

April 7, 2023

With almost two-thirds of the Legislative Session complete, lawmakers adjourned early Thursday afternoon for the long, four-day Easter holiday weekend. When lawmakers return next Tuesday, they will begin debate on budget bills to appropriate funds for the salaries for members of the Legislature and constitutional officers, along with two bills (LB 282 – payment of claims against the state; and LB 799 – changes judges’ salaries) that have been designated as Speaker’s Major Proposals.

Pursuant to the rules of the Legislature, the Speaker is authorized, with the approval of two-thirds of the Executive Board, to designate up to five bills or resolutions proposing to amend the Constitution as Major Proposals. The Speaker is further authorized to determine the scheduling of Major Proposals and the order in which amendments and motions will be considered.

GOVERNOR APPOINTS NEW SENATOR

The Legislature was surprised mid-week with the announcement that Senator Suzanne Geist (Lincoln), a candidate for mayor of the city of Lincoln, was resigning from the Legislature to concentrate on her mayoral campaign. Governor Pillen moved promptly in appointing Carolyn Bosn to serve as the new state senator from Legislative District 25.

Senator Bosn, who will complete the remainder of Senator Geist’s term, is a native of Columbus, Nebraska. She earned a Bachelor of Arts in Political Science from Baylor University and a law degree from Creighton University. Senator Bosn has previously worked in county attorneys’ offices in a number of counties, handling cases relating to juvenile law offenses, child neglect and abuse, domestic assaults and narcotics.

PROPERTY TAX RELIEF MEASURE MOVES ON

The Legislature has adopted a package of property tax relief proposals and advanced LB 243 to Select File on a vote of 41-1. Introduced by Senator Tom Briese (Albion), LB 243 would provide for the minimum amount of relief under the Property Tax Credit Act for 2024 and each year thereafter, and a percentage increase equal to the percentage increase, if any, in the total assessed value of all real property in the state from the prior year to the current year.

Following adoption of Committee amendments, the bill would increase annual property tax credits provided to taxpayers from the current level of \$315 million in 2023 to \$388 million in 2024 and, ultimately, raise the annual property tax credit amount to \$560 million by 2029.

Other property tax relief measures incorporated into LB 243 include:

LB 589 - SCHOOL DISTRICT PROPERTY TAX LIMITATION ACT: Introduced by Senator Briese, 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. **(NBA Position: Support)**

LB 242 - NEBRASKA PROPERTY TAX INCENTIVE ACT: Also introduced by Senator Briese, LB 242 would eliminate the 5% cap on the amount of income tax credits provided for property taxes paid and replace it with limitations based on the total increase in statewide property tax valuations. **(NBA Position: Support)**

LB 783 - ELIMINATE THE LEVY AUTHORITY OF COMMUNITY COLLEGE AREAS: Introduced by Senator Dave Murman (Glenvil), LB 783 would remove property taxes as a source of funding for the state community colleges, shifting approximately \$200 million in property taxes annually to state sales and income taxes. **(NBA Position: Watch)**

PUBLIC EDUCATION FUNDING PROPOSAL ADVANCES

Lawmakers have given first-round approval to a bill (LB 583), introduced by Senator Rita Sanders (Bellevue) on behalf of Governor Pillen, that would direct additional state funding to K-12 public schools. Under LB 583, the state would provide \$1,500 in foundation aid per student for public school districts, beginning with school fiscal year 2023-24. The bill would also increase state aid to school districts to provide 80% of the school district's special education funding needs when combined with federal funding.

Under an amendment adopted by the Legislature, a portion of the foundation aid and the supplemental education allowances would be paid from a new Education Future Fund to be created by LB 681, sponsored by Senator Robert Clements (Elmwood) on behalf of Governor Pillen.

The Legislature was once again required to approve a motion to invoke cloture to end debate and vote on advancement of the bill, which was ultimately advanced to Select File on a vote of 39-3.

THE SESSION AHEAD

With filibusters being encountered on every bill considered by the Legislature, efforts to amend separate bills into priority bills being debated are increasing. With the total number of priority bills expected to receive consideration this session diminishing with every passing day, it appears that an attitude of "combine and conquer" is going to take place.

Speaker of the Legislature John Arch (La Vista) has suggested that Standing Committees will likely, at best, be able to have only one of their two Committee priorities considered on the floor of the Legislature. In response to this announcement, a number of Committees are combining the bills contained within their two separate priority bills into a single priority bill and are considering adding additional non-controversial measures to the resulting priority bill. For example, the Revenue Committee has incorporated the provisions of 20 tax-related bills into LB 727, previously designated as a Committee Priority Bill, and has advanced the bill to General File. The Banking, Commerce and Insurance Committee is expected to follow suit with an amendment to LB 92, one of the Committee Priority Bills, which may incorporate as many as 20 separate banking-related measures.