

LEGISLATIVE UPDATE

108th Legislature, 2nd Session



February 23, 2024

Lawmakers adjourned on Friday for a long weekend. The final week of committee hearings will begin Tuesday afternoon, with full-day floor debate beginning March 4. Senators had a productive week advancing dozens of relatively non-controversial bills, with some extended debate on more controversial issues including enhanced penalties for certain drug crimes (LB 934) and elimination of the inheritance tax (LB 1067). With the significant number of priority bills yet to receive consideration, evening sessions are likely to begin in the near future. Speaker Arch announced his intention to hold “Consent Calendar” floor debate during the month of March for simple and non-controversial bills. Between the bills that have already advanced and the planned Consent Calendar, a significant number of bills are expected to pass this session.

BANKING COMMITTEE PRIORITY BILL ADVANCES

The Banking, Commerce and Insurance Committee has advanced one of its two Committee priority bills (LB 1073) to General File with a series of amendments including a number of bills supported by the NBA.

LB 1073 (Third-Party Administrators of Insurers On-Site Audits), which was introduced by Senator Julie Slama (Dunbar), was amended to include the following bills which are supported by the NBA. (**NBA POSITION: SUPPORT**)

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 \$1,500 of the amount of funds that need not be available for disbursement from good funds.

LB 1409 - CONDOMINIUM ASSOCIATION DECLARATION AMENDMENT: Introduced by Senator Eliot Bostar (Lincoln), LB 1409 would limit the requirement to obtain lienholder approval of amendments to a condominium association declaration to a) time-share arrangements; b) unit subdivisions; and c) issues affecting lien priorities and lienholder foreclosure rights. The bill would deem a lienholder which fails to respond to a request for approval of amendment to declarations within 60 days of the request to have given approval. Prior to advancing, amendments proposed by the NBA providing greater protection to lienholders were adopted by the Committee.

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.

COMMITTEE HEARING ACTIVITY

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

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)**

UPCOMING HEARINGS

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

February 27 – Banking, Commerce and Insurance Committee

LB 954 - BIOMETRIC AUTONOMY LIBERTY LAW: Senator Kathleen Kauth (Omaha) has introduced LB 954, which would provide for regulation of the collection, use, safeguarding, handling, storage, retention and destruction of biometric data. Senator Kauth will be submitting amendments to exclude financial institutions, affiliates of financial institutions and data subject to Title V of the Gramm-Leach-Bliley Act from the provisions of the bill. **(NBA POSITION: WATCH AND SEEK AMENDMENTS)**

February 28 – Revenue Committee

LB 1379 - AFFORDABLE HOUSING DOWN-PAYMENT ASSISTANCE: Introduced by Senator Dover, LB 1379 would increase the documentary stamp tax from \$2.25 to \$2.50 and use the additional funds for affordable housing down-payment assistance. The NBA will be proposing amendments to the bill to provide protections to existing lienholders and require notice of liens to be filed by the state in connection with down-payment assistance loans. **(NBA POSITION: WATCH AND SEEK AMENDMENTS)**

NBA-SUPPORTED BILLS ON FINAL READING

The following bills, supported by the NBA, were advanced from Select File to Final Reading following floor debate during the past week:

LB 989 - APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT/REAL PROPERTY APPRAISER ACT: Introduced by Senator George Dungan (Lincoln), LB 989 would make a series of technical changes to the Real Property Appraiser Act and Nebraska Appraisal Management Company Registration Act and provide civil and criminal immunity for members of the Real Property Appraiser Board. **(NBA POSITION: SUPPORT)**

LB 992 - REAL PROPERTY APPRAISER ACT: Senator Dungan also introduced LB 992, which would make “technical corrections” to the existing Real Property Appraiser Act to remain in compliance with the Appraiser Qualification Board’s Real Property Appraiser Qualification Criteria. **(NBA POSITION: SUPPORT)**

FIREARMS NONDISCRIMINATION BILL AMENDED AND ADVANCED

The Government, Military and Veterans Affairs Committee has advanced LB 925 (Firearm Industry Nondiscrimination Act) to General File on a vote of 5-0 after adopting an amendment proposed by the NBA. As originally introduced by Senator Ray Aguilar (Grand Island), LB 925 would have prohibited governmental entities from entering into a contract with any company engaged in discriminating against firearm entities for contracts worth at least \$100,000 that are to be paid, in whole or in part, by a governmental entity.

With the proposed Committee amendments, the required nondiscrimination certification will not apply to contracts for investment services, for the purchase or issuance of bonds and securities or the deposit of public funds, essentially excluding the banking industry from the provisions of the bill.

SIGN UP FOR VIRTUAL LEGISLATIVE REVIEWS DURING THE 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.