

January 13, 2023

NEW BILL INTRODUCTIONS CONTINUE

As of Friday, January 13, the eighth day of the 2023 Legislative Session, a total of 464 bills and 15 proposed constitutional amendments have been introduced. With two days left for bill introductions, the total number of bills this session is expected to rival the number introduced in recent years.

The final Committee on Committees Report regarding the assignment of senators to standing committees was approved on Monday, following eight hours of floor debate. Committee hearings will commence on January 23.

RULES COMMITTEE HEARING

The Legislature's Rules Committee conducted a public hearing on Thursday on nearly 60 proposed changes to the rules governing the legislative process. The legislature is expected to begin floor debate next Thursday on proposed rules advanced by the Committee.

NBA AFFIRMATIVE LEGISLATIVE AGENDA

A number of bills authorized for introduction on behalf of the NBA by the Government Relations Committee and Board of Directors were introduced during the past week. The following are among the bills on the NBA Affirmative Legislative agenda:

LB 69 - LIFE INSURANCE ASSIGNMENT - NOTICE OF LAPSE/TERMINATION: Senator Mike Jacobson (North Platte) introduced LB 69 which would prohibit a policy of life insurance subject to an assignment from being terminated or lapsed by reason of default in payment of any premium unless a notice of pending lapse and termination of the policy has been provided by the insurer to any known assignee at least 30 days prior to the effective date of the lapse and termination. The bill also authorizes senior citizens to designate a third party to receive notices of cancellation, nonrenewal, and conditional renewal of a life insurance policy.

LB 94 - UCC ARTICLE 12 - CROSS COLLATERALIZATION: Introduced by Senator Julie Slama (Dunbar), LB 94 would adopt Uniform Commercial Code, Article 12 relating to controllable electronic records.

LB 207 - TRUST DEEDS - LOCATION OF TRUSTEE'S SALE: Senator Brad von Gillern (Elkhorn) has introduced LB 207, which would clarify that the sale of property pursuant to a power of sale under a trust deed may be conducted on the premises, at the county courthouse, or in any public building in which county offices are located within the county in which the property to be sold is situated.

LB 279 - EXECUTIVE OFFICERS' REPORTING REQUIREMENTS: Introduced by Senator Kathleen Kauth (Omaha), LB 279 would eliminate the requirement for executive officers to make annual reports regarding the amount of loans or indebtedness on which he or she is a borrower, cosigner, or guarantor, the security therefore, and the purpose for which the proceeds have been or are to be used.

LB 330 - SMALL ESTATE AFFIDAVIT – ENDORSEMENT OF CHECKS: Senator Wendy DeBoer (Bennington) has introduced LB 330 which would change provisions relating to small estate affidavits and the negotiation of checks made payable “to the estate of” by authorizing a financial institution to accept such a check endorsed by the successor named in a small estate affidavit. This clarification in the law will avoid the need to have a new check issued by the drawer of the check under such circumstances.

OTHER BILLS OF INTEREST

A number of other bills affecting the banking industry have also been introduced during the first eight days of the 2023 legislative session, including the following:

LB 67 - PUBLIC FUNDS: Introduced by Senator Slama, LB 67 would require the State Treasurer to ensure that money deposited by the State Treasurer’s office is not used by financial institutions for social or political causes or objectives.

LB 79 - TAXATION CONSUMPTION TAX ACT: Introduced by Senator Steve Erdman (Bayard), LB 79 would eliminate all property, income and corporate taxes and replace it with a tax on the use or consumption in the state of Nebraska of taxable property or services (excludes intangible property and services) at a rate of 7.5%. The legislation would impose the consumption tax on financial intermediation services, including explicitly and implicitly charged fees for financial intermediation services to be collected with the same frequency that statements are rendered by the financial institution, but not less frequently than quarterly.

LB 213 - RURAL WORKFORCE HOUSING INVESTMENT ACT: Introduced by Senator Slama, LB 213 would reduce the matching funds requirement under the Rural Workforce Housing Investment Act from one-half to one-quarter of the amount of workforce housing grant funds awarded in a city of the second class and village.

LB 214 - OMNIBUS DEPARTMENT OF BANKING BILL: Senator Slama has also introduced LB 214 which would adopt changes to federal law regarding banking and finance and change provisions relating to digital asset depositories, loan brokers, mortgage loan originators, and installment loans. The bill also contains the annual bank and savings and loan “wild-card” provisions.

LB 249 - RURAL WORKFORCE HOUSING INVESTMENT ACT: Introduced by Senator Tom Briese (Albion), LB 249 would expand the definition of workforce housing to include housing that receives federal or state low-income housing tax credits, community development block grants, home funds, funds from the National Housing Trust Fund, or funds from the Affordable Housing Trust Fund, thereby allowing for the use of such funds, together with Rural Workforce Housing Investment funds. The bill would also allow a nonprofit development organization to apply for more than one grant subject to a limitation on the maximum amount of grant funds awarded to such nonprofit development organization over a two-year period to no more than \$5 million.

LB 268 – POLITICAL SUBDIVISION INVESTMENT POOL: Introduced by Senator Steve Halloran (Hastings), LB 268 would authorize any political subdivision vested with taxing authority including quasi-public entities, joint public agencies created pursuant to the Joint Public Agency Act and joint entities created pursuant to the Interlocal Cooperation Act located in Nebraska to participate in a trust or investment pool established by the office of the State Treasurer.

2023 STATE GOVERNMENT RELATIONS FORUM

You are encouraged to sign up for the annual NBA State Government Relations Forum which will be held on January 26, at the Cornhusker Marriott Hotel in Lincoln, with registration beginning at 11:00 a.m.

A legislative briefing will be provided by NBA General Counsel, Bob Hallstrom. Director of the Department of Banking and Finance Kelly Lammers and Attorney General Mike Hilgers will make presentations at the Forum along with a senator panel consisting of Senators Mike Jacobson and Rob Clements.

The State Government Relations Forum presents an opportunity to meet personally with your state senator and to discuss issues of importance to the banking industry and to your institution and community. We look forward to seeing you on January 26!