

June 2, 2023

The long and winding 2023 legislative session concluded on Thursday as the Legislature adjourned *sine die* at 4:30 p.m. After spending a good portion of the day on Wednesday considering overrides of Gubernatorial vetoes, the Legislature gave final approval to bills relating to criminal justice reform (LB 50), Voter ID provisions (LB 514) and transformational funding for North/South Omaha development projects (LB 531).

While only 56 bills were sent to the Governor for his signature this session, amendments to those bills resulted in approximately 290 measures being approved. The total number of bills passed is comparable to prior sessions, even though it required the “packaging” of multiple bills together to get these bills to the finish line.

## NBA-SUPPORTED BILLS RECEIVE FINAL APPROVAL

Lawmakers have given final approval to a series of bills (LB 92, LB 157 and LB 727), all of which were supported by the NBA.

**LB 92**, which was introduced by Senator Julie Slama (Dunbar) and designated as a priority bill by the Banking, Commerce and Insurance Committee, contains the following measures supported by the NBA:

- **LB 207 - TRUST DEEDS-LOCATION OF TRUSTEE’S SALE:** Senator Brad von Gillern (Omaha) is the sponsor of 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 one or more county offices are located within the county in which the property to be sold is situated.
- **LB 214 - OMNIBUS DEPARTMENT OF BANKING BILL:** Introduced by Senator Julie Slama (Dunbar), LB 214 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 would also renew the annual bank and savings and loan “wild-card” provisions.
- **LB 669 - DEPARTMENT OF BANKING CONDITIONAL ORDERS:** Introduced by Senator Beau Ballard (Lincoln), LB 669 would authorize the Director of the Department of Banking to prescribe conditions for banks, trust companies, credit unions, building and loan associations, savings and loan associations, digital asset depositories, and their holding companies, if any, as part of any written order, decision or determination required to be made pursuant to the Nebraska Banking Act, Chapter 8, Article 3, the Credit Union Act, and the Nebraska Financial Innovation Act.
- **LB 674 - NEBRASKA FINANCIAL INNOVATION ACT:** Introduced by Senator Mike Jacobson (North Platte), LB 674 would make technical corrections to the Nebraska Financial Innovation Act regarding digital asset depositories.

**LB 157**, a bill relating to temporary guardians, introduced by Senator Wendy DeBoer (Omaha) and designated as a priority bill by the Planning Committee, included the provisions of LB 330. The bill, in part, revises 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.

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The Legislature has given final approval to **LB 727**. Introduced by Senator Lou Ann Linehan, (Elkhorn) and designated as a Revenue Committee priority bill, the bill originally provided a sales tax exemption for certain purchases by the state and other public entities. Amendments adopted throughout the process resulted in an additional 25 tax-related bills being added to the tax package. As approved, LB 727 contains, in part, the following bills, which were supported by NBA.

1. Rural Workforce Housing - The provisions of this bill would reduce the matching funds requirement under the Nebraska Rural Workforce Housing Act from one-half to one-quarter of the amount of workforce housing grant funds awarded. (LB 213)
2. Inheritance Tax Reporting - The provisions of this bill would require petitioners in an inheritance tax determination to report information regarding the amount of inheritance tax revenue generated and the number of persons receiving property subject to the inheritance tax to the County Treasurer of the county in which the inheritance tax determination was conducted. (LB 97)

## **WORKFORCE HOUSING VETO OVERRIDE FALLS SHORT**

Last week, Governor Pillen issued a series of line-item vetoes reducing state spending by approximately \$119 million for the two years ending June 30, 2025. The Legislature considered motions to override a number of these vetoes on Wednesday but were successful in overriding only a single veto which restored \$1.1 million in funding to the State Auditor’s office to hire two additional employees and make staff salaries more competitive.

The NBA joined many other interested parties in supporting the override of the Governor’s veto of \$40 million in funding for rural workforce housing and middle-income housing. The motion to override was defeated on the following vote:

Voting Yes: 25

Aguilar, Blood, Bostar, Brandt, Cavanaugh, J., Cavanaugh, M., Conrad, Day, DeBoer, Dorn, Dungan, Fredrickson, Hardin, Hughes, Hunt, Lippincott, McDonnell, McKinney, Raybould, Riepe, Slama, Vargas, Walz, Wayne, Wishart.

Voting No: 23

Albrecht, Arch, Armendariz, Ballard, Bosn, Bostelman, Brewer, Briese, Clements, DeKay, Erdman, Halloran, Hansen, Holdcroft, Ibach, Jacobson, Kauth, Linehan, Lowe, Moser, Murman, Sanders, von Gillern.

Present Not Voting: Dover

Other motions to override vetoes which were also unsuccessful included measures to increase Medicaid payment rates for hospitals, nursing homes and other healthcare providers and pay raises for legislative staff.

## **ECONOMIC RECOVERY ACT SENT TO GOVERNOR**

The Legislature has given final approval to LB 531, a bill supported by the NBA. Introduced by Senator Terrel McKinney (Omaha) and designated as a priority bill by the Urban Affairs Committee, LB 531 would provide funding for grants to multiple proposals seeking to revitalize parts of North and South Omaha.

Last session, the Legislature allocated approximately \$335 million to fund transformational projects in North and South Omaha. While some funds have been directed to specific projects, about \$225 million in grants remain to be allocated, which will be awarded to North/South Omaha entities to be selected by the Department of Economic Development.