

April 28, 2023

The Legislature adjourned on Thursday afternoon for a long, four-day weekend. Lawmakers wrapped up activity for the week with four hours of Select File debate on LB 626 ("Heartbeat" bill) with a motion to invoke cloture and cease debate falling one vote short of the 33 votes needed to break the filibuster.

BANKING PRIORITY BILL ADVANCES TO FINAL READING

Lawmakers have given second-round approval to the Banking, Commerce and Insurance Committee priority bill (LB 92), which contains the following measures supported by the NBA:

LB 207 - TRUST DEEDS-LOCATION OF TRUSTEE'S SALE: Senator Brad von Gillern (Omaha) is the sponsor of LB 207, which would clarify that the sale of property pursuant to a power of sale under a trust deed may be conducted on the premises, at the county courthouse, or in any public building in which one or more county offices are located within the county in which the property to be sold is situated.

LB 214 - OMNIBUS DEPARTMENT OF BANKING BILL: Introduced by Senator Julie Slama (Dunbar), LB 214 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. The bill would also renew the annual bank and savings and loan "wild-card" provisions.

LB 669 - DEPARTMENT OF BANKING CONDITIONAL ORDERS: Introduced by Senator Beau Ballard (Lincoln), 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.

LB 674 - NEBRASKA FINANCIAL INNOVATION ACT: Introduced by Senator Mike Jacobson (North Platte), LB 674 would make technical corrections to the Nebraska Financial Innovation Act regarding digital asset depositories.

RURAL WORKFORCE HOUSING BILL ADVANCES

Among seven bills contained within the Business and Labor Committee Priority Bill (LB 191) that has been advanced to Final Reading, are the provisions of LB 249, a bill supported by the NBA. Introduced by Senator Tom Briese (Albion) and designated as a Priority Bill by Senator Teresa Ibach (Sumner), LB 249 would allow a nonprofit development organization to apply for more than one grant subject to a limitation on the maximum amount of grant funds awarded to such nonprofit development organization over a two-year period to no more than \$5 million.

Prior to its amendment into LB 191, provisions in LB 249 to remove "anti-stacking" provisions prohibiting the mixing of certain low-income housing funds with rural workforce housing funds (removal of which was opposed by the NBA), were dropped from the bill. Provisions which would have established an additional \$20 million in funding for the Rural Workforce Housing Fund were also eliminated; however, it is anticipated that the mainline budget bill will include additional funding for Rural Workforce Housing.

APPROPRIATIONS COMMITTEE BUDGET RELEASED

The Legislature's Appropriations Committee has advanced the proposed State budget that provides for an average increase in spending of 2.3% over the next two fiscal years. Governor Pillel had previously recommended spending increases of 1.5% over the same time period.

Primary distinctions between the two budget proposals involve the inclusion of an additional \$80 million in the Appropriations Committee budget to increase rates for providers of Medicaid services and an increase in the University of Nebraska system budget from Governor Pillel's proposed 2% to 2.5% over the biennium.

Other major items contained within the budget include funds for construction of a new prison (\$366 million) and to build the Perkins County Canal (\$574 million). It is anticipated that the Appropriations Committee budget plan would leave \$703 million for tax cuts and other uses. With the additional cost estimates for income tax and property tax relief in the combined amount of \$870 million over the next two years, lawmakers may have to consider reducing spending or revising the tax relief packages to balance the State's budget.

Debate on the State budget is scheduled to begin on May 3.

FORECASTING BOARD REVISES REVENUE PROJECTIONS

The Nebraska Economic Forecasting Advisory Board made relatively minor revisions to their projections of state tax revenues through June 30, 2025, when the panel convened this past Wednesday. The revenue projections upon which the state budget is determined were reduced by \$80 million for the current fiscal year, while adding a total of \$80 million in the next two years. The new forecast predicts revenues of \$6.635 billion in the year ending June 30, followed by revenues of \$6.5 billion and \$6.61 billion in the following two fiscal years.