

# LEGISLATIVE UPDATE

108<sup>th</sup> Legislature, 2<sup>nd</sup> Session



March 8, 2024

With just over 20 legislative days remaining in the 2024 session, full-day floor debate commenced upon lawmakers' return to the Capitol on Monday morning. The Appropriations Committee has advanced its biennium budget adjustments and the bill to provide for transfers of various Agency Cash Funds to the General Fund, as described in greater detail below.

The week started off with a bang with lawmakers advancing six bills on the "consent calendar" Agenda. Another 15 priority bills were advanced to the next stage of debate in rapid-fire fashion on Monday. The pace of action slowed considerably as the week ended with a filibuster on LB 175, a bill that would have adopted the Residential Tenant Clean Slate Act. A motion for cloture on LB 175 early Thursday afternoon failed on a vote of 30-16.

Governor Pillen issued his initial veto of the session regarding a bill (LB 307) that would create a statewide needle exchange. A motion to override the veto has been filed and will be considered next Tuesday.

## NBA GENERAL COUNSEL BOB HALLSTROM TO RUN FOR LEGISLATURE

The deadline for filing to run for election to the Nebraska Legislature expired last Friday with NBA General Counsel Bob Hallstrom throwing his hat into the ring to succeed Senator Julie Slama (Dunbar) in the 1st Legislative District. If elected, Mr. Hallstrom will discontinue his lobbying services with the NBA. In addition, former State Senator Ernie Chambers has filed to run for election in his North Omaha legislative district after having been term-limited (for the second time) four years ago.

## APPROPRIATIONS BUDGET ADJUSTMENTS ADVANCED

On the heels of the Nebraska Economic Forecasting Advisory Board raising projected revenues for the current fiscal year by \$50 million, the Appropriations Committee, chaired by Senator Rob Clements (Elmwood) has advanced LB 1412 and LB 1413 to General File. The budget package being recommended by the Appropriations Committee would hold spending to a 3.1% increase over the two-year budget period, leaving a record balance of \$574.9 million in the state's General Fund by the end of the budget period (June 30, 2025) and another \$904 million in the separate Cash Reserve Fund. Chairman Clements has indicated that the General Fund cushion is needed to make the tax cut and school aid package adopted last session sustainable into the future.

Lawmakers will have the long, four-day weekend to review the Appropriations Committee budget proposal and will be briefed on the proposal next Tuesday by Chairman Clements. The body will begin debate on LB 1412 on Tuesday afternoon.

The Governor's proposed budget would have provided 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. The Appropriations Committee rejected this proposed cash transfer, instead transferring an additional \$2 million in each of the two fiscal years from the Securities Cash Fund to the General Fund.

In addition, the budget now provides additional funding to the Department of Banking and Finance in the amount of \$791,289 in fiscal year 2024-25 for financial examiner salaries. These additional funds should

allow the Department examiner salaries to be more competitive and minimize the potential for state banking examiners to be lured away from work by other bank regulators.

The budget proposal also provides for the transfer of \$20 million from the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund and a transfer of \$5 million to the Middle-Income Workforce Housing Investment Fund in fiscal year 2024-25.

## **NBA-SUPPORTED BILLS GIVEN FINAL APPROVAL**

The following bills, supported by the NBA, were given final approval 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)**

## **SIGN UP FOR VIRTUAL LEGISLATIVE REVIEWS DURING THE LEGISLATIVE SESSION**

The next NBA Government Relations team virtual Legislative Update is Monday, March 25, at 9:00 a.m. CT. [\*\*Register\*\*](#) for the overview of legislation introduced this legislative session that may affect the banking industry.