

**2022**  
**One Hundred Seventh Legislature**  
**Second Session**

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# 2022

## NBA LEGISLATIVE UPDATE

### WRAP-UP EDITION

The second session of the 107<sup>th</sup> Nebraska Legislature is now history, as the Legislature adjourned *sine die* on April 20, 2022. As always, the Legislature dealt with a number of contentious issues in the waning days of the session. The next regular session is scheduled to convene in early January 2023.

Over 100 bills, amendments to those bills and amendments to other proposals were actively monitored by the NBA this session. We have summarized only the major bills of direct interest to the banking industry, according to subject. Most of the other numerous non-banking legislative measures were disposed of early in the session and were previously covered in the weekly *NBA Legislative Update* narratives or *Bill Summary* emails.

During this session, many of the bills on the NBA's affirmative legislative agenda or supported by the NBA were enacted into law. The Legislature also took no final action on any of the bills on which the NBA had established a position of opposition. The success of this session is in large part attributable to the excellent grassroots support provided by Nebraska bankers. When called upon to make contacts with legislators, Nebraska bankers responded promptly and effectively in communicating the NBA's position on issues of importance to the banking industry. Thank you to each and every Nebraska banker who took time to visit with their state senator during the 2022 Legislative Session.

This summary also includes the effective dates of the enacted legislation and any necessary compliance information.

Members of the NBA Government Relations Committee put in many hours reviewing potential legislation for introduction on behalf of the NBA and in analyzing other legislation introduced each session. The Committee makes recommendations regarding positions to be established by the NBA on legislation of interest to the banking industry which are forwarded to the NBA Board of Directors for final action. A special thanks to Nick Vrba, First State Bank & Trust, Fremont, who served as Chair of the NBA Government Relations Committee this year along with all of the members of the Government Relations Committee for their efforts on behalf of the banking industry. A listing of the 2021-2022 members of the NBA Government Relations Committee is included in this *NBA Legislative Update Wrap-Up* edition.

If you have any questions regarding any of the bills highlighted below, please feel free to contact the NBA. **This *NBA Legislative Update Wrap-Up Edition* has been prepared as a summary and it does not necessarily constitute a complete or definitive analysis of each bill discussed.** The NBA staff is prepared to provide you with further information or to send you copies of bills in which you are interested.

**2021-2022 Government Relations Committee**

**CHAIRMAN**

***Nicholas Vrba-Chair***

First State Bank & Trust Co., Fremont

***Mark Linville***

First State Bank, Randolph

***Kirk Riley, NBA Chair***

Waypoint Bank, Cozad

***Matt McNamara***

Five Points Bank, Grand Island

***Stephen Stull, NBA Chair-Elect***

Nebraska Bank, Hickman

***Christian Ott***

First Nebraska Bank, Valley

***Spencer Bergen***

Union Bank & Trust Co., Lincoln

***Aaron Otten***

Elkhorn Valley Bank & Trust, Norfolk

***Tracy Birmeier***

Butte State Bank, Spencer

***Stephen Postier***

Henderson State Bank, York

***Anna Castner Wightman***

First National of Nebraska, Inc., Omaha

***Todd Rischling***

Exchange Bank, Lincoln

***Greg Dunlap***

Horizon Bank, Waverly

***Tim Sladek***

Waypoint Bank, Cozad

***Patrick Green***

Wells Fargo & Company, Des Moines

***Ryan Steffensmeier***

First Community Bank, Beemer

***Mike Hall***

American National Bank, Omaha

***Kristi Thornton***

West Gate Bank, Omaha

***Stacie Holden***

U.S. Bank, N.A., Minneapolis

***Andrew Witt***

Dundee Bank, Omaha

***Amanda Hoover***

Adams Bank & Trust, Ogallala

***George Howard, BankPAC Chairman***

Five Points Bank of Hastings, Hastings

***Mike Jacobson***

NebraskaLand National Bank, North Platte

***Jason Lavicky***

Bank of the Valley, Bellwood

***Landen Lawless***

Adams Bank & Trust, Imperial

The NBA legislative program is member-driven. Members submit ideas for legislation during the interim and in response to solicitations by NBA. The Government Relations Committee meets at least six times over a biennium to consider those ideas, make recommendations to the NBA Board of Directors regarding bills to be sponsored on behalf of the NBA, and to determine positions to be taken by the NBA on legislation introduced before the Nebraska Legislature which affects the banking industry.

## **NBA AFFIRMATIVE LEGISLATIVE AGENDA**

A number of bills were requested to be introduced on behalf of the NBA during the 2022 Legislative Session. Actions taken on bills that were a part of the NBA's affirmative legislative agenda were as follows:

### **NOTICE OF LAPSE OR TERMINATION OF LIFE INSURANCE POLICY**

**LB 535 – Sponsor: Senator Mark Kolterman**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 535 would have prohibited 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 would also have allowed the notice of lapse and termination to be provided electronically by the insurer to any assignee who has requested notice.

### **LIBOR TRANSITION**

**LB 738 – Sponsor: Senator Eliot Bostar**

NBA POSITION: SUPPORT

BILL STATUS: IPP (Amended into LB 707)

### **PUBLIC FUNDS DEPOSIT SECURITY ACT**

**LB 826 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: SUPPORT

BILL STATUS: IPP (Amended into LB 707)

### **BANK DIRECTORS ANNUAL AUDIT**

**LB 846 – Sponsor: Senator Julie Slama**

NBA POSITION: SUPPORT

BILL STATUS: IPP (Amended in LB 707)

**RURAL WORKFORCE HOUSING INVESTMENT ACT**

**LB 1069 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: PASSED

LB 1069 extended the definition of workforce housing to include owner-occupied housing units that cost not more than \$325,000 (currently \$275,000) and rental housing units that cost not more than \$250,000 (currently \$200,000); replaced the \$2 million cumulative grant limitation with provisions allowing for the Department, in its discretion, to determine the cumulative amount of grants for any single grantee; reduced the matching requirement for grants from 100% to 50%; and extended the sunset date for provisions of the Act from July 1, 2022 to July 1, 2027.

(Effective Date: April 19, 2022)

**UNIFORM COMMERCIAL CODE - ARTICLE 12**

**LB 1187 – Sponsor: Senator Mike Flood**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 1187 will extend the operative date of Uniform Commercial Code, Article 12, relating to controllable electronic records, from July 1, 2022 to July 1, 2023.

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## **BILLS SUPPORTED BY THE NBA**

A number of bills on which the NBA took a “support” position were considered during the 2022 Legislative Session. Actions taken on the bills supported by the NBA were as follows:

### **NEBRASKA JOB CREATION AND MAIN STREET REVITALIZATION ACT**

#### **LB 194 – Sponsor: Senator Tony Vargas**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 194 would have expanded the eligibility for applications to Nebraska’s Historic Building Tax Credit Program and increased the tax credit for historically significant real property located in a county that includes a city of the metropolitan class or a city of the primary class from 20 percent to 25 percent and for historically significant real property located in any other county increased the credit from 20 percent to 30 percent, with the maximum credit allocated to any one project in the amount of \$2 million. Committee amendments would reduce the annual limit on the program from \$15 million to \$12 million, of which \$4 million is to be allocated to projects of less than \$100,000.

### **STATE AGENCIES EFFICIENCY REVIEW**

#### **LB 213 – Sponsor: Senator Tom Briese**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 213 would have required the Department of Administrative Services to contract for an efficiency review of state agencies (departments, boards, and councils) to make the delivery of services more cost-effective, identify outdated delivery practices that can be eliminated, identify increased efficiencies in service delivery, identify potential new sources of funding for services other than taxation, and make government more accountable to residents of the state.

### **FUELING STATE TAX CREDIT ACT**

#### **LB 346 – Sponsor: Senator Anna Wishart**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 346 would have established a tax credit against the income tax and the bank franchise tax for any taxpayer placing a qualified alternative-fuel fueling station in service during calendar year 2021 or 2022. The bill would have authorized a credit equal to 75 percent of the cost of the qualified alternative-fuel fueling station and authorized total credits under the Act in the amount of \$25 million.

## PROPERTY TAX REQUEST ACT

### **LB 408 – Sponsor: Senator Tom Briese**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 408 would have prohibited a political subdivision from making a property tax request for any year in excess of 3 percent more than its property tax request in the prior year, except with approval of the majority of registered voters in a Primary, General or Special Election and would have excluded that portion of a political subdivisions property tax request that is needed to pay the principal and interest on approved bonds or which is derived from the real growth value for the political subdivision.

## INCOME TAXATION

### **LB 410 – Sponsor: Senator Lou Ann Linehan**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 410 would, for tax years beginning on or after January 1, 2021, have allowed individuals itemizing deductions on their federal tax return to subtract from federal adjusted gross income on their state income tax return the greater of either (a) the standard deduction; or (b) the sum of federal itemized deductions, except for the amount for state or local income taxes included in federal itemized deductions before any federal disallowance; and the total amount of state and local property taxes reported on the federal return before any federal disallowance or cap, less the amount of state and local property taxes actually included in federal itemized deductions. LB 410 would have addressed the adverse effect of the federal “SALT cap” which placed limits on the amount of state and local taxes that can be utilized as itemized deductions.

## BROADBAND POLE ATTACHMENT ACT

### **LB 455 – Sponsor: Senator Curt Friesen**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 455 would have required electric utilities to (a) charge rates and fees for attachments to utility poles by communications service providers that are just, reasonable, and nondiscriminatory regardless of the services furnished; (b) make the electric utility’s easements available to a communications service provider and, where necessary, obtain expansions of such easements to accommodate the communications service providers attachments on a nondiscriminatory and competitively neutral basis; (c) establish terms and conditions for attachments to utility poles by any communication service provider that are nondiscriminatory, competitively neutral, commercially reasonable, and consistent with federal laws and regulations; and (d) if consistent with the National Electrical Safety Code, rearrange, expand, replace, or otherwise reengineer any utility pole upon the request of the communications service provider if necessary to accommodate the communications service provider’s new attachment.

## SMALL BUSINESS STABILIZATION GRANT PROGRAM ACT

### **LB 598 – Sponsor: Senator Anna Wishart**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 598 creates a Small Business Stabilization Grant Program. Under the measure, grant funds will be provided to eligible businesses (for-profit business in the state of Nebraska that has no more than \$1 million in gross revenue in the most recently completed calendar year) that are experiencing a significant loss of revenue because of a qualifying event (any natural disaster, pandemic, or other event for which a state of emergency proclamation issued by the Governor). The bill authorizes grants up to \$12,000 to eligible businesses.

## PROPERTY TAX VALUATIONS

### **LB 622 – Sponsor: Senator Curt Friesen**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 622 would have limited increases in total assessed value of all non-agricultural real property for any year to no more than 3% greater than the total assessed value of all such property in the prior year, excluding any new growth (increase in real property valuation due to improvements to real property as a result of new construction and additions to existing buildings and any other improvements to real property which increase the value of such property) occurring since the prior year's assessment. The bill would have also limited increases in total assessed value of all agricultural land and horticultural land for any year to no more than 3% greater than the total assessed value of all such property in the prior year, excluding any new growth occurring since the prior year's assessment.

## NEBRASKA JOB CREATION AND MAINSTREET REVITALIZATION ACT/NEBRASKA ADVANTAGE RESEARCH AND DEVELOPMENT ACT

### **LB 701 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 701 would have extended the sunset for the Nebraska Job Creation and MainStreet Revitalization Act from December 31, 2022, to December 31, 2027. The bill would also have extended the sunset under the Nebraska Advantage Research and Development Act from December 31, 2022, to December 31, 2023.



## REAL PROPERTY APPRAISER ACT

### **LB 706 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: IPP (Amended into LB 707)

## OMNIBUS DEPARTMENT OF BANKING ACT

### **LB 707 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 707 made a series of changes to banking laws, including the following:

(A) **LIBOR TRANSITION**: 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 also 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 and 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. (Sections 1-4)

(B) **BANK SUBSIDIARIES**: Authorizes the Department of Banking to examine bank subsidiaries and recognize that bank subsidiaries may be formed as a limited liability company. (Sections 6-7)

(C) **BANK DIRECTORS' ANNUAL AUDITS**: Allows a bank's board of directors to submit its annual audit to the Department of Banking within 120 days after the completion of the audit or, for a periodic audits, within 120 days after the end of the calendar year. (Section 8)

(D) **STATE BANK AND S&L WILDCARD**: Adopts the annual state-chartered bank and savings and loan "wildcard." (Sections 17 and 19)

(E) NEBRASKA FINANCIAL INNOVATION ACT: Prohibits 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 or b) was created or issued by any bank, savings bank, savings and loan association, or building and loan association organized under the laws of this state or organized under the laws of the United States to do business in this State.

Also, clarifies the reserve requirements applicable to digital asset depositories which take custody of digital assets by providing that the 100% reserve requirement for digital asset depositories only applies to the value of any outstanding stablecoin issued by the digital asset depository. Without this amendment, the 100% reserve requirement would apply to all digital assets in the custody of the digital asset depository. (Sections 29-30)

(F) REAL PROPERTY APPRAISER ACT: Makes “technical corrections” to the existing Real Property Appraiser Act to remain in compliance with the Appraiser Qualification Board’s Real Property Appraiser Qualification Criteria. (Sections 47-58)

(G) PUBLIC FUNDS DEPOSIT SECURITY ACT: Authorizes the use of bonds or obligations of another state, or a political subdivision of another state, which are rated within the two highest classifications by at least one of the standard credit rating services to be used as collateral for public funds, with such classifications to include the underlying credit rating or enhanced credit rating, whichever is higher, with respect to bonds or obligations of a political subdivision of another state. (Section 59)

(Effective Date: Issues contained in items A, D, F and G became effective on April 19, 2022. Issues contained in items B, C and E become effective on July 21, 2022.)

## QUICK ACTION CLOSING FUND ACT

### **LB 729 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 729 would have established the Quick Action Closing Fund to authorize expenditures by the Governor for the purposes of economic development and related infrastructure development if expenditures of such funds would likely be a determining factor in locating a high-impact business project or facility in the state or in retaining such project or facility within the state. The bill would have required, prior to the Governor approving payments from the Quick Action Closing Fund for the Department of Economic Development to conduct a complete analysis of its potential impact on the applicant’s qualified business activity (any business activity that qualifies for incentives under the ImagiNE Nebraska Act. It would also have authorized expenditures that are expected to result in a net economic benefit to the state through a) the creation of new jobs; b) the maintenance of existing jobs that are at risk for termination; c) investment in new real property, plant, or equipment or in the improvement or retooling of existing plant or equipment; or d) additional revenue and property taxes, income taxes, or sales and use taxes.

## GROWING OUR WORKFORCE NOW INVESTMENT ACT

### **LB 730 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 730 would have authorized a non-refundable credit against income tax for an employer that employs a qualified apprentice or qualified trainee for at least seven months of the taxable year, with the credit to be equal to \$1,000 for each qualified apprentice or qualified trainee employed by the employer and limited to no more than four credits with respect to the same qualified apprentice or qualified trainee.

### SOCIAL SECURITY BENEFITS

### **LB 825 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: SUPPORT

BILL STATUS: IPP (AMENDED INTO LB 873)

### EXPENSING OF BUSINESS ASSETS

### **LB 827 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 827 would have, for tax years beginning on or after January 1, 2022, allowed for full expensing and deductibility as an expense for the cost of expenditures for business assets that are qualified or qualified property or qualified improvement property covered under Section 168 of the Internal Revenue Code. The bill would also have allowed a taxpayer to elect to treat research or experimental expenditures which are paid or incurred by the taxpayer during the taxable year in connection with taxpayer's trade or business as expenses which are not chargeable to the capital account, allowing such expenditures to be allowed as a deduction. Any expenses not fully deducted in the taxable year in which the expenditures are paid or incurred would have been eligible to be depreciated or amortized over a five-year term.

### INCOME AND PROPERTY TAX RELIEF

### **LB 873 – Sponsor: Senator Curt Friesen**

NBA POSITION: SUPPORT

BILL STATUS: PASSED & SIGNED

LB 873 will a) reduce individual and corporate income maximum rates to 5.84% over the next five years; b) provide additional property tax relief for the portion of real estate taxes paid for community colleges, with initial funding for property tax credits in the amount of \$50 million in 2022, increasing to \$195 million by 2026, with the credit percentage to be adjusted going

forward on the basis of credits allowed in the prior year increased by the allowable growth percentage of no more than 5%; c) increase the amount of credits available under the Property Tax Incentive Act to \$548 million in 2022, \$567 million in 2023, and eliminate the existing cap of \$375 million, otherwise applicable in 2022; and d) completely phase out income taxes on social security income.

(Effective Date: July 21, 2022)

### **NEBRASKA CAREER SCHOLARSHIP ACT**

#### **LB 902 – Sponsor: Senator Ray Aguilar**

NBA POSITION: SUPPORT

BILL STATUS: PASSED & SIGNED

LB 902 will authorize the board of trustees of the Nebraska State Colleges to award a Nebraska Career Scholarship not exceeding a maximum of \$15,000 per year to any eligible state college student who achieved a composite score on a standard college admission test equivalent to a score of at least 18 out of a maximum score of 36 and who is enrolled in an eligible program of study (rangeland management, industrial technology, criminal justice, business administration, education, communication, or computer information systems). The bill will allow each scholarship recipient to be required to register to obtain a Nebraska-based internship, apprenticeship, clinical position, or employment in a major-related field prior to completion of the student's eligible program of study. It provides similar scholarship and internship opportunities for University of Nebraska eligible students.

(Effective Date: July 1, 2023)

### **CORPORATE INCOME TAX RATES**

#### **LB 938 – Sponsor: Senator Lou Ann Linehan**

NBA POSITION: SUPPORT

BILL STATUS: IPP (AMENDED INTO LB 873)

### **INDIVIDUAL INCOME TAX RATES**

#### **LB 939 – Sponsor: Senator Lou Ann Linehan**

NBA POSITION: SUPPORT

BILL STATUS: IPP (AMENDED INTO LB 873)

## RURAL WORKFORCE HOUSING

### **LB 940 – Sponsor: Senator Matt Hansen**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 940 would have appropriated \$50 million in ARPA funds to the Rural Workforce Housing Investment Fund; \$50 million in ARPA funds for the Middle-Income Workforce Housing Investment Fund; \$50 million for the Nebraska Investment Appropriations Finance Authority for housing projects and \$50 million for the Affordable Housing Trust Fund.

## TAXATION EDUCATION SAVINGS ACCOUNT ACT

### **LB 982 – Sponsor: Senator Robert Hilkemann**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 982 would have authorized the parent or legal guardian of a student attending an eligible school to establish an education savings account with a financial institution for the purpose of paying qualified education expenses of the designated beneficiary of the account. The bill would have allowed a contribution of up to \$2,000 per calendar year to an account with contributions to be made only in the form of cash and allow contributions to be invested at the direction of the account owner in stocks, bonds, mutual funds, or certificates of deposit offered by the financial institution where the account is established. The bill would also have required the balance in an account to be fully distributed before the designated beneficiary graduates from high school and allow for a tax deduction to the extent included in federal taxable income for any income from interest earned on an account established under the Education Savings Account Act.

## NEBRASKA FINANCIAL INNOVATION ACT-DIGITAL ASSET AND CRYPTOCURRENCY CUSTODY SERVICES

### **LB 993 – Sponsor: Senator Eliot Bostar**

NBA POSITION: SUPPORT

BILL STATUS: IPP (Amended into LB 707)

## NORTH AND SOUTH OMAHA RECOVERY ACT

### **LB 1024 – Sponsor: Senator Justin Wayne**

NBA POSITION: SUPPORT

BILL STATUS: PASSED & SIGNED

LB 1024 promotes recovery effort in North and South Omaha and other underserved areas of Nebraska. The legislation will allocate \$335 million in federal funds under the American Rescue Plan Act of 2021 (ARPA) to support affordable housing, infrastructure improvements, crime prevention projects and other recovery initiatives.

(Effective Date: April 19, 2022)

## ARPA FUNDING-NORTH OMAHA RECOVERY GRANT PROGRAM

### **LB 1025 – Sponsor: Senator Justin Wayne**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 1025 would have appropriated \$450 million in ARPA funds to provide funding to public and private entities to respond to the negative impact of the COVID-19 public health emergency within a qualified census tract located within the boundaries of the city of Metropolitan class and provides for administration of the grant program by the Department of Economic Development.

## REPEAL PERSONAL PROPERTY TAX

### **LB 1030 – Sponsor: Senator Curt Friesen**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 1030 would have exempted all tangible personal property from the property tax beginning January 1, 2023.

## RURAL WORKFORCE HOUSING FUNDING/INFRASTRUCTURE

### **LB 1070 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: IPP (AMENDED INTO LB 1014)

LB 1014 appropriates \$6 million in ARPA funds to the Department of Economic Development toward grants for infrastructure related to rural workforce housing, authorized pursuant to the Rural Workforce Housing Investment Appropriations Act.

(Effective Date: April 14, 2022)

## **RURAL WORKFORCE HOUSING FUNDING**

### **LB 1071 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: IPP (AMENDED INTO LB 1013)

LB 1013 appropriates \$30 million 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.

(Effective Date: April 5, 2022)

## **IMAGINE NEBRASKA ACT**

### **LB 1094 – Sponsor: Senator Mike Flood**

NBA POSITION: SUPPORT

BILL STATUS: IPP (AMENDED INTO LB 1150)

LB 1094 will include, for purposes of new employees under the ImagiNE Act, employees who work both at the qualified location and perform services for the taxpayer at the employee's Nebraska residence. The bill will also 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.

## **NEBRASKA UNIFORM REAL PROPERTY TRANSFER ON DEATH ACT**

### **LB 1132 – Sponsor: Senator Tony Vargas**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 1132 would have required a transfer on death deed to contain a WARNING that following the death of the transferor, the transferor's insurance policy covering the property transferred is only effective for 60 days thereafter. The bill also would have provided that upon a transfer of real estate pursuant to a recorded transfer on death deed, that the beneficiary of the transfer on death deed becomes the named insured under any policy insuring the property for a period of 60 calendar days immediately following the death of the insured.

## PROPERTY TAX CREDIT ACT

### **LB 1180 – Sponsor: Senator Tom Briese**

NBA POSITION: SUPPORT

BILL STATUS: IPP

LB 1180 would have provided for a minimum amount of relief under the Property Tax Credit Act of \$275 million through 2023 and for tax year 2024 and each year thereafter, the minimum amount of relief shall be the minimum amount from the prior tax year increased by the allowable growth percentage provided under law. (Allowable growth percentage means the percentage would have meant an increase, if any, in the total assessed value of all real property in the state from the prior year to the current year, as determined by the Department, not to exceed 5 percent in any one year.)

## MIDDLE-INCOME WORKFORCE HOUSING INVESTMENT ACT

### **LB 1252 – Sponsor: Senator Tony Vargas**

NBA POSITION: SUPPORT

BILL STATUS: IPP (AMENDED INTO LB 1014)

LB 1014 appropriates \$20 million in ARPA funds to the Department of Economic Development to award grants for the development of middle-income housing and urban areas authorized by the Middle-Income Workforce Housing Appropriations Investment Act.



## **BILLS OPPOSED BY THE NBA**

A number of bills affecting the banking industry were indefinitely postponed during the course of the 2021 legislative session or will be “carried over” for further consideration during the 2022 legislative session. The NBA was “opposed” to the following bills:

### **NEBRASKA THE CONSUMPTION TAX ACT**

#### **LB 133 – Sponsor: Senator Steve Erdman**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 133 would have eliminated all property, income and corporate taxes and replace it with a tax on the use or consumption in the state of Nebraska of taxable property or services (excludes intangible property and services, including financial intermediation services) at a rate of 10.64 percent. The legislation would have imposed the consumption tax on financial intermediation services, including explicitly and implicitly charged fees for financial intermediation services to be collected with the same frequency that statements are rendered by the financial institution, but not less frequently than quarterly. The principal and interest component of financing leases would also have been subject to the consumption tax.

### **NEBRASKA WAGE PAYMENT AND COLLECTION ACT**

#### **LB 249 – Sponsor: Senator Patty Pansing Brooks**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 249 would have made it an unlawful employment practice for an employer to (i) inquire about or seek from a job applicant or from the applicant’s current or former employer the wage rate history of the applicant, except to confirm any wage rate history voluntarily provided by the applicant as part of compensation negotiations; (ii) require disclosure of a job applicant’s wage rate history or condition employment or consideration for an interview or employment on disclosure of wage rate history; (iii) retaliate against a job applicant for failing to comply with any wage rate history inquiry; or (iv) rely on the wage rate history of a job applicant from any current or former employer of the applicant in determining the wages for such applicant at any stage in the employment process, including the negotiation or drafting of any employment contract, unless such applicant knowingly and willingly disclosed his or her wage rate history to the employer.

## THE HEALTHY AND SAFE FAMILIES AND WORKPLACES ACT

### **LB 258 – Sponsor: Senator Tony Vargas**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 258 would have allowed employees to accrue a minimum of one hour of paid sick time for every 30 hours worked, with a maximum of 40 hours of paid sick time accrued in a calendar year. Under the measure, employees would be entitled to use accrued paid sick time beginning on the 60th calendar day following commencement of employment. Paid sick leave would have been authorized for (a) an employee's mental or physical illness, injury, or health condition; (b) an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; (c) an employee's need for preventative medical care; (d) care of a family member with a mental or physical illness, injury, or health condition; (e) care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; (f) care of a family member who needs preventative medical care; or (g) absence necessary due to domestic abuse, domestic assault, sexual assault, or stalking.

## PAID FAMILY AND MEDICAL LEAVE INSURANCE ACT

### **LB 290 – Sponsor: Senator Machaela Cavanaugh**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 290 would have established a statewide paid family medical leave insurance program similar to Nebraska's unemployment insurance system, managed by the state Department of Labor. The legislation would have applied to all employers' subject to the Employment Security Act (one or more employees), with self-employed individuals eligible to participate funding would be provided for the program through a payroll tax of up to 1 percent of payroll as determined by the Commissioner of Labor.

The bill would have allowed 12 weeks, or 60 workdays of paid leave if taken intermittently, and would have based the paid leave upon 90 percent of an individual's average weekly wage that is at or below 50 percent of the state average weekly wage and 50 percent of the individual's average weekly wage that is above 50 percent of the state average weekly wage, not to exceed 66 percent of the state average weekly wage.

The bill would also have required employers to pay all other benefits that are due to the employee that would have been paid in the absence of leave, as well as all other benefits offered to the employee (vacation, sick leave, etc.) and would have required employers to allow employees to return to their jobs after exercising their right to family medical leave.

## PUBLIC HEALTH EMERGENCY HOUSING PROTECTION ACT

### **LB 394 – Sponsor: Senator Adam Morfeld**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 394 would have authorized municipalities to impose moratoriums on evictions and mortgage foreclosures during “public health emergencies.” The measure would also, in part, have allowed for a foreclosure moratorium to be enacted by a municipality, county board, or public health department to protect landlords from foreclosure of their residential rental properties. Residential rental property would not have been subject to foreclosure or to payment of late fees, penalties or interest for delinquent mortgage payments or taxes during the foreclosure moratorium period and for a six-month grace period thereafter.

## SALES TAX ON SERVICES

### **LB 422 – Sponsor: Senator Tom Briese**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 422 would have, commencing October 1, 2022, reduced the state sales tax rate from 5.5 percent to 5 percent with adjustments in each of the next four calendar quarters to provide approximately the same amount of sales and use tax revenue for the state as would have been generated without the expansion of sales tax on services provided under the bill. The measure would have applied the state sales tax to all services (all activities engaged in for other persons for a consideration and that involve predominantly the performance of a service as distinguished from selling or leasing tangible personal property, excluding services rendered by an employee to his or her employer) which shall be presumed taxable unless a specific sales tax exemption applies.

## PUBLIC ENTITIES INVESTMENT TRUST ACT

### **LB 654 – Sponsor: Senator Justin Wayne**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 654 would have authorized the creation of trusts to provide an investment pool into which all public entities (excluding the state of Nebraska and any agency thereof) may deposit funds. The measure also would have authorized investments in (a) obligations, including letters of credit, of any agency or instrumentality of the United States government, including bonds, debentures, or notes issued by the Federal Home Loan Bank system; (b) direct obligations of the United States government or its agencies including collateralized mortgage obligations and obligations that are

fully guaranteed or insured by the Federal Deposit Insurance Corporation; (c) certain direct obligations of the state, its agencies, and instrumentalities; (d) certain obligations of other states, agencies, counties, cities, and political subdivisions; (e) certain commercial paper; (f) money market mutual funds whose shares are sold without fees, commissions, or other sales charges, that have a fixed net asset value of \$1, and are comprised of obligations of the United States, its agencies, or instrumentalities; (g) certain fully collateralized repurchase agreements; (h) certain overnight and time deposits made in state or national banks, capital stock financial institutions, or qualifying mutual financial institutions doing business in the state; or (i) any other allowable investments permitted under state law.

The bill would also have required an established percentage of trust assets to be deposited with banks, capital stock financial institutions, and qualifying mutual funds as defined in *Neb.Rev.Stat.* Section 77-2387, including deposits with banks, capital stock financial institutions, and qualifying mutual funds whose total assets do not exceed \$1 billion.

## INDIVIDUAL INCOME TAXES

### **LB 832 – Sponsor: Senator Macala Cavanaugh**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 832 would have reduced individual income tax rates for incomes at or below \$6,659 from 2.46% to 0%; increased the income bracket for income subject to taxation at a rate of 3.51% from \$35,999-\$64,429; assessed an individual income tax rate of 6.84% for income up to \$199,999; an individual income tax rate of 7.75% for income up to \$1,999,999 and a top individual income tax rate of 8.25% on income of \$2 million or more.

## NEBRASKA FAIR EMPLOYMENT PRACTICES ACT

### **LB 1029 – Sponsor: Senator Megan Hunt**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 1029 would have extended provisions of Nebraska Fair Employment Practices Act to include employers engaged in an industry who have one or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year. The bill would have expanded the definition of “harass,” when used in relation to race, color, religion, disability, marital status, or national origin, to include conduct which has the purpose or effect of unreasonably and from interfering with an employee’s work performance or creating an intimidating, hostile, or offensive working environment and would make it an unlawful employment practice for a Class II employer (one or more employees) to harass any employee because of such employee’s race, color, religion, sex, disability, marital status, or national origin. It also would have made it an unlawful employment practice for a Class I employer to discriminate against any of his or her employees or applicants for employment, because he or she has opposed any practice or refused to carry out any action unlawful under federal law or the

laws of this state or because he or she has inquired about, discussed, or disclosed information regarding employee wages, benefits, or other compensation.

### **POLITICAL SUBDIVISION INVESTMENT POOL**

#### **LB 1096 – Sponsor: Senator Steve Halloran**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 1096 would have authorized 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.

### **REPEAL BANK FRANCHISE TAX**

#### **LB 1225 – Sponsor: Senator Justin Wayne**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LB 1225 would have, effective for taxable years beginning on or after January 1, 2023, eliminated the franchise tax applicable to financial institutions and would have subjected all financial institutions to taxation under the corporate income tax.

### **CONSTITUTIONAL AMENDMENT**

#### **LR 11CA – Sponsor: Senator Steve Erdman**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LR 11CA would have overhauled the state system of taxation by repealing the state’s corporate, income and property taxes, replacing them with a new consumption tax levied on the purchase of services and new goods.

### **NEBRASKA CONSUMPTION TAX ACT**

#### **LR 264CA – Sponsor: Senator Steve Erdman**

NBA POSITION: OPPOSE

BILL STATUS: IPP

LR 264 CA is a proposed constitutional amendment that would have on and after January 1, 2024, prohibited the imposition of any taxes other than retail consumption taxes and excise taxes upon the people of Nebraska. The amendment would have repealed all other forms of existing taxation.

## **OTHER BILLS OF INTEREST**

The NBA monitored other bills of interest to the banking industry, as set forth below:

### **GARNISHMENT SUMMONS**

#### **LB 95 – Sponsor: Senator Wendy DeBoer**

NBA POSITION: WATCH

BILL STATUS: IPP

LB 95 would have increased from 10 days to 20 days the time frame within which a summons associated with a wage garnishment must be returned and also would have required the garnishee to answer within 20 days from the date of service.

### **CLEAN SLATE ACT**

#### **LB 114 – Sponsor: Senator John McCollister**

NBA POSITION: WATCH

BILL STATUS: IPP

LB 114 would have removed references to convictions of qualified non-violent or less-violent crimes from the public record pursuant to court proceeding and following the entry of an order for “clean slate relief.” The bill would have prohibited information from being divulged information to the public regarding such conviction. It would have also provided a specific exclusion in connection with inquiries relating to employment, security or other purposes to the extent disclosure of the criminal history record information is required by federal law, including rules and regulations and rules and regulations promulgated by a self-regulatory organization created under federal law.

### **SALES AND USE TAX**

#### **LB 115 – Sponsor: Senator John McCollister**

NBA POSITION: WATCH

BILL STATUS: IPP

LB 115 would have imposed the sales and use tax on bottled water, candy and soft drinks and direct proceeds to the credit of the Nebraska Healthcare Cash Fund.

## PROPERTY ASSESSED CLEAN ENERGY ACT

### **LB 228 – Sponsor: Senator Adam Morfeld**

NBA POSITION: WATCH

BILL STATUS: IPP

LB 228 would have authorized Property Assessed Clean Energy (PACE) financing to be used to reimburse or refinance (retroactive financing) the costs of an energy project subject to all limitations in the PACE Act.

## SALES TAX-AGRICULTURE MACHINERY AND EQUIPMENT

### **LB 672 – Sponsor: Senator Dave Murman**

NBA POSITION: WATCH

BILL STATUS: IPP

LB 672 would have extended the sales tax exemption for agricultural equipment and machinery to include tangible personal property that is used directly in (i) cultivating or harvesting a crop, (ii) raising or caring for animal life, (iii) protecting the health and welfare of animal life, including fans, curtains, and climate control equipment within livestock buildings, or (iv) collecting or processing an agricultural product on a farm or ranch, regardless of the degree of attachment to any real property. The bill would have also clarified that agricultural machinery and equipment includes, but is not limited to, header trailers, head collars, header transports, and seed tender trailers. (The provisions of LB 672 have been amended into LB 595)

## MOTOR VEHICLE TOWING-SALES TAX EXEMPTION

### **LB 1097 – Sponsor: Senator Steve Halloran**

NBA POSITION: WATCH

BILL STATUS: IPP

LB 1097 would have exempted towing services performed in connection with the repossession of a motor vehicle from the sales and use tax.