

January 24, 2020

## **BILL INTRODUCTIONS COMPLETE – COMMITTEE HEARINGS COMMENCE**

The past week saw the commencement of committee hearings and expiration of the time period for new bill introductions. Lawmakers introduced a total of 481 new bills this session. The Legislature continues to conduct floor debate on pending measures in the morning sessions, with committee hearings occupying the afternoon sessions.

### **UPCOMING COMMITTEE HEARINGS**

The NBA will be providing testimony in support of the following bills, which will be heard by the Banking, Commerce and Insurance Committee on Tuesday, January 28.

**LB 764 – Fiduciary Investments:** LB 764, introduced by Senator Brett Lindstrom (Omaha), would authorize a bank or trust company holding funds for investment to invest such funds in securities of, or other interests in, individual portfolios of investment holding; shares or interests in a private investment fund, including a private investment fund organized as a limited partnership, a limited liability company, a trust, a statutory or common-law business trust, a real estate investment trust, a joint venture, any general or limited partnership, or any other form of legal entity.

**LB 852 – Effective Financing Statements:** Senator Matt Williams (Gothenburg) has introduced LB 852 which would, in part, add goats and hemp to the farm products covered under effective financing statements.

**LB 853 – Elder Abuse – Transaction Holds:** Senator Matt Williams (Gothenburg) has introduced LB 853, which would authorize financial institutions to place a hold, for up to 30 business days, on certain customer transactions in cases of suspected financial exploitation of vulnerable adults or senior adults. The legislation would expressly authorize a financial institution to notify a third party reasonably associated with a vulnerable adult or senior adult in the case of suspected financial exploitation.

Under LB 853, a financial institution and its employees, officers, and directors would be immune from any civil, criminal or administrative liability that might otherwise exist for delaying or refusing to execute a transaction or disbursement, or for not delaying or refusing to execute such transaction or disbursement, if based upon a good faith belief that financial exploitation may have occurred, may have been attempted, or was being attempted.

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**LB 854 – Public Funds Single Bank Pooled Collateral:** Also introduced by Senator Williams, LB 854 would change provisions relating to the pledging requirements for public deposits under the Public Funds Deposit Security Act. The bill makes “technical corrections” to the single bank pooled collateral legislation adopted last session (LB 622).

Also slated for hearing on January 28, is LB 870 which was introduced on behalf of the NBA:

**LB 870 – Direct Borrowing by Cities and Villages:** Introduced by Senator Sue Crawford (Bellevue), LB 870 would expand the purposes for which cities and villages may borrow directly from a financial institution to include (a) repair or reconstruction of real or personal property, improvements, or infrastructure damaged as a result of a “calamity” and (b) provision of public services temporarily disrupted or suspended as a result of a “calamity.” The bill is designed to address the direct borrowing needs of cities and villages resulting from a natural disaster.

## **PROPERTY TAX RELIEF BILL HEARD**

**LB 974 – Property Tax Relief Bill:** The Revenue Committee conducted a public hearing on LB 974 on Wednesday, January 22. Introduced by the Revenue Committee, LB 974 would use excess state tax revenue to increase state aid to K–12 schools, and gradually lower the tax valuation of property for paying school taxes. Under the bill, “Foundation Aid” would be provided to each school district in the state, beginning with \$695 per student in the first year and increasing to \$2,265 per student by the third year. The bill would provide a dollar-for-dollar reduction in property taxes for every dollar of new state aid to schools.

The NBA testified in a “neutral” capacity on LB 974, expressing support for the property tax relief concepts contained within the bill and appreciation for the fact that the legislation does not contain any new or expanded taxes or repeal of existing tax exemptions.

The Revenue Committee has yet to take any action on LB 974.

## **PAID SICK LEAVE BILL FAILS TO ADVANCE**

The Legislature continued first-round debate on LB 305, introduced by Senator Crawford, that would allow 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 be 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, sexual assault, or stalking.

With the passage of three hours of the General File debate, LB 305 has been removed from the agenda and will not appear unless supporters are able to show sufficient support (33 votes) to all the bill to be rescheduled for further consideration. (NBA Position – Oppose)

## COMMITTEE HEARING ACTIVITY

The NBA appeared before several committees during the past week to express the position of its members on the following bills:

**LB 844 – Construction Liens**: LB 844 was heard by the Judiciary Committee on January 24. Introduced by Senator Robert Clements (Elmwood), LB 844 would eliminate the publication notice required in connection with the recording of the termination of a notice of commencement under the Nebraska Construction Lien Act. (NBA Position – Support)

**LB 871- Uniform Deceptive Trade Practices Act (UDTPA)**: While testifying on LB 871 in a “neutral” capacity before the Judiciary Committee on January 24, the NBA expressed serious reservations with the provisions of the bill. Introduced by Senator Crawford, LB 871 would define “unconscionability” for purposes of the UDTPA to create factors for courts to consider when determining if a trade practice by a supplier is unconscionable including, whether the supplier knew or had reason to know (i) the supplier took advantage of the inability of the consumer reasonably to protect the consumer's interests because of the consumer's physical infirmity, ignorance, illiteracy, or inability to understand the language of an agreement or any similar factor; (ii) when the consumer transaction was entered into, the price grossly exceeded the price at which similar property or services were readily obtainable in similar transactions by similar consumers; (iii) the consumer was unable to receive a material benefit from the subject of the transaction; (iv) when the consumer transaction was entered into, there was no reasonable probability of payment of the obligation in full by the consumer; or (v) the transaction the supplier induced the consumer to enter into was excessively one-sided in favor of the supplier.

**LB 938 – Uniform Power of Attorney Act**: The Judiciary Committee also received testimony on Friday January 24, on LB 938. Introduced by Senator Andrew La Grone (Gretna) on behalf of the NBA, LB 938 would provide immunity for actions taken by a financial institution or other third-party in good faith reliance upon a certification, translation, or opinion of counsel presented in connection with an acknowledged power of attorney. (NBA Position – Support)

## OTHER BILLS OF INTEREST

**LB 1034 – Nebraska Advantage Act**: Senator Curt Friesen (Henderson) has introduced legislation (LB 1034) to extend the application deadline under the Nebraska Advantage Act from December 31, 2020 to December 31, 2021.

**LB 1063 – State Treasurer/Treasury Management**: Introduced by Senator Lindstrom, LB 1063 would include among the permissible duties of the State Treasurer to promote financial literacy.

**LB 1084 – Economic Development - Transformational Projects Act**: Senator Mark Kolterman (Seward) is the sponsor of LB 1084, which would allocate up to 1 percent of annual state tax revenues (approximately \$50 million a year) over the next six years for economic development projects in excess of \$1 billion. The bill would target funding for the proposed NEXt project at the University of Nebraska Medical Center (UNMC) campus in Omaha, with funding to be available only if UNMC can raise matching funds from private donors in the amount of \$300 million and obtain federal funding for a project costing at least \$1 billion.

**LB 1108 – Unclaimed Property:** Under LB 1108, introduced by Senator Tim Gragert (Creighton), the holding period for reporting unclaimed property would be reduced from five years to three years

## **2020 STATE GOVERNMENT RELATIONS FORUM**

You are encouraged to sign up for the annual NBA State Government Relations Forum which will be held on January 30, at the Cornhusker Marriott Hotel in Lincoln. Headlining the program will be Governor Pete Ricketts. In addition, a legislative briefing will be provided by NBA General Counsel Bob Hallstrom and Nebraska Department of Banking Director Mark Quandahl will discuss Department initiatives. Walter “Ted” Carter, Jr., UNL President and Tony Goins, Director of the Department of Economic Development will also be featured on the program.

The State Government Relations Forum presents an opportunity to meet personally with your state senator during lunch to discuss issues of importance to the banking industry and to your institution and community. Set forth below is a list of senators who have confirmed their attendance at the lunch next week. We look forward to seeing you on January 30.

Senator Joni Albrecht  
Senator John Arch  
Senator Bruce Bostelman  
Senator Tom Brandt  
Senator Tom Brewer  
Senator Tom Briese  
Senator Robert Clements  
Senator Sue Crawford  
Senator Myron Dorn  
Senator Steve Erdman  
Senator Suzanne Geist  
Senator Tim Gragert  
Senator Steve Halloran  
Senator Matt Hansen  
Senator Bob Hilkemann  
Senator Sara Howard  
Senator Dan Hughes  
Senator Mark Kolterman  
Senator Andrew La Grone  
Senator Brett Lindstrom  
Senator Lou Ann Linehan  
Senator John Lowe  
Senator John McCollister  
Senator Mike McDonnell  
Senator Mike Moser  
Senator Dave Murman  
Senator Patty Pansing Brooks  
Senator Dan Quick  
Speaker Jim Scheer  
Senator John Stinner  
Senator Justin Wayne  
Senator Matt Williams