

2024
108th Legislature – Second Session
NBA Legislative Wrap-Up

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2024 NBA LEGISLATIVE UPDATE WRAP-UP EDITION

The second session of the 108th Nebraska Legislature is now history, as the Legislature adjourned *sine die* on April 18, 2024. As always, the Legislature dealt with a number of contentious issues in the waning days of the session. In contrast to the 2023 session, most of the 2024 session was focused on taxation and spending issues, rather than social issues. The next regular session is scheduled to convene in early January 2025. However, in his farewell remarks, Speaker John Arch of LaVista referenced the famous pop song in telling his fellow senators that it's not goodbye but see you later. This was in reference to Governor Jim Pillen's promise of a special session to deal with property tax relief.

The final days of the session were spent in large part debating LB 388, which would have provided "front-loading" of existing property tax credits and spending caps on cities, villages, and counties. LB 388 would also have eliminated sales tax exemptions for soda, candy, and veterinary and pet services, and added new taxes on edible hemp products, vaping products, skill games, and advertising. The bill was pulled from the agenda on the last day of the session just before proceeding to vote after facing heavy opposition from many business associations. As a result, Governor Pillen has publicly announced his intention to call a special session.

Also of note, 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 Julie Slama (Dunbar) 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 Pillen's comments, the service of these Senators is likely not over yet.

Over 149 bills, amendments to those bills and amendments to other proposals were actively monitored by the NBA this session. We have summarized only the major bills of direct interest to the banking industry, according to subject. Other non-banking legislative measures were disposed of early in the session and were previously covered in the weekly *NBA Legislative Update* narratives or *Bill Summary* emails.

During this session, the NBA enjoyed great success with five out of six of the bills on the NBA's Affirmative Legislative agenda being enacted into law. Additionally, many other bills supported by the NBA were passed by the Legislature. Even more significantly, the Legislature took no final action on any of the bills on which the NBA had established a position of opposition and have been indefinitely postponed (IPP). The success of this session is in large part attributable to the excellent grassroots support provided by Nebraska bankers. When called upon to make contacts with legislators, Nebraska bankers responded promptly and effectively in communicating the NBA's position on issues of importance to the banking industry. Thank you to each and every Nebraska banker who took time to visit with their state senator during the 2024 Legislative Session.

The NBA has worked hard to defeat opposition which attempts to turn banking issues into social issues. Out-of-state groups attempted to derail updates to UCC Articles 9 and 12 contained in LB 94. The NBA Government Relations team worked with the Uniform Law Commissioners to respond to the

misinformation and pass the necessary updates.

Additionally, this biennium saw the introduction of four “anti-ESG” bills targeting the banking industry (LB 67, LB 730, LB 743, and LB 925). The NBA was successful in defeating each of these proposals and will continue to lead the charge to preserve the free-market approach that has given our nation the strongest and most resilient financial industry in the world. Nebraska banks should be free to lend to or not lend to any entity, provided they do not violate statutory, regulatory, fair lending or other anti-discrimination laws. As part of this effort, the NBA has continued to engage and educate Senators and worked with other key stakeholders. The NBA worked with the Platte Institute to publish the first “Voices of Industry” column. Kelly Trambly, South Central State Bank, Campbell, authored the inaugural article, which discusses anti-ESG policies in banking. The article can be found here:

<https://platteinstitute.org/esg-in-the-banking-industry/>

Members of the NBA Government Relations Committee spent many hours reviewing potential legislation for introduction on behalf of the NBA and analyzed other legislation introduced throughout the session. The Committee makes recommendations regarding legislation to be introduced on behalf of the NBA and positions to be established by the NBA on legislation of interest. These recommendations are forwarded to the NBA Board of Directors for final action. A special thanks to Krista Prinz, Citizens State Bank, Wisner, who served as Chair of the NBA Government Relations Committee this year, along with all of the members of the Government Relations Committee for their efforts on behalf of the banking industry. A listing of the 2023-2024 members of the Committee is included in this *NBA Legislative Update Wrap-Up* edition.

If you have any questions regarding any of the bills highlighted below, please feel free to contact the NBA. **This *NBA Legislative Update Wrap-Up Edition* has been prepared as a summary and it does not necessarily constitute a complete or definitive analysis of each bill discussed.** The NBA staff is prepared to provide you with further information or to send you copies of bills in which you are interested.

2023-2024 Government Relations Committee

The NBA legislative program is member driven. Members submit solutions for legislation during the interim and in response to solicitations by NBA. The Government Relations Committee meets at least four times over a biennium to consider those ideas, make recommendations to the NBA Board of Directors regarding bills to be sponsored on behalf of the NBA, and to determine positions to be taken by the NBA on legislation introduced before the Nebraska Legislature which affects the banking industry.

Krista Prinz, GR Committee Chair
Citizens State Bank, Wisner

Stephen Postier
Henderson State Bank, York

Lydell Woodbury, NBA Chair
First Nebraska Bank, Valley

Luke Rickertsen, BankPAC Chair
Flatwater Bank, Gothenburg

Bradley Koehn, NBA Chair-Elect
Midwest Bank, Lincoln

Todd Rischling
Security First Bank, Lincoln

Tyler Avery
Commercial State Bank, Nebraska City

Tim Sladek
Waypoint Bank, Cozad

Spencer Bergen
Union Bank & Trust Co., Lincoln

Andrew Witt
Dundee Bank, Omaha

Chris Brewster
Cornerstone Bank, York

Anna Castner Wightman
First National of Nebraska, Inc., Omaha

Allen Chaffee
Cornhusker Bank, Omaha

Greg Dunlap
Horizon Bank, Waverly

Daniel Fullner
Madison County Bank, Madison

Patrick Green
Wells Fargo Bank, N.A., Des Moines

Stacie Holden
U.S. Bank, N.A., Minneapolis

Matt McNamara
Five Points Bank, Grand Island

Christian Ott
First Nebraska Bank, Valley

NBA AFFIRMATIVE LEGISLATIVE AGENDA

A number of bills were requested to be introduced on behalf of the NBA during the 2024 Legislative Session. Actions taken on bills that were a part of the NBA's Affirmative Legislative agenda were as follows:

LIFE INSURANCE ASSIGNMENT - NOTICE OF LAPSE OR TERMINATION

LB 69 – Sponsor: Senator Mike Jacobson

NBA POSITION: Support

BILL STATUS: IPP

LB 69 would prohibit a policy of life insurance subject to an assignment from being terminated or lapsed by reason of default in payment of any premium unless a notice of pending lapse and termination of the policy has been provided by the insurer to any known assignee at least 30 days prior to the effective date of the lapse and termination. The bill would allow the notice of lapse and termination to be provided electronically by the insurer to any assignee who has requested notice. The bill would also authorize senior citizens to designate a third party to receive notices of cancellation, nonrenewal, and conditional renewal.

UCC ARTICLE 12

LB 94 – Sponsor: Senator Julie Slama

NBA POSITION: Support

BILL STATUS: Passed & Signed

LB 94 would adopt Uniform Commercial Code, Article 12 relating to controllable electronic records.

EXECUTIVE OFFICER REPORTING REQUIREMENTS

LB 279 – Sponsor: Senator Kathleen Kauth

NBA POSITION: Support

BILL STATUS: Passed & Signed

LB 279 would eliminate the requirement for executive officers to make annual reports regarding the amount of loans or indebtedness on which he or she is a borrower, cosigner, or guarantor, the security therefor, and the purpose for which the proceeds have been or are to be used, but would allow the Board of Directors of a bank, in its discretion, to obtain a credit report from a recognized credit agency, on an annual basis, for any or all of its executive officers.

CENTRAL BANK DIGITAL CURRENCY

LB 872 – Sponsor: Senator Rob Clements

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1074 – Passed & Signed)

LB 872 would prohibit political subdivisions or state agencies from accepting a central bank digital currency as a method of cash payment of any tax, levy, excise, duty, custom, toll, interest, penalty, fine, license, fee, or assessment of whatever kind or nature.

MISLEADING ADVERTISEMENTS/SOLICITATIONS

LB 1122 – Sponsor: Senator Beau Ballard

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1074 – Passed & Signed)

LB 1122 would increase the maximum fine that the Department of Banking can impose for violations involving misleading advertisements or solicitations of bank customers from \$1,000 to \$5,000 per violation.

PUBLIC ENTITIES POOLED INVESTMENT ACT

LB 1176 – Sponsor: Senator George Dungan

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1074 – Passed & Signed)

LB 1176 would establish investment priorities, customer disclosures and restrictions on investments for political subdivision investment pools. The bill would specifically limit investments by a political subdivision investment pool in commercial paper to commercial paper a) issued by a United States corporation; b) with a stated maturity of 270 days or fewer from its date of issuance; and c) which is rated in the highest quality category by at least two nationally recognized rating agencies. In addition, the bill would limit investments in commercial paper by a political subdivision investment pool to no more than 40% of the total funds eligible for investment and to no more than 5% of the total funds available for investment in commercial paper of a single issuer

BILLS SUPPORTED BY THE NBA

A number of bills on which the NBA took a “support” position were considered during the 2024 Legislative Session. Actions taken on the bills supported by the NBA were as follows:

GRAIN DEALER ACT/GRAIN WAREHOUSE ACT

LB 264 – Sponsor: Agriculture Committee

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 262 – Passed & Signed)

LB 264 would require bonds held by grain dealers to be a minimum amount of \$35,000 and not more than \$1 million (the maximum was previously \$300,000) and bonds held by grain warehouses to be in a minimum amount of \$25,000 and not more than \$1 million (the maximum was previously \$500,000).

DEPRECIABLE BUSINESS ASSETS

LB 491 – Sponsor: Senator Brad von Gillern

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 727 – Passed & Signed)

LB 491 would allow full expensing or expenditures in depreciable business assets placed in service after December 31, 2022, consisting of qualified property or qualified improvement property covered under Section 168 of the Internal Revenue Code. The bill would also allow a taxpayer to treat research or experimental expenditures paid or incurred by the taxpayer during the taxable year as expenses that are not chargeable to the capital account and treat them as a deduction to the extent not already deducted in determining federal adjusted gross income.

ITEMIZED DEDUCTIONS ON TAX RETURNS

LB 497 – Sponsor: Senator Lou Ann Linehan

NBA POSITION: Support

BILL STATUS: IPP

LB 497 would, effective January 1, 2023, allow every individual who itemized deductions on his or her federal return to subtract from federal adjusted gross income, the greater of either the standard deduction; or the sum of a) federal itemized deductions except for the amount for state or local income taxes included in federal itemize deductions before any federal disallowance; and b) the total amount of state and local property taxes reported on the federal return before any federal disallowance or, less the amount of state and local property taxes actually included in federal itemize deductions.

RURAL WORKFORCE HOUSING INVESTMENT FUND APPROPRIATIONS

LB 504 – Sponsor: Senator Raymond Aguilar

NBA POSITION: Support

BILL STATUS: IPP

LB 504 would transfer \$25 million in fiscal year 2023-24 and fiscal year 2024-25 to the Rural Workforce Housing Investment Fund. The bill would also transfer \$25 million dollars for fiscal year 2023-24 and fiscal year 2024-25 to the Affordable Housing Trust Fund.

AGE OF MAJORITY – TRUSTS AND POWERS OF ATTORNEY

LB 549 – Sponsor: Senator Beau Ballard

NBA POSITION: Support

BILL STATUS: IPP

LB 549 would clarify that a person 18 years of age or not a minor is considered to be an adult under the Nebraska Uniform Power of Attorney Act; may be a settlor of a trust for purposes of executing a Healthcare Power of Attorney; may serve as the settlor of a trust, and is considered to be a principal for purposes of the Uniform Power of Attorney Act. Note that similar provisions were included in LB 1195, the Judiciary Committee Package.

NEBRASKA UNIFORM REAL PROPERTY TRANSFER ON DEATH ACT

LB 579 – Sponsor: Senator Wendy DeBoer

NBA POSITION: Support

BILL STATUS: IPP

LB 579 would require a transfer on death deed to contain a WARNING that following the death of the transferor, the transferor’s insurance policy covering the property transferred is only effective for 60 days thereafter. The measure would also provide that upon a transfer of real estate pursuant to a recorded transfer on death deed, that the beneficiary of the transfer on death deed becomes the named insured under any policy insuring the property for a period of 60 calendar days immediately following the death of the insured.

SCHOOL DISTRICT PROPERTY TAX LIMITATION

LB 589 – Sponsor: Senator Tom Briese

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 243 – Passed & Signed)

LB 589 would prohibit a school district from making a property tax request for any year in excess of 3% more than its property tax request in the prior year, or the percentage increase in the Consumer Price Index except with approval of the majority of its school board or by a 60% majority of the registered voters in a Primary, General or Special Election. The bill would exclude that portion of a political subdivision's property tax request that is needed to pay the principal and interest on approved bonds or which is derived from the real growth value for the political subdivision.

DEPARTMENT OF BANKING CONDITIONAL ORDERS

LB 669 – Sponsor: Senator Beau Ballard

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 92 – Passed & Signed)

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.

NEBRASKA FINANCIAL INNOVATION ACT

LB 674 – Sponsor: Senator Mike Jacobson

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 92 – Passed & Signed)

LB 674 would make technical corrections to the Nebraska Financial Innovation Act regarding digital asset depositories.

LEGISLATIVE WRAP-UP

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RURAL WORKFORCE HOUSING - AFFORDABLE HOUSING

LB 741 – Sponsor: Senator Tony Vargas

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 814 – Passed and Vetoed)

LB 741 would appropriate \$25 million in fiscal year 2023-24 and 2024-25 to the Rural Workforce Housing Investment Fund and \$25 million in fiscal year 2023-24 and fiscal year 2024-25 to the Affordable Housing Trust Fund.

FUNDING FOR HOUSING IN CITIES OF METROPOLITAN CLASS

LB 786 – Sponsor: Senator Terrell McKinny

NBA POSITION: Support

BILL STATUS: IPP

LB 786 would appropriate \$50 million in fiscal year 2023-24 and \$50 million in fiscal year 2024-25 to the Department of Economic Development to contract with Nebraska Investment Finance Authority for development (provide, grant, or loan any form of capital or technical support to private or public entities) of housing units located within the city of the Metropolitan class.

FUNDING FOR HOUSING

LB 789 – Sponsor: Senator Justin Wayne

NBA POSITION: Support

BILL STATUS: IPP

LB 789 would appropriate \$50 million in fiscal year 2023-24 and \$50 million in fiscal year 2024-25 to the Department of Economic Development for community and rural development to contract with the Nebraska Investment Finance Authority for innovative housing solutions.

TAXATION- CORPORATE INCOME TAX REDUCTIONS

LB 804 – Sponsor: Senator Brad von Gillern

NBA POSITION: Support

BILL STATUS: IPP

LB 804 would reduce the maximum corporate income tax rate from 7.25% to 5.84% on January 1, 2023.

TAXATION – INDIVIDUAL INCOME TAX REDUCTION

LB 806 – Sponsor: Senator Brad von Gillern

NBA POSITION: Support

BILL STATUS: IPP

LB 806 would reduce the maximum individual income tax rate from 6.84% to 5.84% on January 1, 2023.

MIDDLE INCOME WORKFORCE HOUSING INVESTMENT ACT

LB 843 – Sponsor: Senator Terell McKinney

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 840 – Passed & Signed)

LB 843 would increase the maximum grant from \$5 million to \$10 million to any one nonprofit development organization over a two-year period and would reduce the matching fund requirement from 50% to 25% of the amount of grant funds awarded.

RURAL WORKFORCE HOUSING

LB 850 – Sponsor: Senator Mike Jacobson

NBA POSITION: Support

BILL STATUS: IPP (Amended into 1412 – Passed & Signed)

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.

PETROLEUM RELEASE REMEDIAL ACTION CASH FUND

LB 868 – Sponsor: Senator Bruce Bostelman

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 867 – Passed & Signed)

LB 868 would extend the sunset date for the fund from June 30, 2024, to June 30, 2028. NATURAL RESOURCES COMMITTEE PRIORITY BILL

REAL ESTATE CLOSINGS/GOOD FUNDS

LB 873 – Sponsor: Senator Beau Ballard

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1073 – Passed & Signed)

LB 873 would authorize the 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 the amount of funds that need not be available for disbursement from good funds.

RURAL WORKFORCE HOUSING INVESTMENT ACT

LB 889 – Sponsor: Senator Tony Vargas

NBA POSITION: Support

BILL STATUS: IPP

LB 889 would appropriate \$25 million from the General Fund for fiscal year 2024-25 to the Department of Economic Development for the Rural Workforce Housing Investment Act.

RURAL WORKFORCE HOUSING INVESTMENT ACT

LB 897 – Sponsor: Senator Loren Lippincott

NBA POSITION: Support

BILL STATUS: IPP

LB 897 would appropriate \$20 million from the General Fund for fiscal year 2023-24 to the Department of Economic Development for the purposes of the Rural Workforce Housing Investment Act.

GIFT CERTIFICATE/GIFT CARD CUSTOMER NOTICES

LB 955 – Sponsor: Senator Eliot Bostar

NBA POSITION: Support & Seek Amendments

BILL STATUS: IPP

LB 955 would require any business entity selling a gift certificate or gift card to a purchaser, to include a notice at the location where the sale occurs, which provides: “Protect yourself from prepaid card scams, including requests related to lotteries, taxes, employment status, or utility payments. Do not provide any prepaid card information to someone you do not know, including the PIN number or card number. If you feel that you are a victim of fraud, contact local law enforcement.” The bill would require any business entity which has an electronic payment system screen to provide notice on the screen prior to the purchaser finalizing payment or if the entity does not have an electronic payment system screen or does not wish to provide notice in this manner, notice must be posted in a conspicuous manner in the location where the sale occurs. The bill would also provide the Attorney General with enforcement powers to recover civil penalties not to exceed \$1,000 for each violation and to seek equitable relief to restrain any violation.

APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT/REAL PROPERTY APPRAISER ACT

LB 989 – Sponsor: Senator George Dungan

NBA POSITION: Support

BILL STATUS: Passed & Signed

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.

REAL PROPERTY APPRAISER ACT

LB 992 – Sponsor: Senator George Dungan

NBA POSITION: Support

BILL STATUS: Passed & Signed

LB 992 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.

MIDDLE-INCOME WORKFORCE HOUSING INVESTMENT ACT AND RURAL WORKFORCE HOUSING INVESTMENT ACT

LB 1039 – Sponsor: Senator Tony Vargas

NBA POSITION: Support

BILL STATUS: IPP

LB 1039 Would appropriate \$25 million from the General Fund for fiscal year 2024-25 to the Department of Economic Development for the Middle-Income Workforce Housing Investment Act and \$25 million for the Rural Workforce Housing Investment Act.

PASS-THROUGH ENTITY SALT WORKAROUND

LB 1059 – Sponsor: Senator Lou Ann Linehan

NBA POSITION: Support

BILL STATUS: IPP

LB 1059 would clarify that the income tax credit available for members of pass-through entities is allowed for the same taxable year for which the election is made, without regard to the year in which the taxes paid to Nebraska are deducted on the Federal income tax return. The bill would also allow the pass-through entity tax election to be made on the applicable income tax return.

THIRD-PARTY ADMINISTRATORS OF INSURERS ON-SITE AUDITS

LB 1073 – Sponsor: Senator Julie Slama

NBA POSITION: Support

BILL STATUS: Passed & Signed

LB 1073 would authorize the director of insurance to require an insurer for whom the third-party administrator administers benefits for more than 100 certificate holders or subscribers on behalf of the insured, to conduct an on-site audit of the operations of the third-party administrator.

BANKING, COMMERCE AND INSURANCE PRIORITY BILL (LB 873, LB 1135 AND LB 1409 AMENDED INTO LB 1073)

OMNIBUS DEPARTMENT OF BANKING BILL

LB 1074 – Sponsor: Senator Julie Slama

NBA POSITION: Support

BILL STATUS: Passed & Signed

LB 1074 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. Would also renew the annual bank and savings and loan “wild-card” provisions. BANKING, COMMERCE AND INSURANCE PRIORITY BILL (LB 872, LB 1122, LB 1176 and LB 1294 AMENDED INTO LB 1074 by ComAM2560)

WORKFORCE DEVELOPMENT AND CAREER READINESS PROGRAMS

LB 1077 – Sponsor: Senator Mike McDonnell

NBA POSITION: Support

BILL STATUS: IPP (Amended into 1412 – Passed & Signed)

LB 1077 would appropriate \$900,000 from the General Fund for fiscal year 2024-25 to the Department of Labor to provide grants for workforce development and career readiness, to be used for facility expansion. Would also require a one-to-one match of private funding for the facility expansion with grant funds to be evenly distributed between the Nebraska congressional districts. The bill would also add \$10 million for state aid for workforce development.

GROCER REINVESTMENT ACT

LB 1116 – Sponsor: Senator Teresa Ibach

NBA POSITION: Support

BILL STATUS: IPP

LB 1116 would authorize the Department of Agriculture to make loans, grants, and forgivable loans to designated grocery store businesses in low - and moderate - communities for investments to expand or improve access to perishable nutritionist foods covering expenses for capital improvements, energy

efficiency measures, repair and maintenance of buildings and equipment, purchases of equipment and furnishings, and technical assistance and would appropriate \$2 million for the purposes of the act.

RIGHT-TO-LIST HOME SALE AGREEMENTS

LB 1135 – Sponsor: Senator Robert Dover

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1073 – Passed & Signed)

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.

RENT-RESTRICTED HOUSING PROPERTY TAX VALUATION

LB 1217 – Sponsor: Senator Eliot Bostar

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1317 – Passed & Signed)

LB 1217 would establish an alternative method for valuing rent-restricted and sales-restricted housing for purposes of assessing property taxes. The bill would require use of a three-year rolling average of income and expense for purposes of assessing valuation of rent-restricted real estate that utilizes federal low-income housing tax credits.

DECEDENT'S ESTATES/SMALL ESTATE AFFIDAVITS

LB 1220 – Sponsor: Senator Carolyn Bosn

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1195 – Passed & Signed)

LB 1220 would increase the amount that a person may pay or deliver to or on behalf of a minor to \$40,000 per year (includes payment of such funds to a financial institution incident to a deposit in a federally insured savings account). The bill would authorize any trustee, when there is more than one trustee, to register a trust in the county in which the principal place of administration is located; would recognize the ability of an individual 18 years of age or older to be a settlor under a trust, execute a healthcare power of attorney and wave bond in an estate proceeding and would increase the value of real estate that may be transferred pursuant to a small estate affidavit from \$50,000-\$100,000 less real estate taxes and interest thereon.

POLITICAL SUBDIVISION TAX LEVIES

LB 1241 – Sponsor: Senator Brad von Gillern

NBA POSITION: Support

BILL STATUS: IPP

LB 1241 would impose a new type of levy limit on schools, counties and other local governments, requiring them to reduce their property tax levy by the same percentage that property valuations increase.

DATA PRIVACY ACT

LB 1294 – Sponsor: Senator Eliot Bostar

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1074 – Passed & Signed)

LB 1294 would grant data privacy protections to any individual or business a) conducting business in Nebraska or producing a product or service consumed by residents of Nebraska; b) processing or engaging in the sale of personal data; or c) not a small business as defined by the United States Small Business Administration. The bill would require otherwise exempt small businesses to obtain consumer consent for the sale of sensitive personal data and would also exclude any financial institution or data subject to Title V of the Gramm-Leach-Bliley Act.

SCHOOL BOARD TAX LEVIES

LB 1316 – Sponsor: Senator Lou Ann Linehan

NBA POSITION: Support

BILL STATUS: IPP

LB 1316 would eliminate the ability of a school board to raise property taxes based upon a vote of 70% of the board.

RELOCATION INCENTIVE ACT

LB 1400 – Sponsor: Senator Beau Ballard

NBA POSITION: Support

BILL STATUS: IPP (Amended into 1023 – Passed & Signed)

LB 1400 would authorize a refundable income tax credit equal to 50% of the relocation expenses paid by an employer for a qualifying employee (individual moving to Nebraska to accept a position of employment) not to exceed a maximum credit of \$5,000 per qualifying employee. The bill would require a qualifying employee to receive an annual salary of at least \$70,000 and not more than \$250,000 per year and would subject the tax credit to recapture if the employee moves out of state within two years after the credit is claimed. The bill would also annually cap total awarded credits at \$5 million and allow qualifying employees a one-time election to exclude all Nebraska-sourced wage income earned and received.

OPPORTUNITIES SCHOLARSHIP ACT

LB 1403 – Sponsor: Senator Lou Ann Linehan

NBA POSITION: Support

BILL STATUS: IPP

LB 1403 would extend the ability to claim tax credits under the Opportunities Scholarship Act to financial institutions.

CONDOMINIUM ASSOCIATION DECLARATION AMENDMENT

LB 1409 – Sponsor: Senator Eliot Bostar

NBA POSITION: Support

BILL STATUS: IPP (Amended into LB 1073 – Passed & Signed)

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 who fails to respond to a request for approval of an amendment to declaration within 60 days of the request, to have given approval

PROPERTY TAX GROWTH LIMITATION ACT

LB 1414 – Sponsor: Senator Lou Ann Linehan

NBA POSITION: Support

BILL STATUS: IPP

LB 1414 would prohibit a political subdivision's property tax request for any year from exceeding its property tax request from the prior year, subject to limited exceptions. The bill would apply to any county, city, village, learning community, sanitary and improvement district, natural resources district, and educational service unit.

PROPERTY TAX RELIEF

LB 1415 – Sponsor: Senator Robert Dover

NBA POSITION: Support

BILL STATUS: IPP

LB 1415 would provide state funding directly to school districts, counties, cities, and villages in exchange for direct property tax relief.

BILLS OPPOSED BY THE NBA

A number of bills affecting the banking industry were indefinitely postponed or passed and signed during the course of the 2024 legislative session. The NBA was “opposed” to the following bills:

PAID FAMILY AND MEDICAL LEAVE INSURANCE ACT

LB 57 – Sponsor: Senator Machaela Cavanaugh

NBA POSITION: Oppose

BILL STATUS: IPP

LB 57 would establish a statewide paid family medical leave insurance program similar to Nebraska's unemployment insurance system, managed by the state Department of Labor. The bill would apply to all employers subject to the Employment Security Act (one or more employees), with self-employed individuals eligible to participate. The bill would also provide employees with benefits of up to two-thirds of the state average weekly wage for up to 12 weeks of leave or, for leave taken on an intermittent basis, 60 workdays during any benefit year and allow 12 weeks or 60 workdays of paid leave if taken intermittently and would base the paid leave upon 90 percent of an individual's average weekly wage that is at or below 50 percent of the state average weekly wage and 50 percent of the individual's average weekly wage that is above 50 percent of the state average weekly wage, not to exceed 66 percent of the state average weekly wage.

PUBLIC FUNDS

LB 67 – Sponsor: Senator Julie Slama

NBA POSITION: Oppose & Seek Amendments

BILL STATUS: IPP

LB 67 would require the state treasurer to ensure that money deposited by the state treasurer’s office is not used by financial institutions for social or political causes or objectives.

TAXATION - CONSUMPTION TAX ACT

LB 79 – Sponsor: Senator Steve Erdman

NBA POSITION: Oppose

BILL STATUS: IPP

LB 79 would eliminate all property, income, and corporate taxes and replace it with a tax on the use or consumption in the state of Nebraska of taxable property or services (excludes intangible property and services) at a rate of 7.5%. The legislation would impose the consumption tax on financial intermediation services, including explicitly and implicitly charged fees for financial intermediation services to be collected with the same frequency that statements are rendered by the financial institution, but not less frequently than quarterly.

POLITICAL SUBDIVISION INVESTMENT POOL

LB 268 – Sponsor: Senator Steve Halloran

NBA POSITION: Oppose

BILL STATUS: IPP

LB 268 would authorize any political subdivision vested with taxing authority including quasi-public entities, joint public agencies created pursuant to the Joint Public Agency Act and joint entities created pursuant to the Interlocal Cooperation Act located in Nebraska to participate in a trust or investment pool established within the office of the State Treasurer.

FAIR CHANCE HIRING ACT

LB 367 – Sponsor: Senator Danielle Conard

NBA POSITION: Oppose

BILL STATUS: IPP

LB 367 would prohibit an employer from asking an applicant to disclose information concerning the applicant's criminal record or history until after the applicant has received a conditional offer of employment from the employer. The legislation would only allow an employer to request information concerning the applicant's criminal record or history after making a conditional offer of employment if the applicant is applying for a position for which a) a criminal history record information check is required by federal or state law; or b) federal or state law specifically disqualifies an applicant with a criminal background even if the law allows for a waiver that would allow the applicant to be employed.

PUBLIC FUNDS/CREDIT UNIONS

LB 483 – Sponsor: Senator Jane Raybould

NBA POSITION: Oppose

BILL STATUS: IPP

LB 483 would authorize a state or federal credit union to hold public deposits of the state or any political subdivision of the state.

CREDIT UNION ACT

LB 710 – Sponsor: Senator George Dungan

NBA POSITION: Oppose & Seek Amendments

BILL STATUS: IPP (Amended into LB 1074)

LB 710 would: a) authorize a credit union to provide written notice of any change in its principal place of business within the state to be delivered to the Department in person or sent by regular or electronic mail; b) authorize a credit union to conduct annual or special meetings by virtual conferencing platform; c) authorize the board of directors of a credit union to conduct regular meetings not less frequently than six meetings annually, with at least one meeting in each calendar quarter; d) authorize a credit union board of directors to appoint one or more associate directors to serve in an advisory capacity; and e) authorize a credit union to invest in insurance policies and other investment products to fund employee benefit plans for its employees not to exceed 15% of the net worth of a credit union from a single issuer or 25% of the net worth of a credit union in aggregate. With objectionable provisions removed, NBA position changed to neutral.

FAIR ACCESS TO FINANCIAL SERVICES ACT

LB 730 – Sponsor: Senator Rick Holdcroft

NBA POSITION: Oppose

BILL STATUS: IPP

LB 730 would restrict financial institutions (banks, savings and loans, trust companies, credit unions, money transmitters, non-depository service providers and insurance companies) from limiting access to financial services (financial product or service) for any reason other than objective financial criteria. The bill would prohibit a financial institution from a) denying any person a financial service offered by the financial institution unless justified by such person's documented failure to meet quantitative, impartial, and risk-based financial standards established in advance by the financial institution and b) denying any person a financial service offered by the financial institution when the effect of the denial is to prevent, limit, or otherwise disadvantage the person 1) from entering or competing in a market or business segment; or 2) in such a way that benefits another person or business activity in which the financial institution has a financial interest; or 3) deny, in coordination with another person, any person a financial service the financial institution offers.

INVESTMENT NEUTRALITY IN PUBLIC FUNDS ACT

LB 743 – Sponsor: Senator Kathleen Kauth

NBA POSITION: Oppose

BILL STATUS: IPP

LB 743 would require any investment manager, fiduciary, governing body or financial institution in making and supervising investments of any public fund to discharge its duties solely in the financial interest of the beneficiaries for the exclusive purposes of a) providing financial benefit to the beneficiaries and b) defraying reasonable expenses related to administration of the benefits. The bill would require a fiduciary to take into account only financial (having a material effect on the financial risk of the financial return of an investment) factors when discharging its duties with respect to investments of public funds (financial does not include any action taken, or factor considered, by a fiduciary with any purpose whatsoever to further social, political, or ideological interests). The bill would also deem a fiduciary to have taken an action, or consider the factor, with a purpose to further social, political, or ideological interests based upon evidence indicating such a purpose any of the following: 1) eliminating, reducing, offsetting, or disclosing greenhouse gas emissions; 2) instituting or assessing corporate board, or employment, composition, compensation, or disclosure criteria that incorporates characteristics protected in the state under the Nebraska Fair Employment Practices Act; 3) divesting from, limiting investment in, or limiting the activities or investments, any company, for failing, or not committing, to meet environmental standards or disclosures; 4) access to abortion, sex or gender change, or transgender surgery; or 5) divesting from, limiting investment in, or limiting the activities or investments of, any company, for engaging in, facilitating, or supporting the manufacture, distribution, sale, or use of firearms.

FIREARM INDUSTRY NONDISCRIMINATION ACT

LB 925 – Sponsor: Senator Ray Aguilar

NBA POSITION: Oppose

BILL STATUS: IPP

LB 925 would prohibit 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.

COMMUNITY DEVELOPMENT LAW/PREVAILING WAGE

LB 948 – Sponsor: Senator Mike McDonnell

NBA POSITION: Oppose

BILL STATUS: IPP

LB 948 would require a redevelopment contract for a redevelopment plan or redevelopment project under the Community Development Law to include a provision requiring that any laborers and mechanics employed by the redeveloper or by any contractor or subcontractor to perform construction work for the project be paid wages at rates not less than the prevailing rates for construction of a similar character in the locality in which the redevelopment project is located. Would also require not less than 15% of the total labor hours of the construction work for the redevelopment project to be performed by qualified apprentices and also require each redeveloper, contractor, or subcontractor that employs four or more individuals to perform construction work with respect to the project to employ one or more qualified apprentices to perform such work.

NONCOMPETE AGREEMENTS

LB 961 – Sponsor: Senator George Dungan

NBA POSITION: Oppose

BILL STATUS: IPP

LB 961 would prohibit an employer with one or more employees (other than government employers) from entering into a noncompete agreement with a lower-wage employee (employee who earns no more than \$100,000 per year).

PAID FAMILY LEAVE/SCHOOL-RELATED ACTIVITIES LEAVE

LB 1213 – Sponsor: Senator Lynne Walz

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1213 would require any employer or with 15 or more employees to provide a minimum of 20 hours of paid school activities leave (leave taken by an employee for school-related activities of a family member, including, but not limited to, parent-teacher conferences, disciplinary meetings or proceedings, extracurricular or athletic competition or events, volunteer activities, and orientation programs) in each calendar year.

INCOME TAXATION/UNREALIZED CAPITAL GAINS

LB 1279 – Sponsor: Senator Steve Halloran

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1279 would, for tax years beginning on or after January 1, 2024, increase federal taxable income for individuals and corporations and fiduciaries by an amount equal to 12% of unrealized capital gains.

SALES TAX ON SERVICES

LB 1308 – Sponsor: Senator Brad von Gillern

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1308 would impose the sales and use tax upon accounting services and repair and replacement parts for agricultural machinery.

ADVERTISING SERVICES TAX ACT

LB 1310 – Sponsor: Senator Joni Albrecht

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1310 would impose a 7.5% sales tax on companies that derive more than \$1 billion in gross advertising revenue and would also eliminate the sales and use tax exemption for sales of lottery tickets.

SALES TAX ON SERVICES

LB 1311 – Sponsor: Senator Fred Meyer

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1311 would impose the sales and use tax on motor vehicle cleaning services, pet-related services, and storage and moving services.

LEGISLATIVE WRAP-UP

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SALES TAX

LB 1315 – Sponsor: Senator Lou Ann Linehan

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1315 would increase the state sales tax and use rate from 5.5% to 6.5% commencing October 1, 2024.

SALES TAX/DATA CENTERS

LB 1319 – Sponsor: Senator Lou Ann Linehan

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1319 would eliminate the existing sales tax exemption for data centers.

PREPAID CARD CONSUMER PROTECTION ACT

LB 1332 – Sponsor: Senator George Dungan

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1332 would prohibit the charging of any fee, including a maintenance, service, or inactivity fee on a prepaid card (record that contains a microprocessor chip, magnetic strip, or other storage medium that is prefunded and for which the value is adjusted upon each use) or the placement of an expiration date on a prepaid card or otherwise limit the time for redemption for a prepaid card.

SALES TAX ON SERVICES

LB 1345 – Sponsor: Senator Justin Wayne

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1345 would impose the sales and use tax on legal services performed in the furtherance of a business enterprise.

SALES TAX ON SERVICES

LB 1349 – Sponsor: Senator Dave Murman

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1349 would impose the sales and use tax on dry cleaning and laundry services, as well as single ticket zoo and aquarium admissions.

ADVERTISING SERVICES TAX ACT

LB 1354 – Sponsor: Senator Joni Albrecht

NBA POSITION: Oppose

BILL STATUS: IPP

LB 1354 would impose a 7.5% sales tax on companies that derive more than \$1 billion in gross advertising revenue.

CORPORATE AND INDIVIDUAL INCOME TAX RATE DELAY

LB 1372 – Sponsor: Senator Tom Brandt

NBA POSITION: Oppose

BILL STATUS: IPP

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.

APPROPRIATIONS-CASH TRANSFERS

LB 1413 – Sponsor: Speaker John Arch

NBA POSITION: Oppose

BILL STATUS: Passed & Signed

LB 1413 would provide for a series of transfers from various state agency Cash Funds to the General Fund, including \$2 million in fiscal years 2024 and 2025 from the Financial Institution Assessment Cash Fund to the General Fund. However, NBA opposed this provision, and it was removed. The bill would also transfer \$12.5 million from the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund in the year 2025 and \$12.5 million from the Affordable Housing Trust Fund to the Middle-Income Workforce Housing Investment Fund.

PROPOSED CONSTITUTIONAL AMENDMENT/CONSUMPTION TAX

LR 6CA – Sponsor: Senator Steve Erdman

NBA POSITION: Oppose

BILL STATUS: IPP

LR 6CA would prohibit governmental entities from imposing any taxes other than retail consumption taxes and excise taxes.

PROPOSED CONSTITUTIONAL AMENDMENT/CONSUMPTION TAX

LR 7CA – Sponsor: Senator Steve Erdman

NBA POSITION: Oppose

BILL STATUS: IPP

LR 7CA would require the state to impose a consumption tax or an excise tax on all new goods and services and to provide a tax exemption for grocery items.