

February 7, 2020

The legislature has completed one-third of the 2020 session and individual senator and committee priority bills are starting to trickle in. Lawmakers debated a proposed Constitutional Amendment (LR 279 CA) that would authorize an increase in the number of members of the legislature from 49 to 55, without taking action prior to the measure being pulled from the agenda.

NBA BILLS ADVANCE TO GENERAL FILE

The Banking, Commerce and Insurance Committee has advanced the following bills on the NBA affirmative legislative agenda to General File for further consideration by the full legislature

LB 853 – Elder Abuse/Transaction Holds: Senator Matt Williams (Gothenburg) 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, both terms defined in existing law. 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 reasonable belief that financial exploitation may have occurred, may have been attempted, or was being attempted.

LB 854 – Public Funds - Single Bank Collateral Pool: 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).

The committee also advanced the following bills to General File, which are also supported by the NBA:

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 a private investment fund and would clarify that restrictions under *Neb.Rev.Stat.* §8-224.01 do not prohibit a trust company from making investments for which a will or trust states that the stock of the trust company or securities company or companies affiliated with the trust company may be acquired for the estate or trust.

LB 852 – Effective Financing Statements: Senator Williams is also the sponsor of LB 852, which would, in part, add goats and hemp to the farm products covered under effective financing statements.

COMMITTEE ACTIVITY

The following bills of interest were heard by various committees during the past week:

LB 1063 – State Treasurer/Treasury Management: Introduced by Senator Brett Lindstrom (Omaha), LB 1063 would include among the permissible duties of the State Treasurer to promote financial literacy. (NBA Position – Support)

LB 1123 – Public Funds Deposit Security Act: Introduced by Senator Lindstrom, LB 1123 would authorize the use of student loans partially backed or guaranteed by the U.S. Department of Education for purposes of pledging for public funds. (NBA Position – Support)

LB 1155 – Middle Income Workforce Housing Investment Act: Introduced by Senator Tony Vargas (Omaha), LB 1155 would provide funding for development of workforce housing in Nebraska's urban and underserved neighborhoods or communities. (NBA Position – Support)

ECONOMIC DEVELOPMENT HEARINGS

The Revenue Committee conducted public hearings on February 6, on two measures that would make significant changes to Nebraska's economic development incentives package.

LB 1084 – Economic Development - Transformational Projects Act: Senator Mark Kolterman (Seward) is the sponsor of LB 1084, which would create the Nebraska Transformational Projects Act (NExT). The project would establish a new teaching hospital and research education tower on the UNMC campus in Omaha in partnership with the state and federal agencies to respond to crises like natural disasters and infectious diseases. The bill would call for a \$300 million state investment once federal funds (\$1 billion) and private donations matching the proposed state investment have been raised.

The bill is estimated to create nearly 42,000 jobs in all, including 8,700 permanent jobs at the medical center, generate \$211 million in new state tax revenue and add \$1.3 billion to the state's economy over the next decade. Past NBA Chairman and CEO of the Bank of Bennington, Leslie Andersen, testified on behalf of the Omaha and Lincoln Chambers that the NExT project would spur growth in H3 jobs – high-skill, high-demand, and high-wage professions.

AM2207 to LB 720 – ImagiNE Act

Senator Kolterman also introduced an amendment to LB 720, the ImagiNE Act, that would make the following revisions to the legislation:

1. MANUFACTURING ENHANCEMENTS. The amendment proposes to add a rural manufacturing tier as well as a growth and expansion tier for manufacturers.
2. ADDITION OF A RETENTION TIER. In recent years, Nebraska has not been prepared to respond when companies are at risk of leaving Nebraska. The amendment would assist Nebraska in adapting and competing to keep these companies in the state.

UPCOMING HEARINGS

The NBA will be presenting testimony in support of the following bills which are scheduled for hearing next week:

APPROPRIATIONS COMMITTEE

LB 773 – Rural Workforce Housing Investment Fund: Senator Williams is the sponsor of legislation (LB 773), which would appropriate \$10 million in fiscal year 2020–21 to the Department of Economic Development for purposes of the Rural Workforce Housing Investment Fund.

REVENUE COMMITTEE

LB 892 – Taxation – Income Tax: Senator Mike Hilgers (Lincoln) has introduced LB 892, which would increase individual income tax brackets so that the top rate of 6.84 percent would not apply until income for a single individual reaches \$50,000 (married file jointly \$100,000 - was \$29,000 and \$58,000) for tax years beginning on or after January 1, 2021, with the tax brackets to be adjusted for inflation each year thereafter.