

LEGISLATIVE UPDATE

108th Legislature, 2nd Session



February 16, 2024

LEGISLATURE REACHES MID-POINT

Lawmakers adjourned on Thursday for a long four-day weekend, having reached the mid-point of the 2024 Legislative Session. The Legislature continues to methodically process carryover legislation from the 2023 session and bills designated as priorities by individual senators and committees during the current session.

The deadline for designating individual senator and committee priority bills has passed, and the Speaker will unveil the remainder of his priority bills on February 20. These “priority bills” and debate on the biennium budget adjustment package of bills will shape the agenda for the balance of the session. Any bills that have not been prioritized, amended into a priority bill or eligible to be considered on “consent calendar” (bills advancing from committee with no dissenting votes and no opposition) are not likely to receive further consideration this session.

COMMITTEE HEARING ACTIVITY

The NBA presented testimony on the following bills that were heard before various committees this week:

February 12 – *Banking, Commerce and Insurance Committee*

LB 873 - REAL ESTATE CLOSING/GOOD FUNDS: LB 873, introduced by Senator Beau Ballard (Lincoln), would authorize use of real-time or instant payments through the FedNow service of the United States Federal Reserve system, or through the RTP network of the Clearinghouse Payments Company LLC for purposes of the good funds requirement associated with real estate closings and would increase from \$500 to \$5,000 of the amount of funds that need not be available for disbursement from good funds. (NBA POSITION: SUPPORT)

LB 1135 - RIGHT-TO-LIST HOME SALE AGREEMENTS: Introduced by Senator Robert Dover (Norfolk), LB 1135 would make void and unenforceable any right-to-list home sale agreement (an agreement by the owner of residential real estate providing another person with the exclusive right to list real estate for sale at a future date in exchange for monetary consideration which purports to be a lien, encumbrance or other real property security interest) or lien or encumbrance resulting from such an agreement which is presented for recording, or recorded in the office of the register of deeds or county clerk. (NBA POSITION: SUPPORT)

February 14 – *Appropriations Committee*

LB 889 - RURAL WORKFORCE HOUSING INVESTMENT ACT: LB 889, introduced by Senator Tony Vargas (Omaha), would appropriate \$25 million from the General Fund for fiscal year 2024-25 to the Department of Economic Development for the Rural Workforce Housing Investment Act. (NBA POSITION: SUPPORT)

LB 897 - RURAL WORKFORCE HOUSING INVESTMENT ACT: Introduced by Senator Loren Lippincott (Central City), LB 897 would appropriate \$20 million from the General Fund for fiscal year 2024-25 to the Department of Economic Development for the purposes of the Rural Workforce Housing Investment Act. (NBA POSITION: SUPPORT)

LB 1039 - MIDDLE-INCOME WORKFORCE HOUSING INVESTMENT ACT AND RURAL WORKFORCE HOUSING INVESTMENT ACT:

Senator Vargas also introduced LB 1039, which would appropriate \$25 million from the General Fund for fiscal year 2024 and 2025 to the Department of Economic Development for the Middle-Income Workforce Housing Investment Act and \$25 million for the Rural Workforce Housing Investment Act. (NBA POSITION: SUPPORT)

UPCOMING HEARINGS

The NBA will be presenting testimony before various committees next week on the following bills:

February 20 – Appropriations Committee

LB 850 - RURAL WORKFORCE HOUSING: Introduced by Senator Mike Jacobson (North Platte), LB 850 would reallocate ARPA funds originally designated for grants to prepare land parcels pursuant to the Rural Workforce Housing Investment Act that can be used by the Department of Economic Development for grants for rehabilitation and adaptive reuse of vacant or abandoned property in disproportionately impacted rural communities. (NBA POSITION: SUPPORT)

February 22 – Revenue Committee

LB 1279 - INCOME TAXATION/UNREALIZED CAPITAL GAINS: Introduced by Senator Steve Halloran (Hastings), LB 1279 would, for tax years beginning on or after January 1, 2024, increase the federal taxable income for individuals and corporations and fiduciaries by an amount equal to 12% of unrealized capital gains. (NBA POSITION: OPPOSE)

LB 1372 - CORPORATE AND INDIVIDUAL INCOME TAX RATE DELAY: Introduced by Senator Tom Brandt (Plymouth), LB 1372 would delay the reductions in maximum individual and corporate income tax rates for a three-year period and utilize the funds from the increased income tax revenues for the Property Tax Credit Act. (NBA POSITION: OPPOSE)

PRIORITY BILL DESIGNATIONS

The following bills of interest to the banking industry have been designated as priority bills, which will enhance their likelihood of being considered as the session progresses.

COMMITTEE PRIORITY BILLS

Banking, Commerce and Insurance Committee

LB 1073 - THIRD-PARTY ADMINISTRATORS OF INSURERS ON-SITE AUDITS: Senator Julie Slama (Dunbar) has introduced LB 1073 which would authorize the director of insurance to require an insurer for whom the third-party administrator administers benefits for more than 100 certificate holders or subscribers on behalf of the insured, to conduct an on-site audit of the operations of the third-party administrator. It is anticipated that a number of bills supported by the NBA will be integrated into this Committee priority bill prior to its advancement by the Committee to General File. (NBA POSITION: WATCH)

LB 1074 - OMNIBUS DEPARTMENT OF BANKING BILL: Senator Slama also introduced LB 1074 which would renew the annual bank and savings and loan “wild-card” provisions. It is anticipated that a number of bills supported by the NBA will be integrated into this Committee priority bill prior to its advancement by the Committee to General File. (NBA POSITION: SUPPORT)

Revenue Committee

LB 388 - SALES TAX: Introduced by Senator Lou Ann Linehan (Elkhorn), LB 388 is a “shell” bill likely to be utilized as a vehicle for potential sales tax-related legislation.

LB 1317 - DECLARATION REGARDING PROPERTY TAXES: Senator Linehan has also introduced LB 1317 which is a “shell” bill likely to be utilized for potential property tax relief legislation.

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LEGISLATIVE SESSION**

The next NBA Government Relations team virtual Legislative Update is Monday, February 26, at 9:00 a.m. CT. **Register** for the overview of legislation introduced this legislative session that may affect the banking industry.