

LEGISLATIVE UPDATE

108th Legislature



March 24, 2023

With 50 days in the books, Friday marked the final day of Committee hearings. When lawmakers return to action next Tuesday, they will conduct the initial day of all-day floor debate and will hold the first of 27 evening sessions scheduled in the final 40 days of the session.

The Legislature debated the “Let Them Grow Act” (LB 574) for three full morning sessions prior to approving a motion to invoke cloture and advance the bill to Select File late Thursday morning. Some opponents of LB 574 have indicated their intention, with advancement of the bill, to filibuster every measure considered for the remainder of the session. Only time will tell!

COMMITTEE HEARING ACTIVITY

The NBA testified during the final Banking, Commerce and Insurance Committee hearing on Tuesday in opposition to the following bill:

LB 710 - CREDIT UNION ACT: Introduced by Senator George Dungan (Lincoln), LB 710 would: a) eliminate requirements for the Director of the Nebraska Department of Banking and Finance (NDBF) to provide notices of an application for establishment of a branch of a credit union and remove discretion from the Director to hold a public hearing on amendments to a credit union association’s bylaws which are brought before the Department; b) allow a credit union with a main chartered office or approved branch in the state, upon notification to the Department, to establish savings account programs in any elementary or secondary school, whether public or private, that has students who reside in the same city or village as the main chartered office or branch of the credit union; c) expand the field of membership of a credit union to include persons or organizations within a geographically defined community, neighborhood, or rural district; d) authorize a credit union to conduct annual or special meetings by virtual conferencing platform; e) authorize credit unions to invest in shares, stocks, or member units of financial technology companies in a total amount not exceeding 5% of the net worth of the credit union; and f) repeal the 18% usury rate on credit union loans. **(NBA Position: Oppose)**

PROPERTY TAX RELIEF PACKAGE ADVANCES

Having recently advanced a package of income tax cut bills, providing approximately \$3 billion in relief over the next five years, the Revenue Committee has followed suit by moving a group of property tax relief proposals to the floor of the Legislature. The property tax relief measures are estimated to provide more than \$3 billion in relief over the next six years.

LB 243, introduced and designated as a Priority Bill by Senator Tom Briese (Albion), has advanced from the Revenue Committee on a 7-0 vote. With proposed committee amendments, the bill would increase annual property tax credits provided to taxpayers from the current level of \$315 million in 2023 to \$388 million in 2024 and, ultimately, rising to \$560 million by 2029.

Other property tax relief measures incorporated into LB 243 include:

LB 589 – SCHOOL DISTRICT PROPERTY TAX LIMITATION ACT: Introduced by Senator Briese, LB 589 would prohibit a school district from making a property tax request for any year in excess of 3% more than its property tax request in the prior year, or the percentage increase in the Consumer Price Index,

except with approval of the majority of its school board or by a 60% majority of the registered voters in a Primary, General or Special Election. **(NBA Position: Support)**

LB 242 - NEBRASKA PROPERTY TAX INCENTIVE ACT: Also introduced by Senator Brieese, LB 242 would eliminate the 5% cap on the amount of income tax credits provided for property taxes paid and replace it with limitations based on the total increase in statewide property tax valuations. **(NBA Position: Support)**

LB 783 - ELIMINATE THE LEVY AUTHORITY OF COMMUNITY COLLEGE AREAS: Introduced by Senator Dave Murman (Glenvil), LB 783 would remove property taxes as a source of funding for the states' community colleges, shifting approximately \$200 million in property taxes annually to state sales and income taxes. **(NBA Position: Watch)**