LB 317: Legislature advances bill to merge Department of Natural Resources and Department of Environment and Energy to Select File

On April 2, the Legislature voted 31 – 2 to advance to select file **LB 317** introduced by **Sen. Tom Brandt** at the request of **Gov. Pillen**. LB 317 would merge the Department of Environment and Energy with the Department of Natural Resources. The merged agency would be called the Department of Water, Energy and Environment. As amended by the committee amendments the merged agency would

be managed by two directors titled Director of Water, Energy, and Environment and the Chief Water Officer (CWO). The CWO would retain the authority and duties previously prescribed for the administration of duties of the former Department of Natural Resources. Some groups are still opposed to LB 317 including the Nebraska Association of Natural Resources Districts, and Nebraska Farm Bureau. ■

## LB 36: Natural Resources Committee bill amended to include League-supported bills

On April 2, the Legislature's Natural Resources Committee advanced **LB 36** as a "christmas tree" package that has been amended to include the language of six bills heard before the Committee. Interestingly, the original LB 36 is not one of the bills included in the package. Bills included in the package of LB 36 are:

- **LB 309**, the Safe Battery Collection and Recycling Act.
- **LB 590**, Authorize the Nebraska Department of Transportation to establish and operate a mitigation bank in areas where an endangered species habitat may exist.
- **LB 344** would amend Nebraska law pertaining to ground water allocations for municipalities and municipal-served and self-served commercial or industrial users in the fully appropriated and over-appropriated areas of the state.



*Sen. Tom Brandt  
District 32*



*Sen. Mike Moser  
District 22*



*Sen. Jana Hughes  
District 24*

- **LB 459** would create the Home Weatherization Clearinghouse
- **LB 562** would increase to the caps for fees charged by the Game and Parks Commission
- **LB 480** would give the Game and Parks Commission the authority to administer and carry out additional

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## LB 186: Entertainment District bill provisions amended into LB 113

During the second round of debate on **LB 113**, **Sen. Dover** filed an amendment to include many of the provisions of LB 186 into that bill.

**LB 113 (Sen. Quick)** increases the amount of gallons a microdistillery can self-distribute and allows an increase in the number of licensed premises and retail locations a craft brewery may have.

Sen. Dover's amendment changes the definition of commons area within entertainment districts. With the changes, a common area means an area:

1. Within an entertainment district designated by a local governing body;
2. Shared by authorized licensee with entertainment district licenses;
3. Abutting the licensed premises of the licensees;
4. With reasonable safety measures in place to protect pedestrians, including signage, lighting, and reduced motor vehicle speeds when motor vehicles will be near pedestrians;
5. With a prohibition on the carrying of open alcoholic liquor containers and the consumption of alcoholic liquor on any open street or highway except when necessary to cross at a designated crosswalk.

These provisions apply to all classes of municipalities. One of the most significant changes to entertainment districts is that common areas will no longer need to be closed to vehicular traffic.

LB 113, with the entertainment district amendment attached, advanced to the final round of debate on a 33-2 vote.

Thanks to Sen. Dover for his continued advocacy of this important legislation. ■



*Sen. Robert Dover  
District 19*



*Sen. Dan Quick  
District 35*



## LB 179: League bill passed on Final Reading

Bill codifies a negotiated agreement between the League and law enforcement representatives to increase the contribution rates from 7% to 9% for the city and police officers in cities of the first class

On April 3, **LB 179** passed on Final Reading (47-0, with Sens. Guereca and McKinney excused and not voting). Thanks to **Sen. Stan Clouse** of Kearney who introduced LB 179 on behalf of the Police Chiefs Association of Nebraska (PCAN) and the League. Sen. Clouse emphasized to other Senators that cities in Nebraska still have challenges attracting and retaining police officers. LB 179 will help address this issue, at least in part, by increasing the contribution rates to the defined contribution pension plan for police officers in cities of the first class.

LB 179 codifies a negotiated agreement between the League and law enforcement representatives to increase the contribution rates from 7% to 9% for the city and police officers in cities of the first class. On Dec. 4, law enforcement representatives of PCAN, POAN, and NSA met with city administrators/managers of cities of the first and second class and League staff to successfully negotiate increasing the contribution rates from 7% to 9% for cities of the first class.

LB 179 would amend **Section 16-1005** relating to the retirement plan for police officers in cities of the first class. Currently, each police officers contributes to the retirement system a sum equal to 7% of his or her salary. LB 179 provides: ***“Beginning October 1, 2025, each police officer shall contribute to the retirement system a sum equal to 9% of his or her salary.”***

LB 179 does not amend **Section 16-1006** which relates to the contribution rate by cities since the statute already **provides that the city shall contribute the same percentage as the police officer**. It should be noted that police officers as well as cities each contribute 6.2% for the police officers’ Social Security.

With the proposed increased contributions for the city and police officers from 7% to 9% IN ADDITION TO the ongoing 6.2% contributions to social security from the police officers and the city, **police officers would have an increase in their retirement funds from the current 26.4% to 30.4%.**

### Background on previous legislative action

**Committee Hearing on Feb. 7:** As reported in *League Legislative Bulletin #6*, Kearney Police Chief **Bryan**



*Sen. Stan Clouse of Kearney and Kearney Police Chief Bryan Waugh pose for a quick photo at the Unicameral.*

**Waugh** testified before the Legislature’s Retirement Committee in support of LB 179 on behalf of the **Kearney Police Department** and **PCAN**. Chief Waugh stated that LB 179 will positively impact professional policing in cities of the first class across Nebraska. He informed the committee that LB 179 was the result of extensive discussions and negotiations with the League, PCAN, the Police Officers Association of Nebraska (POAN), and the Nebraska Sheriffs Association (NSA). Chief Waugh also told the committee LB 179 would undoubtedly influence an officer’s decision to continue serving as a police officer in a city of the first class. **Matt Barrall** also testified in support of LB 179 on behalf of the **Nebraska State Fraternal Order of Police**.

A **League representative** also testified in strong support of LB 179, reminding the committee that LB 686 passed last year increasing the contributions for cities of the first class as well as their paid, full-time firefighters to the defined contribution plans for first class city firefighters. Underscoring comments by Sen. Clouse and Chief Waugh,

*Continued on page 5 / See LB 179*

## LB 526: League-opposed crypto bill advances to Select File

On March 27, the Legislature's Revenue Committee advanced to general file, **LB 526** introduced by **Sen. Mike Jacobson** from North Platte with an extensive amendment. The original version LB 526 would impose a 2.5-cent per kWh excise tax on cryptocurrency mining operations consuming over 1,000 kWh annually and would allow public power supplier to require financial assurances from these operations.

The bill was amended with AM 691 which would remove the excise tax. The amended bill also includes municipal electric systems in the definition of public power supplier. The amended bill would clarify the authority of a public power supplier to impose requirements on any cryptocurrency mining operation for the cost of infrastructure upgrades necessitated by such operations, including, but not limited to, requiring direct payment or a letter of credit for such cost, or imposing

terms and conditions on such operation. As amended by AM 691, LB 526 would also add some requirements on a public power supplier to conduct a load study to determine the costs, impacts, and upgrades necessitated before serving a cryptocurrency mining customer consuming over 1,000 kWh annually. The public power supplier must publicly publish on its website the number of cryptocurrency mining operations under the supplier's jurisdiction and the annual energy usage of each operation. Also, as amended by AM 691, LB 526 would allow a public power supplier to interrupt the cryptocurrency mining operations electric service according to the supplier's established rate schedules and policies. This section seems to require that the cryptocurrency mining operation be on some form of an interruptible rate. ■

## LB 610: Ground Emergency Medical Transport Act (GEMT) bill amended into LB 380

On the first round of debate on **LB 380**, **Sen. Bostar** successfully amended the provisions of his Ground Emergency Medical Transport Act into that bill.

**LB 380 (Sen. Fredrickson)** is a bill dealing with Medicaid contractor requirements involving mental health and substance use disorder services. Sen. Bostar amended **LB 610** into that bill. LB 610 implements a ground emergency medical transport (GEMT) program to improve Medicaid reimbursement for public ambulance providers based on the actual costs of providing the transport services. The amendment allows the Department of Health and Human Services to seek the necessary federal approvals for the implementation of GEMT.

LB 380, with the GEMT amendment, advanced to the second round of debate on a 32-0 vote. Thanks to Sen. Bostar for his advocacy on this important issue. ■



## 2025 LEGISLATIVE SESSION LB 179

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the League representative emphasized the challenges that municipalities face in attracting and retaining law enforcement officers.

### Select File Amendment incorporating LB 461:

As reported in *League Legislative Bulletin #10*, when LB 179 was considered on Select File on March 11 (the second round of debate), Sen. Margo Juarez of Omaha amended her bill LB 461, which changes provisions of the **Cities of the First Class Firefighters Retirement Act**, into LB 179. Sen. Juarez's amendment was a negotiated agreement between the League and the firefighters to allow a firefighter, **upon retirement**, to receive payments from his/her retirement accounts in one or more partial payments in an amount and frequency elected by the firefighter. Currently, the law only allows firefighters to receive a lump-sum payment. The Juarez amendment was adopted by a 30-0 vote before LB 179 was advanced to Final Reading. ■



Sen. John Fredrickson  
District 20



Sen. Eliot Bostar  
District 29



**LB 613***Continued from page 2*

abide by the request and send such information by electronic transmission secured in a manner as determined by the Tax Commissioner.

Current law provides that a municipality with local option sales tax that wants information shall certify to the Department of Revenue one individual who is a municipal employee or an individual who contracts with a municipality authorized to make such request. Currently, this individual certified by a municipality shall NOT disclose to any person any information obtained pursuant to a review of local option sales tax information at the Department of Revenue. In fact, any person who violates the provisions and makes a disclosure would be guilty of a Class I misdemeanor.

LB 613 would amend this section of law to provide that the individual certified by the municipality to review local option sales tax information may disclose the copies of the returns and return information to another municipal employee *“for purposes of (i) verifying the accuracy of the collection, analysis, and forecasting, (ii) verifying the accuracy of the allocation made between various municipalities of the tax due, or (iii) verifying the taxes are used according to the purpose voted on by the people of the municipality.”* (The provision relating to a Class I misdemeanor would still apply if the individual certified by the municipality discloses this information to others or for a purpose other than those listed above.)

In addition, LB 613 would amend Section 77-27,144 to include the following language: *“The municipality may request from the Department of Revenue a list of the qualifying businesses which have filed an application to receive tax incentives under the Employment and Investment Growth Act, the Nebraska Advantage Act, the ImagiNE Nebraska Act, or the Urban Redevelopment Act. The request may be made annually and shall be submitted to the Department of Revenue on or before June 30 of each year.”*



*Papillion Mayor, David Black and Sen. Bob Andersen of Omaha at the Nebraska State Capitol in February.*

### Background Information

As reported in *League Legislative Bulletin* #7, the Revenue Committee held a hearing on LB 613 on Feb. 20. Thanks to Mayor **David Black** who testified on behalf of the **City of Papillion** and **United Cities of Sarpy County** in strong support of LB 613. Mayor Black told the Revenue Committee the City of Papillion will not receive one dollar of local option sales tax for 2½ years due to refunds from the state's tax incentive programs. He expressed frustration that the city's designated employee to review information at the Department of Revenue regarding local option sales tax information applicable to the City of Papillion is not allowed by state statute to share any information with him or anyone else! Doing so could result in the designated employee being guilty of a Class I misdemeanor.

**Patrick Brown**, Assistant City Administrator and Chief Financial Officer of Grand Island, also testified on behalf of the **City of Grand Island** and the **Greater Cities of Nebraska** with a **League representative** in strong support of LB 613. Patrick discussed the challenges municipalities with local option sales tax have due to the current lack of transparency allowed by Nebraska law. The League representative testified about the longstanding problems municipalities experience from the current lack of transparency.

Jenn Creager testified in a NEUTRAL capacity on behalf of the Greater Omaha Chamber of Commerce, the Lincoln Chamber, the Nebraska Grocery Industry Association, and the Nebraska Retail Association. ■

**LB 36***Continued from page 3*

projects under the Water Recreation Enhancement Act at Lake McConaughy, Lewis and Clark State Recreation Area, and Niobrara State Park.

**LB 309** and **LB 590** were supported by the League and the League testified neutral on **LB 344** to provide background information on negotiation held in 2003/2004.

- LB 309 introduced by **Sen. Jana Hughes** as amended into LB 36 adopts would require that beginning January 1, 2028, no producer or retailer may sell, offer for sale, or distribute for sale in Nebraska, certain batteries or battery-containing products unless the producer of the covered battery or battery-containing product is identified and is a member of a battery stewardship organization (BSO) operated under a battery stewardship plan (Plan) approved by the Department of Environment and Energy (DEE). The BSO Plan must include duties and responsibilities to provide for collection sites, annual reports, and provide for collecting all costs associated with implementing the plan.
- LB 590 introduced by **Sen. Mike Moser** from Columbus would give the Nebraska Department of Transportation the authority to operate a mitigation bank or in-lieu fee program by contracting with public and private parties to meet its mitigation obligations for endangered species and other environmental impacts under state and federal law. The current use of a similar concept for wetlands mitigation has been very successful in expediting transportation projects.
- LB 344 introduced by **Sen. Tom Brandt** from Plymouth would replace an existing law and a law currently on the books set to take effect in 2026 that set the parameters of how municipal water use can be regulated in a Natural Resources District Integrated Management Plan (IMP) in a fully or over appropriated basin. LB 344 would exempt most municipal water use from potential regulation in an IMP except beginning in 2026 that any NEW or EXPANDED customer with an annual use in excess of 25 million gallons annually could be subject to regulation under an IMP. However, LB 344 also limits the IMP regulatory scope to some reporting and potential mitigation of the “consumptive” water use by the customer which would allow some credit for wastewater flow and other returns to the system.

Municipal water use has largely been exempted from IMP regulation for 20 years as a result of a negotiated measure adopted in 2005. However, this exemption is set to expire in January 2026. Under current law, the exemption will be replaced by an exemption from IMP regulation for municipal water use based on the highest use in the last 20 years and ALL municipal water use over that amount could be subject to regulation and mitigation requirements in an IMP. Also, the current law does not limit the potential mitigation to consumptive use. ■

**Legislative  
calendars****April**

Sun	Mon	Tues	Wed	Thur	Fri	Sat
		1	2	3	4	5
		DAY 54	DAY 55	DAY 56	RECESS	
6	7	8	9	10	11	12
	RECESS	DAY 57	DAY 58	DAY 59	DAY 60	
13	14	15	16	17	18	19
	DAY 61	DAY 62	DAY 63	DAY 64		
20	21	22	23	24	25	26
	RECESS	DAY 65	DAY 66	DAY 67	DAY 68**	
27	28	29	30			
	DAY 69	DAY 70	DAY 71			

**May**

Sun	Mon	Tues	Wed	Thur	Fri	Sat
				1	2	3
				DAY 72	RECESS	
4	5	6	7	8	9	10
	RECESS	DAY 73	DAY 74	DAY 75	DAY 76	
11	12	13	14	15	16	17
	DAY 77	DAY 78	DAY 79	DAY 80	RECESS	
18	19	20	21	22	23	24
	DAY 81	DAY 82	DAY 83	DAY 84	RECESS	
25	26	27	28	29	30	31
	HOLIDAY	DAY 85	DAY 86	DAY 87	DAY 88	

**June**

Sun	Mon	Tues	Wed	Thur	Fri	Sat
1	2	3	4	5	6	7
	DAY 89	RECESS	RECESS	RECESS	RECESS	
8	9	10	11	12	13	14
	DAY 90					
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					