

# LEGISLATIVE BULLETIN

## LEAGUE OF NEBRASKA MUNICIPALITIES

107th Legislature, Second Session

March 18, 2022 - Bulletin 11



### ITEMS OF INTEREST TO MUNICIPALITIES

- **LB 1014:** ARP Act budget bill designated 'Speaker Major Proposal';  
**please ask your Senator(s) to support the \$47.7 million for COVID-related infrastructure improvements at NLETC**
- **LB 983:** Bill on county industrial tracts moves to second round of debate
- **LB 800:** Omnibus Urban Affairs Committee bill advances to next round of debate
- **LB 809:** Natural Resources Committee priority bill advances;  
includes League-supported bills, LB 809 and LB 924
- **LB 742:** Bill allowing public entities to keep minutes in electronic form advances
- **Lawmakers begin budget debate,** advancing two bills after cloture votes
- **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 800: Omnibus Urban Affairs Committee bill advances to next round of debate

**LB 800**, introduced by the **Urban Affairs Committee**, is a clean-up bill for statutes governing cities of the metropolitan class. The Urban Affairs Committee continues its years-long process of cleaning-up municipal statutes. The bill makes a variety of clean-up changes, including: changing and correcting terminology; clarifying references to cities' corporate limits or extrajurisdictional zoning jurisdiction (ETJ); clarifying references to legal newspapers; correcting gender references; and eliminating run-on sentences. The **League** and the **City of Omaha** testified in favor of this bill at the public hearing.

The Standing Committee Amendment to LB 800 makes several additional clean-up changes to the underlying bill and incorporates the provisions of six other municipal-related bills, including: **LB 555**, **LB 724**, **LB 727**, **LB 799**, **LB 842** as amended, and **LB 1189** as amended.

**LB 555**, introduced by Lincoln **Sen. Matt Hansen**, requires that reports filed under the Municipal Density and Missing Middle Housing

Act include the percentage of residential areas in the city which have been declared substandard and blighted or extremely blighted under the Community Development Law.

Also introduced by **Sen. Matt Hansen**, **LB 724** amends the Local Option Municipal Economic Development Act, otherwise known as LB 840, to authorize the use of funds under the Act for the development and implementation of an affordable housing action plan. It also authorizes cities of the first class, cities of the second class and villages to include grants, loans and funds for the construction of housing as part of an affordable housing action plan under the Act. A representative of the **League** testified in favor of this bill.

**LB 727** eliminates unnecessary and redundant language related to sanitary and improvement district (SID) elections. This bill was introduced by **Sen. Matt Hansen** and supported by the **Nebraska Association of County Officials**.

**LB 799**, introduced by the **Urban Affairs Committee**, clarifies report-

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ing requirements under the Municipal Density and Missing Middle Housing Act. Both the **League** and the **City of Omaha** testified in favor of this bill.

Gordon **Sen. Tom Brewer** introduced a **League** bill, **LB 842**, that authorizes tribal governments to apply for and receive grants under the Civic and Community Center Financing Act (CCCCFA). The committee amended the original version of LB 842 to strike references to tribal economic development corporations from the definition of tribal governments.

Finally, **LB 1189**, introduced by Norfolk **Sen. Mike Flood**, provides that if a sanitary drainage district which lies solely within the zoning jurisdiction of a city is discontinued, all funds, assessments and property owned by the district shall revert to the city or a riverfront development authority created by the city. The **City of Norfolk** strongly supported this bill. The committee added the emergency clause to the bill.

LB 800, along with the Standing Committee Amendment that includes the five additional bills, was advanced to Select File on a 35-1 vote with 10 members present and not voting and three members excused.

## 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 983: Bill on county industrial tracts moves to second round of debate

The Legislature March 14 gave first round approval to a bill addressing concerns about county industrial tracts.

Columbus **Sen. Mike Moser** introduced **LB 983** at the request of the League. The issue was brought to the League's Legislative Committees by the City of Columbus. Columbus is concerned about how county industrial tracts are being used and whether the businesses located in these tracts still met the definition of "industrial."

Current law provides that every even-numbered year in March, the county board is required, when requested by a municipality, to review industrial areas in its jurisdiction. If the county board finds during its review that there is a problem with the industrial area designation, the county board gives notice to the property owners of the tracts that there will be a hearing. If, after the hearing, the county board finds

that the industrial area is no longer suitable for industrial purposes or is being used for non-industrial enterprises, the county is required to remove the designation as an industrial area from that tract. The concern in Columbus is that the county board is reluctant to remove industrial area designations even when the city requests the review and there is evidence presented that activities are occurring that do not meet the definition of "industry."

To address some of the issues Columbus is experiencing, LB 983 makes several changes to the county industrial tract statutes including: clarifying that storage of personal property is not included in the definition of industry; changing the process when a municipality asks for a review of the uses of a county industrial tract; requiring the owners of property within the tract to prove that the tract is still being used for industry; and providing that if



*Sen. Mike Moser*

owners in the industrial tract do not appear at the hearing, the county board is required to remove the industrial area designation.

The Legislature voted to advance LB 983 to the next round of debate on a 42-0 vote, with four members present and not voting and three members excused. Thanks to Sen. Moser for his work on this bill.

### 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. ■

## LB 742: Bill allowing public entities to keep minutes in electronic form advances

**LB 742**, introduced by Bayard **Sen. Steve Erdman**, allows for minutes to be kept as an electronic record under the Open Meetings Act. The bill allows all public entities to keep minutes in written form or as an electronic record. Currently, only minutes of the meetings of the board of a school district or educational service unit may be kept as an electronic record.

At the public hearing on LB 742,

the **League**, as well as **NMPP Energy** and the **Nebraska Association of County Officials (NACO)**, testified in favor of the bill. There were no opponents.

On March 14, the bill advanced from General File to Select File on a 42-0 vote with five members present and not voting and two members excused.

Thanks to Sen. Erdman for his advocacy on this bill!



*Sen. Steve Erdman*

## Lawmakers begin budget debate, advancing two bills after cloture votes

Senators March 15 began debate on the Appropriations Committee's mid-biennium budget adjustment package, which is comprised of several bills. The state budget is organized on a two-year basis, with the budget enacted during legislative sessions held in odd-numbered years, while adjustments are made during sessions held in even-numbered years.

The committee's proposed adjustments to the state's \$9.8 billion budget would result in a \$1.3 billion balance in the state's Cash Reserve Fund, also known as the rainy-day fund.

Gering Sen. John Stinner, Appropriations Committee chair, said the committee's proposed changes would result in a projected financial status that is \$453.5 million above

the 3 percent minimum reserve for the current biennium and result in a 3.2 percent overall growth rate in state spending.

The budget process was especially complicated this year, Stinner said, due to the added factor of federal pandemic relief funds as well as having only a short, 60-day session in which to address a significant budget surplus. **LB 1014**, which would appropriate the \$1.04 billion in federal American Rescue Plan Act funds that Nebraska has been allocated to mitigate the impact of the coronavirus pandemic, will be debated separately from the budget package.

Two of the measures contained in the package – which also includes state claims bills – cleared the first round of debate this week after suc-

cessful cloture motions.

**LB 1012**, introduced by **Speaker Mike Hilgers** of Lincoln at the request of Gov. Pete Ricketts, would authorize and provide for certain fund transfers, create funds and change and eliminate provisions regarding a fund.

The bill was replaced by an Appropriations Committee amendment, adopted 41-2, that incorporated the provisions of several additional bills including: **LB 759**, sponsored by Adams **Sen. Myron Dorn**, which would change a limitation relating to microloans under the Business Innovation Act; **LB 911**, sponsored by Omaha **Sen. Mike McDonnell**, which would change the grant amount for the 211 Information and Referral Network;

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## Lawmakers begin budget debate, advancing two bills after cloture votes

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**LB 1074**, sponsored by Brainard **Sen. Bruce Bostelman**, which would create the Surface Water Irrigation Infrastructure Fund and provide for a transfer from the Cash Reserve Fund; and **LB 1114**, sponsored by Omaha **Sen. Terrell McKinney**, which would change provisions of the Business Innovation Act relating to purposes, funding preferences and the small business investment program.

Following eight hours of debate on a number of amendments to strip various provisions from **LB 1012** that ultimately were withdrawn, Stinner offered a motion to invoke cloture, which ceases debate and forces a vote on the bill and any pending amendments and motions.

The motion was adopted 38-1 and **LB 1012** advanced to Select File on a 38-2 vote.

**LB 1011**, also introduced by Speaker Hilgers at the request of the Governor, is the mainline budget bill. The bill would adjust appropriations for state operations, aid and construction programs in the current and next fiscal year.

Stinner said **LB 1011** closely reflects the Governor's budget proposal, with only a few significant changes made by the committee, including lowering the requested \$400 million Cash Reserve transfer for the Perkins County Canal project to \$53.5 million.

The committee proposal also would set aside \$175 million to be released to the Nebraska Capital

Construction Fund for a potential new state penitentiary, but would not appropriate those funds.

After eight hours of discussion over several days, Stinner offered a cloture motion March 17, adopted on a 40-4 vote. Lawmakers then adopted an Appropriations Committee amendment, 41-5, that added provisions of approximately 20 additional bills, including: **LB 762**, sponsored by **Sen. Dorn**, which would appropriate \$13.5 million in general funds for a 10 percent rate increase for Medicaid providers; **LB 893**, sponsored by **Sen. Stinner**, which would appropriate \$26.4 million in general funds for developmental disability provider rate increases; **LB 989**, sponsored by **Sen. Stinner**, which would appropriate \$26 million in general funds to the state Department of Health and Human Services to increase Medicaid nursing facility reimbursement rates; **LB 1023**, sponsored by **Speaker Hilgers**, which would appropriate \$120 million in general funds for a variety of water recreation projects; and **LB 1164**, sponsored by Lincoln **Sen. Anna Wishart**, which would appropriate \$13.2 million in general funds for a 15 percent increase in reimbursement rates for child welfare providers.

Stinner said the provider rate increases are directed toward a workforce shortage at the state veterans' home, rural nursing homes and other residential care facilities.

Lawmakers advanced **LB 1011** to Select File on a 40-6 vote.

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Senators began debate March 17 on the final component introduced by Speaker Hilgers at the request of the Governor, **LB 1013**, which would change provisions relating to the state's Cash Reserve Fund. An Appropriations Committee amendment would use \$513 million from the cash reserve for a variety of transfers outlined in bills introduced this session, including:

- \$53.5 million to the Perkins County Canal Project Fund, from **LB 1015**;
- \$50 million to the Surface Water Irrigation Infrastructure Fund, from **LB 1074**;
- \$50 million to the Nebraska Rural Projects Fund, from **LB 788**;
- \$30 million to the Military Base Development and Support Fund, from **LB 1233**;
- \$30 million to the Rural Workforce Housing Investment Fund, from **LB 1071**; and
- \$15.6 million to DHHS for construction, renovation and equipment replacement at Youth Rehabilitation and Treatment Center in Kearney, from **LB 792**.

The Legislature adjourned for the week before taking any action on **LB 1013**. Debate on the budget is scheduled to continue next week.

*Source – Unicameral Update*



## **LB 1014: ARP Act budget bill designated ‘Speaker Major Proposal’; please ask your Senator(s) to support the \$47.7 million for COVID-related infrastructure improvements at NLETC**

On March 16, Speaker Mike Hilgers asked the Legislature’s Executive Board to designate **LB 1014, the ARP Act budget bill**, as a “Speaker Major Proposal.” The Legislature’s Executive Board unanimously did so, allowing Speaker Hilgers to structure the debate on LB 1014 by determining the order of amendments and motions to be debated, including the time in which they will be debated. **Sen. John Stinner** stated LB 1014 will be reported from the Appropriations Committee to General File on Tuesday, March 22. In a memo to Senators, Speaker Hilgers indicated it is his intent to schedule LB 1014 on Wednesday, March 23, for General File consideration; Speaker Hilgers wants to complete Select File consideration of LB 1014 by Friday, March 25. His memo to Senators emphasized specific guidance regarding the debate on LB 1014, which is challenging because the Legislature is dealing with a set amount of funds subject to specific legal restrictions. As noted in previous *League Legislative Bulletins*, the Appropriations Committee had requests for ARP Act funds far exceeding the amount of money available. There were about \$4 billion of requests for the \$1.04 billion of ARP Act funds allocated to the State of Nebraska. The Appropriations Committee appropriated all but \$10 million of the \$1.04 billion total. Senators will be filing

amendments on how to spend the remaining \$10 million as well as amendments to reallocate and change the provisions of LB 1014 as advanced from the Appropriations Committee.

**Thanks to Gov. Ricketts for including the \$47.7 million in LB 1014, as originally introduced on his behalf by Speaker Hilgers, for COVID-related infrastructure improvements at the Nebraska Law Enforcement Training Center (NLETC) in Grand Island. Thanks to Sen. Stinner and other members of the Appropriations Committee for including the \$47.7 million allocated for the NLETC in LB 1014 when advanced to General File.** The \$47.7 million for the NLETC will be used to build the first indoor shooting range, make significant improvements to the current outdoor shooting ranges and build a driving track that is safe, meets necessary standards for vehicular pursuit training, etc. **The \$47.7 million allocation to the NLETC is the League’s highest priority for the use of ARP Act funds allocated to the State of Nebraska.**

Speaker Hilgers informed Senators of the following process for proceeding with the debate on LB 1014: “I will begin working on determining the order of amendments Tuesday evening. If you would like a proposed amendment to be considered early during the general file debate of

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*LB 1014, I ask that you file your amendment by 6:00 p.m. Tuesday. Because the ARPA funding available to Nebraska is a finite amount and because the committee amendment appropriates all but 10 million dollars of the \$1.04 billion total, I ask members to draft their amendments to include in their proposal not only the new measure proposed for ARPA funding but also what proposed measure will be cut to provide available ARPA funding. Measures which simply spend more money will not be favorably considered. Amendments that cut funding only are appropriate but will not be prioritized over those that change the mix of funding. Money left over for the floor will then be considered through A bills on separate bills, as is our typical practice. Amendments to LB 1014 that seek to spend the \$10 million left for the floor will not be considered. In addition, in order to accommodate the debate, I will be considering putting a time limit on the debate for individual amendments. That will depend on the number of amendments, and I will let you know what I decide next week prior to the debate. I am working*

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## **LB 809: Natural Resources Committee Priority Bill advances; includes League-supported Bills, LB 809 and LB 924**

On March 11, one of the Natural Resources Committee's priority bills, **LB 809**, advanced to Select File after being amended by AM2004. 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 fifty percent to 75 percent of eligible project costs for a municipality or public water supply system

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

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

**LB 924** was introduced by **Sen. Tom Brewer** of Gordon and was 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.

### **What is a consent calendar?**

A consent calendar refers to a part of the legislative agenda when relatively noncontroversial bills are considered and quickly advanced to the next legislative stage. Usually, a bill on consent calendar can be debated for no more than 15 minutes.

### **What is the difference between a bill and a resolution?**

A bill changes the Nebraska Statutes and must go through the law-making process from introduction to Final Reading. A resolution, however, pertains to an internal rule of the Legislature, official declaration, interim study, ballot initiative or a constitutional amendment.

## **LB 1014: ARP Act budget bill designated 'Speaker Major Proposal'**

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*with Senator Stinner to evaluate the amendments and their order. Among the criteria I will consider when determining the order of amendments are the following: 1) the proposal's eligibility for ARPA funding; 2) whether the proposal includes both funding and a matching reduction in the committee amendment; and 3) non-duplication with another proposed amendment."*

**Although the League knows of no specific amendments at this time**

**to reduce the \$47.7 million for the NLETC, it is important to continue urging Senators to support this critically important funding for COVID-related infrastructure improvements at the NLETC.** The NLETC trains all police officers except for those from Omaha, Lincoln, Bellevue, Papillion and La Vista. OPD and LPD train their officers at their own academies. The officers of the other three cities are trained at the Sarpy Douglas Law Enforcement Academy.