

February 14, 2020

Lawmakers continue to process bills during morning legislative sessions and conduct public hearings each afternoon. The legislative agenda for the balance of the session will be determined within the next week as individual Senators, Committees and the Speaker of the Legislature designate their priority bills.

Each Senator is able to designate one priority bill, Committees are authorized to identify two priorities and the Speaker may designate 25 priority bills. To date, eleven senators have designated their individual priority bills for the session and nine Committee bills have been prioritized.

### **BANKING COMMITTEE DESIGNATES PRIORITY BILL FLOOR DEBATE TO COMMENCE ON FEBRUARY 18**

The Banking Committee has advanced LB 909 (Omnibus Department of Banking bill) to General File and designated the bill as one of its two Committee priorities. The bill has been scheduled first on the agenda for floor debate when lawmakers return next Tuesday from the long, four-day holiday weekend.

**LB 909 – Omnibus Department of Banking Bill:** Senator Matt Williams (Gothenburg) is the sponsor of legislation (LB 909), which would (a) authorize employees (other than the director or deputy director, counsel, attorney, or financial institution examiner) of the Department of Banking to borrow money from any financial institution chartered by the Department; (b) revise the definition of unimpaired capital and unimpaired surplus for purposes of state bank loan limits for banks that have elected to use the community bank leverage ratio framework pursuant to the Capital Adequacy Standards of the appropriate federal banking agency; (c) eliminate the publication requirement under **Neb.Rev.Stat.** § 8-167 (call reports); and (d) adopt the annual state-chartered bank and state-chartered savings and loan “wildcard” legislation.

Prior to advancing the bill, the Committee amended the bill to include the provisions of the following bills:

**LB 853 – Elder Abuse/Transaction Holds:** Senator Williams also 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.

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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 collateral pool legislation adopted last session (LB 622).

**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.

## **PROPERTY TAX RELIEF BILL MOVES TO FLOOR**

**LB 974 – Property Tax Relief Bill**: The Revenue Committee, on a 6-2 vote, has advanced LB 974 to General File, with committee amendments, and designated the bill as a Committee priority. LB 974 would use excess state tax revenue to increase state aid to public K–12 schools, and gradually lower the tax valuation of property for paying school taxes.

Under the Committee amendment, residential and commercial property tax valuations for school district taxing purposes would be reduced from 100 percent of actual value to 95 percent in 2020; to 91 percent in 2021; and to 87 percent in 2022 and thereafter. For agricultural property, property tax valuations for school district taxing purposes would be reduced from 75 percent of actual value to 65 percent in 2020; to 60 percent in 2021; and to 55 percent in 2022 and thereafter.

Changes under the bill to the maximum special building fund levy have raised concerns regarding existing lease-purchase financing agreements. The Committee amendment is designed to allow a school district that has entered into a lease-purchase financing agreement to construct a new school building or additions thereto to continue to levy an annual tax established prior to the effective date of the act through school fiscal year 2028-29 for any lease-purchase project commenced prior to the effective date of the act. The annual tax could not exceed the amount needed to annually fund the lease-purchase project through school year 2028-29 and the proceeds of the annual tax could only be used for the lease-purchase project for which the tax was levied. Taxes authorized under this provision would be allowed to exceed 14 cents on each \$100 of taxable value.

## **PUBLIC FUNDS BILL ADVANCES**

**LB 1123 – Public Funds Deposit Security Act**: The Banking, Commerce and Insurance Committee also advanced LB 1123 to General File on a vote of 8-0. 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)

## HEARING ACTIVITY

The NBA presented testimony on the following bills during the past 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.

NBA General Counsel Bob Hallstrom joined a host of supporters in bestowing the virtues of the Workforce Housing Program and citing the return on investment realized by the state since implementing the Program.

### REVENUE COMMITTEE

**LB 989 – Taxation Sales and Use Tax**: Senator Justin Wayne (Omaha) introduced LB 989 which would impose sales and use taxes on digital advertisements (an advertising message delivered over the Internet that markets or promotes a particular good, service, or political candidate or message). NBA joined a coalition of businesses in submitting testimony in opposition to LB 989.

### BUSINESS AND LABOR COMMITTEE

**LB 813 – Appropriations for Apprenticeships**: Introduced by Senator Kate Bolz (Lincoln), LB 813 would appropriate \$4 million from the General Fund to the Department of Labor for apprenticeship programs and scholarships.