

LEGISLATIVE UPDATE

108th Legislature, 2nd Session



January 5, 2024

2024 LEGISLATURE CONVENES

The gavel fell at 10:00 a.m. on Wednesday, January 3, marking the beginning of the second session of the 108th Legislature. The first two days of the short, 60-day session consisted primarily of bill introductions, with 154 new bills dropped into the hopper. Combined with nearly 600 bills carried over from the 2023 legislative session, lawmakers will face a healthy slate of issues once again this session.

Bill introductions will continue during the first 10 legislative days, with General File debate of bills carried over from the 2023 legislative session to commence after the rules debate has been completed. Governor Pillen will present his State of the State address on January 18, with Committee hearings to begin on January 22 and run through February 29. February 14 is the deadline for submitting requests for Speaker Priority bill designations and individual senator and Committee priority bills must be designated by February 15. Full-day floor debate is scheduled to begin on March 4 with the legislature scheduled to adjourn on April 18.

The early days of the legislative session will involve consideration of changes to the permanent rules. Speaker John Arch (La Vista) and Senator Steve Erdman (Bayard), chair of the Rules Committee, along with individual senators will submit proposed rule changes to the permanent rules that are filed with the clerk, with the Rules Committee to conduct a public hearing early next week, followed by advancement by the Committee of proposed rules changes which will be debated on the floor shortly thereafter.

Senator Erdman is expected to propose rule changes that would eliminate secret votes for legislative leadership elections and bar the news media from Legislative Committee executive sessions. In addition, it is expected that a rule change to not count senators “present and not voting” when calculating the two-thirds vote needed to terminate a filibuster and advance a bill will also be debated.

Major issues expected to be addressed this session include workforce development, childcare incentives, and addressing rural and affordable housing shortages. Governor Pillen has also indicated that he will be proposing a 2% state sales tax increase to be coupled with “hard” spending caps for local political subdivisions in order to provide funding for a 40% reduction in property taxes paid on a statewide basis.

EXECUTIVE BOARD ELECTIONS

During the first day of the session, the body elected a new Chair of the Executive Board to succeed former Senator Tom Briese (Albion). Shortly after convening, Senator Ray Aguilar (Grand Island) was elected to succeed former Senator Briese, who resigned from the legislature earlier this year after being appointed by Governor Pillen to serve as State Treasurer. Senator John Lowe (Kearney) was elected to the position of Vice-Chair of the Executive Board, and Senator Mike Jacobson (North Platte) was selected to serve as a member on the Executive Board.

NEW SENATOR TAKES OFFICE

Lawmakers welcomed new state Senator Fred Meyer (West Point), who was appointed by Governor Pillen to serve as Legislative District 41 representative following the resignation of Senator Briese. Senator Meyer is a graduate of the University of Nebraska-Lincoln and has been active in his community and in a number of agricultural organizations. Senator Meyer, who served for many years on the Nebraska State Board of

Education, has previously indicated that he will not seek election to the legislature in the 2024 General Election.

TERM-LIMITED SENATORS ENTER FINAL SESSION

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, the constitutional provision limiting senators to serving two consecutive four-year terms in office.

NBA AFFIRMATIVE LEGISLATIVE AGENDA

This session, the NBA will be promoting a legislative agenda consisting of four bills to be introduced on behalf of the Association. These bills address the following subjects:

1. Increase authority of the Nebraska Department of Banking and Finance to levy fines for misleading and deceptive solicitations of loan customers by third parties;
2. Prohibit the acceptance of a central bank digital currency as a form of payment for a local political subdivision and a state agency taxes, fees and licenses;
3. Political subdivision investment pool investment priorities, customer disclosures and restrictions on permissible investments; and
4. Additional Rural Workforce Housing Funding.

CARRYOVER BILLS (SUPPORT)

A number of bills introduced on behalf of the NBA last session have been carried over to the current session, as follows:

LB 69 - Life Insurance Assignment - Notice of Lapse/Termination: Senator Jacobson introduced LB 69 on behalf of the NBA, which 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 also authorizes senior citizens to designate a third party to receive notices of cancellation, nonrenewal and conditional renewal of a life insurance policy.

LB 94 - UCC Article 12: Introduced by Senator Julie Slama (Dunbar), LB 94 would adopt Uniform Commercial Code, Article 12, relating to controllable electronic records.

LB 279 - Executive Officer Reporting Requirements: Senator Kathleen Kauth (Omaha) introduced LB 279, which 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. A Banking Committee amendment will allow the Board of Directors to retain flexibility to obtain a credit report for its executive officers on an annual basis.

LB 94 and **LB 279** both advanced to Select File last session and are expected to come up for further consideration early in the session after the permanent rules debate has been completed.

OTHER CARRYOVER BILLS (OPPOSE)

The NBA will continue its opposition to the following anti-ESG legislative bills:

LB 67 - Public Funds: Introduced by Senator Slama, 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.

LB 730 - Fair Access to Financial Services Act: Introduced by Senator Rick Holdcroft (Bellevue), LB 730 would restrict financial institutions 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 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.

LB 743 - Investment Neutrality in Public Funds Act: Also introduced by Senator Kauth, 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).

2024 STATE GOVERNMENT RELATIONS FORUM

You are encouraged to sign up for the annual NBA State Government Relations Forum which will be held on January 25 at the Cornhusker Marriott Hotel in Lincoln. Headlining the program will be presentations by Governor Pillen, a panel of state senators, and NBA General Counsel Bob Hallstrom and Ryan McIntosh. Nebraska Department of Banking Director Kelly Lammers will discuss Department initiatives.

The State Government Relations Forum presents an opportunity to meet personally with your state senator during lunch to discuss issues of importance to the banking industry, your institution and your community. We look forward to seeing you on January 25!

[Register Here](#)