

May 5, 2023

With only 15 “working days” remaining in the 2023 Legislative Session, lawmakers have a great deal of work to do prior to adjourning for the year. Debate on the budget bills began this week and is expected to be completed early next week, after which the tax relief proposals and other bills with fiscal impact may be considered.

APPROPRIATIONS COMMITTEE BUDGET DEBATED

Lawmakers have given first-round approval to the mainline budget bill (LB 814) which provides \$10.7 billion in state spending over the next two years. Also advancing to the second-round of debate was LB 818, which provides for various transfers from and to the General Fund and the Cash Reserve.

The budget provides funding for construction of a new \$350 million prison and also provides \$20 million in funding (\$10 million each year) over the next two years for both rural workforce housing and middle-income workforce housing. The budget retains nearly \$715 million for tax relief and other uses during the biennial budget period. The package of income and property tax relief is estimated to reduce state revenues by approximately \$870 million over the next two years. As a result, it is anticipated that some of the tax relief provisions may need to be pared back or the Governor may utilize his line-item veto authority to reduce spending measures.

As advanced, LB 814 will increase state General Fund spending by an average of 2.3% over the next two years compared to Governor Pillen’s original budget proposal which called for 1.3% average spending growth.

NBA BILL ADVANCES

A bill on the NBA Affirmative Legislative agenda has been proposed as an amendment to LB 157, a bill relating to temporary guardians, which has been designated as a priority bill by the Planning Committee and advanced to General File.

The provisions of LB 330, introduced by Senator Wendy DeBoer (Omaha) 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.
