

LEGISLATIVE UPDATE

108th Legislature, 2nd Session



February 9, 2024

The Legislature continues to process legislation carried over from the 2023 session with many bills advancing to Select File and a few, including a bill requiring two-man crews for trains (LB 31) and a bill to change the daylight savings time system (LB 143), failing to garner sufficient votes to advance. The deadline (February 15) for designating individual and Committee priorities is rapidly approaching, with the Speaker required to designate his 25 priority bills by February 20. The bills designated as priorities will no doubt dominate the balance of the session, along with debate on biennium budget adjustments advanced by the Appropriations Committee.

NBA BILLS SENT TO GOVERNOR

The Legislature gave final approval on Thursday morning to the following bills on the NBA Affirmative Legislative agenda:

LB 94 - UCC ARTICLE 12: Introduced by Senator Julie Slama (Dunbar), LB 94 would adopt Uniform Commercial Code, Article 12, relating to controllable electronic records.

LB 279 - EXECUTIVE OFFICER REPORTING REQUIREMENTS: Senator Kathleen Kauth (Omaha) introduced LB 279, which would eliminate the requirement for executive officers to make annual reports regarding the amount of loans or indebtedness on which he or she is a borrower, cosigner, or guarantor, the security therefor, and the purpose for which the proceeds have been or are to be used. The bill retains flexibility for the Board of Directors to obtain a credit report for its executive officers on an annual basis.

NBA-SUPPORTED BILLS ADVANCE

The following bills, supported by the NBA, were advanced from General File to Select File following floor debate during the past week:

LB 989 - APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT/REAL PROPERTY APPRAISER ACT: A measure 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: Also introduced by Senator Dungan, LB 992 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)**

NBA AFFIRMATIVE LEGISLATION HEARINGS

The NBA presented testimony on the following bills on the NBA Affirmative Legislative agenda which were heard before the Banking, Commerce and Insurance Committee on February 5:

LB 872 - CENTRAL-BANK DIGITAL CURRENCY: Introduced by Senator Rob Clements (Elmwood), LB 872 would prohibit political subdivisions or state agencies from accepting a central-bank digital currency as a method of cash payment of any tax, levy, excise, duty, custom, toll, interest, penalty, fine, license, fee, or assessment of whatever kind or nature.

LB 1122 - MISLEADING ADVERTISEMENTS/SOLICITATIONS: Senator Beau Ballard (Lincoln) is the sponsor of LB 1122, which would increase the maximum fine that the Department of Banking can impose for violations involving misleading advertisements or solicitation of bank customers from \$1,000 to \$5,000. Current law places restrictions on the ability of any person to include the name, trade name, logo or symbol of a financial institution in a written solicitation for financial products or services directed to a consumer who has obtained a loan from the financial institution without the consent of the financial institution, unless the solicitation clearly and conspicuously states that the person is not sponsored or affiliated with a financial institution and that the solicitation is not authorized by the financial institution.

LB 1176 - PUBLIC ENTITIES POOLED INVESTMENT ACT: Senator Dungan has introduced LB 1176, which would establish investment priorities, customer disclosures and restrictions on investments for political subdivision investment pools. The bill would specifically limit investments by a political subdivision investment pool in commercial paper to commercial paper a) issued by a United States corporation; b) with a stated maturity of 270 days or fewer from its date of issuance; and c) which is rated in the highest quality category by at least two nationally recognized rating agencies. In addition, the bill would limit investments in commercial paper by a political subdivision investment pool to no more than 40% of the total funds eligible for investment and to no more than 5% of the total funds available for investment in commercial paper of a single issuer.

COMMITTEE HEARING ACTIVITY – OTHER BILLS

The NBA presented testimony on the following bills that were heard before various committees this week:

February 5 - Banking, Commerce and Insurance Committee

LB 1332 - PREPAID CARD CONSUMER PROTECTION ACT: LB 1332, also introduced by Senator Dungan, would prohibit the charging of any fee, including a maintenance, service, or inactivity fee on a prepaid card (record that contains a microprocessor chip, magnetic strip, or other storage medium that is prefunded and for which the value is adjusted upon each use), or the placement of an expiration date on a prepaid card or otherwise limit the time for redemption for a prepaid card. **(NBA POSITION: OPPOSE)**

Business and Labor Committee

LB 961 - NONCOMPETE AGREEMENTS: Introduced by Senator Dungan, LB 961 would prohibit an employer with one or more employees (other than government employers) from entering into a noncompete agreement with a lower-wage employee (employee who earns no more than \$100,000 per year). **(NBA POSITION: OPPOSE)**

LB 1213 - PAID FAMILY LEAVE/SCHOOL RELATED ACTIVITIES LEAVE: Introduced by Senator Lynne Walz, LB 1213 would require any employer or with 15 or more employees to provide a minimum of 20 hours of paid school activities leave (leave taken by an employee for school-related activities of a family member, including, but not limited to, parent-teacher conferences, disciplinary meetings or proceedings, extracurricular or athletic competition or events, volunteer activities, and orientation programs) in each calendar year. **(NBA POSITION: OPPOSE)**

February 7 – Revenue Committee

LB 1315 - SALES TAX: Introduced by Senator Lou Ann Linehan (Elkhorn), LB 1315 would increase the state sales tax and use rate from 5.5% to 6.5%, commencing October 1, 2024. **(NBA POSITION: OPPOSE)**

UPCOMING HEARINGS

February 12 – *Banking, Commerce and Insurance Committee*

LB 873 - REAL ESTATE CLOSING/GOOD FUNDS: LB 873, also introduced by Senator Ballard, would authorize use of real-time or instant payments through the FedNow service of the United States Federal Reserve system, or through the RTP network of the Clearinghouse Payments Company LLC for purposes of the good funds requirement associated with real estate closings and would increase from \$500 to \$5,000 of the amount of funds that need not be available for disbursement from good funds. **(NBA POSITION: SUPPORT)**

LB 1135 - RIGHT-TO-LIST HOME SALE AGREEMENTS: Introduced by Senator Robert Dover (Norfolk), LB 1135 would make void and unenforceable any right-to-list home sale agreement (an agreement by the owner of residential real estate providing another person with the exclusive right to list real estate for sale at a future date in exchange for monetary consideration which purports to be a lien, encumbrance or other real property security interest) or lien or encumbrance resulting from such an agreement which is presented for recording, or recorded in the office of the register of deeds or county clerk. **(NBA POSITION: SUPPORT)**

February 14 – *Appropriations Committee*

LB 889 - RURAL WORKFORCE HOUSING INVESTMENT ACT: LB 889, introduced by Senator Tony Vargas (Omaha), would appropriate \$25 million from the General Fund for fiscal year 2024-25 to the Department of Economic Development for the Rural Workforce Housing Investment Act. **(NBA POSITION: SUPPORT)**

LB 897 - RURAL WORKFORCE HOUSING INVESTMENT ACT: Introduced by Senator Loren Lippincott (Central City), LB 897 would appropriate \$20 million from the General Fund for fiscal year 2024-25 to the Department of Economic Development for the purposes of the Rural Workforce Housing Investment Act. **(NBA POSITION: SUPPORT)**

LB 1039 - MIDDLE-INCOME WORKFORCE HOUSING INVESTMENT ACT AND RURAL WORKFORCE HOUSING INVESTMENT ACT: Senator Vargas also introduced LB 1039, which would appropriate \$25 million from the General Fund for fiscal year 2024 and 2025 to the Department of Economic Development for the Middle-Income Workforce Housing Investment Act and \$25 million for the Rural Workforce Housing Investment Act. **(NBA POSITION: SUPPORT)**

SIGN UP FOR VIRTUAL LEGISLATIVE REVIEWS DURING THE LEGISLATIVE SESSION

The next NBA Government Relations team virtual Legislative Update is Monday, February 26 at 9:00 a.m. CT. [**Register**](#) for the overview of legislation introduced this legislative session that may affect the banking industry.