

LEGISLATIVE UPDATE

108th Legislature, 2nd Session



April 19, 2024

108TH LEGISLATURE ADJOURNS SINE DIE

Lawmakers returned on Thursday, April 18, for the final day of the 60-day session. The agenda included only eight bills. However, several of the bills were viewed as some of the most controversial measures taken up during the session. This included heated debate on sales and property tax measures (LB 388), an increase in the Nebraska Documentary Stamp Tax (LB 1363) and direct appropriations from the State of Nebraska to fund scholarships for students attending private schools (LB 1402). Governor Pillen did not veto any of the more than 100 bills advanced last week.

In a shock to many, LB 388 was pulled from the agenda, thereby killing the bill. LB 388 was introduced by Senator Lou Ann Linehan (Elkhorn) and represented Governor Pillen's property tax plan. The bill was met with strong opposition from a very broad coalition and was the subject of a newspaper, radio, television and text message campaign over the last seven days. Senator Julie Slama (Dunbar) and Senator Danielle Conrad (Lincoln) led the filibuster against the bill. Included in LB 388 were the following provisions:

- "Front-loading" of existing property tax credits, rather than having to claim the credits on income tax returns
- Increase in cigarette tax by 36 cents to \$1 per pack
- 25% tax on edible hemp products
- 20% tax on vaping products
- 20% tax on skill games
- Elimination of sales tax exemptions for soda, candy, and veterinary and pet services
- 7.5% tax on certain advertising

Also included was a 3% cap on revenue growth for cities, villages and counties. An amendment was adopted to include exceptions to increase salaries to address shortages for law enforcement and first responders.

At the conclusion of the regular agenda, Governor Pillen addressed the Legislature in his farewell remarks. Although he began by applauding the many achievements of the 108th Legislature, he soon made clear his disappointment in the body's failure to advance LB 388. Governor Pillen referred to adjournment *sine die* as "halftime" and vowed to call a special session to address property taxes.

The Legislature also advanced LB 1402, which was introduced by Senator Linehan. LB 1402 would appropriate \$10 million annually to be used for scholarships for K-12 students attending private schools. This measure could nullify the ballot referendum for LB 753 set for the November general election. LB 753, known as the "Opportunity Scholarships Act," passed last year and provides an income tax credit for donating to scholarship-granting organizations. The measure advanced on a 32-15 vote. Opponents have vowed a legal challenge or another petition drive to force a referendum on the bill.

The 2024 legislative session will be the last for Senators Joni Albrecht (Thurston), Carol Blood (Omaha), Bruce Bostelman (Brainard), Tom Brewer (Gordon), Steve Erdman (Bayard), Steve Halloran (Hastings), Lou Ann Linehan (Elkhorn), John Lowe (Kearney), Mike McDonnell (Omaha), Tony Vargas (Omaha), Lynne Walz (Fremont), Justin Wayne (Omaha) and Anna Wishart (Lincoln) due to term limits. Senator Fred Meyer

(St. Paul) and Senator Slama have decided not to run for reelection. Elections this year will include 25 of the 49 seats, with 15 of those being open with no incumbent running. However, given Governor Pille's comments, the service of these Senators is likely not over yet.

SIGN UP FOR THE FINAL LEGISLATIVE REVIEW

The **final** NBA Government Relations team legislative review is Monday, April 22, at 9:00 a.m. CT. **Register** for a review of legislation processed this session and how the bills may affect the banking industry. Additionally, the NBA government relations team will provide information and facts regarding the EPIC tax ballot initiative.