

LEGISLATIVE UPDATE

2024 Special Session



July 26, 2024

SPECIAL SESSION CONVENES, BILL INTRODUCTION BEGINS

The Nebraska Legislature convened at 10:00 a.m. on July 25 to kick off the 2024 Special Session to address property tax relief. Governor Jim Pillen issued his [proclamation](#) on Wednesday afternoon outlining topics that should be addressed during the special session.

Speaker John Arch (LaVista) initially planned to hold bill introduction from Thursday, July 25, to Saturday, July 27, pursuant to Legislative Rules that require bill introduction occur during the first three days of a special session. However, due to the large number of bill requests pending at Bill Drafters, Speaker Arch announced Friday afternoon that the last day of bill introductions will now occur on Monday, July 29, instead of July 27. Meanwhile, the Revenue Committee still plans to begin committee hearings Monday morning. Thus far, 35 bills and six Constitutional Amendments have been introduced.

The NBA Board of Directors and Government Relations Committee will hold a joint meeting on the morning of Monday, July 29, to discuss and formulate a position on LB 1. Introduced by Senator Lou Ann Linehan (Elkhorn) on behalf of Governor Pillen, LB 1 represents the major portion of Governor Pillen's tax plan to cut property taxes by more than \$2 billion, funded by \$400 million in spending reductions, retooling the \$910 million in existing tax relief programs and eliminating numerous sales tax exemptions.

LB 1, as introduced, would accomplish the following:

- (1) Adopts the Property Tax Growth Limitation Act to cap local government (counties, cities and villages) property tax requests by the greater of CPI or 0%; provides exceptions for real growth, personnel costs for public safety or public health, or by a vote of the people at a regularly scheduled election.
- (2) Adopts the School District Property Tax Relief Act to create a property tax credit payable directly to schools in the amount of \$2.33 billion in 2025 and increasing each year thereafter.
- (3) Implements the Advertising Services Tax Act, implementing a 7.5% tax on the gross advertising revenues for those entities with a combined gross advertising revenue in excess of \$1 billion.
- (4) Implements new taxes on services and eliminates exemptions for more than 100 products and services including legal services, accounting services, lobbying services, real estate agents and appraisers, investment advice, travel agency services, real property maintenance, loan broker

services, tax return preparation, marketing and telemarketing services, information, data processing, mainframe computer access and processing, and other cloud-based and data storage, processing and co-location services, including core banking and related software services at banks.

(5) Increases “sin taxes” on spirits, cigarettes, games of skill and consumable hemp products.

(6) Retroactively to January 1, 2024, eliminates proration of income for shareholders of S-corporations.

(7) States an intent to reformulate school funding to lower property taxes in the future.

A hearing date has not been set for LB 1.

More information regarding the other measures introduced thus far in the 2024 Special Session will be reviewed during Monday’s membership Zoom call.

SPECIAL SESSION LEGISLATIVE REVIEW MONDAY

A special session legislative review will be held via Zoom Monday, July 29, at 3:30 p.m. CDT. Register at the link below to hear the NBA team’s thoughts on the special session.

[Register](#)