

February 4, 2022

As lawmakers adjourned on Thursday for a long, four-day weekend recess, one-third of the 2022 Legislative Session is in the books. Thus far, the body has processed seven of the 2022 individual Senator and Committee priority bills beyond the General File stage of debate. Extended debates and filibusters have been the norm, and the Speaker of the Legislature has cautioned his colleagues that some of the priority bills may not be debated this session due to time constraints.

Legislative activities for the week began with a successful filibuster by opponents of a measure to change state truancy laws (LB 568) and while a measure to regulate pharmacy benefit managers (LB 767) moved rather quickly to the next stage of debate, the pace slowed once again as the Legislature ended the week debating a bill (LB 986) to place limitations on school district spending. When lawmakers reconvene next Tuesday, they will conclude consideration of LB 986 debate and begin debate on a bill (LB 906) allowing employees of employers that mandate the use of vaccines to claim a religious exemption.

HEARING ACTIVITY

The NBA provided testimony on the following bills on interest during the past week:

Urban Affairs Committee:

LB 1024-ARPA FUNDING-NORTH OMAHA RECOVERY ACT: Introduced by Senator Justin Wayne (Omaha), LB 1024 would adopt the North Omaha Recovery Act. The legislation would appropriate \$450 million in federal funds under the American Rescue Plan Act of 2021 (ARPA) to provide grant funding to public and private entities to respond to the COVID-19 public health emergency and its negative impacts within federally-qualified census tracts located within the boundaries of cities of the Metropolitan class. Grants would be targeted toward one of four categories: housing and homelessness; community and small business recovery; community well-being; and community assistance and programming. **(NBA Position-Support)**

Revenue Committee:

LR 264CA-NEBRASKA CONSUMPTION ACT: A proposed constitutional amendment, introduced and prioritized by Senator Steve Erdman (Bayard), LR 264CA would on and after January 1, 2024, prohibit the imposition of any taxes other than retail consumption taxes and excise taxes upon the people of Nebraska. The bill would repeal all other forms of existing taxation. **(NBA Position-Oppose)**

LB 1094-IMAGINE NEBRASKA ACT: Senator Mike Flood (Norfolk), introduced LB 1094 which would include, for purposes of new employees under the ImagiNE Nebraska Act, employees who work both at the qualified location and perform services for the taxpayer at the employee's Nebraska residence. The bill would include the time for which an employee is compensated for services performed at the employee's Nebraska residence to be considered spent at the qualified location. **(NBA Position-Support)**

LB 1150-IMAGINE NEBRASKA ACT: Introduced by the Legislative Performance Audit Committee, LB 1150 would: amend provisions relating to the contents of applications and agreements under the ImagiNE

Nebraska Act and provide for additional disclosure; require a statement of whether locations in other states were seriously considered for relocation or expansion of the taxpayer's business and if other locations were considered, a statement of whether incentives were offered by such other states, and if so, the application shall also state if they were considered; require the application to provide the most recent taxable valuations and levy rates for all qualified locations; and require that the taxpayer provide the following information for the purpose of tax incentive performance audits: 1) the occupation code under the Standard Occupational Classification System of the federal Bureau of Labors Statistics for all employees included in the number of new employees; 2) the asset classes determined under the Internal Revenue Service Publication 946 for all qualified property; 3) if credits are used for job training, a program schedule of the job-training activity; and 4) if credits are used for talent recruitment, the city and state where recruited employees lived when the talent recruitment activities took place. **(NBA Position-Oppose)**

UPCOMING HEARINGS

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

Banking, Commerce and Insurance Committee:

LB 738 - LIBOR TRANSITION: Introduced by Senator Eliot Bostar (Lincoln), LB 738 addresses the legal effects of the discontinuance of LIBOR on contracts, securities, or instruments and provides for the replacement, by operation of law, of the United States Dollar Libor as the benchmark index for any contract, security, or instrument, with a recommended benchmark replacement that is based off a Secured Overnight Financing Rate (SOFR).

The bill specifies that the benchmark replacement applies with respect to a contract, security, or instrument that either: 1) contains no fallback provisions setting forth a methodology or procedure for determining a benchmark replacement; or 2) contains fallback provisions that result in a benchmark replacement that: a) is not a recommended benchmark replacement; and b) is based in any way on any LIBOR value.

The measure provides that the selection or use of a recommended benchmark replacement as a benchmark replacement for a contract, security, or instrument: 1) constitutes a reasonable replacement for and a commercially substantial equivalent LIBOR and 2) does not: a) impair or affect certain rights and performance obligations under; b) constitute a breach of; or c) void or nullify; the contract, security or instrument. The bill further provides that a person is not liable for damages and is not subject to any claim for equitable relief, in connection with: 1) the selection or use of a recommended benchmark replacement; or 2) the determination, implementation, or performance of benchmark replacement performing changes; with respect to any contract, security, or instrument. **(NBA Position-Support)**

LB 993-NEBRASKA FINANCIAL INNOVATION ACT: Senator Bostar (Lincoln) is also the sponsor of legislation (LB 993) which would prohibit a digital asset depository from providing digital asset and cryptocurrency custody services unless the digital asset or cryptocurrency was a) initially offered for public trade more than six months prior to the date of the custody services; b) created by a bank chartered in Nebraska; or c) created by a bank chartered by the United States. **(NBA Position-Support)**

Appropriations Committee:

LB 1071 - RURAL WORKFORCE HOUSING FUNDING: Senator Matt Williams (Gothenburg), is the sponsor of LB 1071. Under LB 1071, \$30 million would be appropriated from the General Fund in fiscal year 2021/22 to the Department of Economic Development for purposes of the grant program described in the Rural Workforce Housing Investment Act. **(NBA Position-Support)**

Government, Military and Veterans Affairs Committee:

LB 1096-POLITICAL SUBDIVISION INVESTMENT POOL: Senator Steve Halloran (Hastings) has introduced LB 1096 which 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. **(NBA Position-Oppose)**