



CENTER *for* RURAL AFFAIRS

LEGISLATIVE UPDATE

MARCH 6, 2015

Priority Bills

Each Senator is allowed to designate one bill a Priority, and each committee may designate two bills as Priority Bills. A Priority Bill is just like it sounds – if it gets advanced out of committee the bill received a priority for scheduling floor debate. These bills have the best chance of full debate and becoming law.

The deadline for designating Priority Bills is March 12. In this and upcoming Updates you may see bill numbers with a P attached to them. That means that bill has been designated a Priority Bill.

Legislative Lingo

In these updates we will use certain terms that describe where a bill is in the legislative process. Here is a brief guide to those terms and some basic legislative procedure:

- Committees have a number of options for each bill – send as introduced to the full Legislature for General File, send to General File with amendments, Indefinitely Postpone (or kill) the bill, or take no action.
- Once a bill is sent to the full Legislature out of committee, it faces three stages of debate and voting – General File, Select File and Final Reading.
- At the General File and Select File stages a bill can be amended; a bill cannot be amended at the Final Reading stage.

Bills will be deleted from the Legislative Update as they are Indefinitely Postponed or become law.

Bills Update

Bills included below are ones the Center for Rural Affairs is actively working on or tracking.

The words *Support* or *Oppose* after a bill description indicate where the Center for Rural Affairs has taken a position on the bill. If neither word is indicated, the Center has not taken a position at this time.

Rural Development/Economic Development/General Economics/Poverty

LB 329 (Schilz) – The Nebraska Agritourism Promotion Act. Limits liability for injuries to participants in agritourism activities. Injuries from inherent risks of activities are exempt.

Outlines warning requirements by agritourism operators. Hearing before the Natural Resources Committee was held on March 5.

LB 335 (Mello) – Creates the Intergenerational Poverty Task Force. Hearing was held on February 18 before the Health and Human Services Committee. We provided testimony in support of the bill. *Support.*

LB 395 (Schilz) – Creates the Nebraska Enterprise Act. Provides assistance to small rural business development. Hearing is scheduled for March 10 before the Banking, Commerce and Insurance Committee.

LB 411 (Cook) – Increases the state income eligibility figure for SNAP benefits (as allowed under federal law). Hearing before the Health and Human Services Committee is scheduled for March 11.

LB 449 (Mello) – Would change some provisions related to microloans in the Business Innovation Act. Hearing before the Appropriations Committee is scheduled for March 11. *Support*

LB 493 (Nordquist) – The Healthy and Safe Families and Workplaces Act. Would require paid sick and safe leave time for employees in businesses with four or more employees. Hearing was held on February 9 before the Business and Labor Committee.

LB 538P (Legislative Performance Audit Committee) – Require audits (economic and fiscal) of all tax incentive programs, including the Beginning Farmer Tax Credit, the Microenterprise Tax Credit and all Advantage Nebraska programs. The audits would include whether programs are meeting their goals and whether the programs are revitalizing rural areas and distressed communities. Hearing was held on February 25 before the Revenue Committee. This bill was designated a Priority Bill by the Legislative Performance Audit Committee.

LB 569 (Brasch) – Modifies most programs in the Business Innovation Act to increase the limits of available funding and grants. Hearing before the Appropriations Committee is scheduled for March 11.

LB 599 (Ebke) – Would establish a \$7.25 per hour minimum wage for 18 and younger workers that attend school. Employers would be limited to the number of hours that could be paid this wage. Was introduced on behalf of the state grocers association. The bill was advanced by the Business and Labor Committee on a 4-3 vote (Senators Harr, Chambers and Crawford voted No). The bill sits on General File.

Agriculture

LB 106 (Watermeier) – Livestock Operation Siting and Expansion Act. Nebraska Department of Agriculture would create rules and regulations for an assessment matrix for livestock siting permits. Counties would be required to use this matrix. Significant changes to county authority re: livestock siting permits and conditional use permits. Changes from county authority and

autonomy to a statewide system. Hearing was held before the Government, Military and Veterans Affairs Committee on February 12. We testified in opposition to the bill. *Oppose*.

LB 175 (Schilz) –Livestock Growth Act. Creates a grant program in the Nebraska Department of Agriculture to assist livestock friendly counties in planning and infrastructure improvements for livestock development. Also changes in the Nebraska Advantage Rural Development Act to increase the amount of tax credits available. Hearing was held on February 10 before the Agriculture Committee.

LB 176 (Schilz) – Competitive Livestock Markets Act. Related to packers and swine ownership. Exception to packer ban on ownership is contract swine operations. Also intent language on the need and benefits of mandatory price reporting and that Nebraska will retain even if terminated by Congress. The bill was advanced by the Agriculture Committee on a 5-2 vote (Senators Bloomfield and Chambers voted No; Senator Riepe was present but no voting). The bill sits on General File. *Oppose*

LB 544 (Harr) – The Community Gardens Act. Allows the state and municipalities with title to vacant land to permit community organizations to use for community gardens. Would also establish a Community Garden Task Force in the Nebraska Department of Agriculture. Hearing was held on February 24 before the Agriculture Committee. *Support*.

LB 558 (Kolowski) – Would modify current law to allow food items that can be sold at farmers markets to be sold indirectly to stores and restaurants through limited regulations. Hearing was held on February 24 before the Agriculture Committee. *Support*.

Health Care

LB 107 (Crawford) – Nurse practitioner bill that was approved by Legislature but vetoed in 2014. The bill was approved on Final Reading on a 46-0 vote. On March 5 the Governor signed the bill into law. *Support*

LB 196 (Campbell) – Creates a loan repayment for medical residents who agree to practice in health professional shortage areas. Hearing was held on February 20 before the Health and Human Services Committee.

LB 333 (Gloor) – The Health Care Transformation Act. Creates and advisory committee to study and suggest items to state agencies and the Legislature. Hearing before the Health and Human Services Committee is scheduled for March 11.

LB 472 (Campbell) – The Medicaid Redesign Act. Hearing was held on February 25 before the Health and Human Services Committee. *Support*.

LB 518 (Riepe) – Expresses the intent of the Legislature to review the Medicaid program to spend less additional in state funds on Medicaid, to cover more people and to provide incentive through “free market” services. Would establish a Nebraska Health Savings Account Plan with plan options based on income levels. Hearing before the Health and Human Services Committee is scheduled for March 18.

LB 531 (Kolterman) – Would require every health insurance policy sold in the state to provide clear, understandable information on a variety of topics. Hearing was held on February 9 before the Banking, Commerce and Insurance Committee.

LB 543 (Harr) – Would allow for Medicaid reimbursement for community paramedics if certain certification requirements are met. Hearing was held February 6 before the Health and Human Services Committee.

LB 549 (Campbell) – The Health Care Transformation Act. Would establish a legislative committee to oversee efforts to transform the state's health care system. Hearing was held on February 20 before the Health and Human Services Committee.

LB 573 (Davis) – Would create the Health Enterprise Zone Act. Programs would be developed with local public health department and UNMC to address health disparities and to improve health outcomes. Hearing is scheduled for March 11 before the Revenue Committee.

LB 584 (Schilz) – Would transfer \$16 million from the Cash Reserve to the Dental Clinic and Education Facility Grant Fund. The purpose would be to develop a dental workforce for dental shortage areas in rural and urban areas and the construction of a dental clinic and health training facility to serve dental public health needs. Hearing before the Health and Human Services Committee is scheduled for March 12.

LB 631 (Scheer) – Changes the state's Medicaid laws to accept and assent to the Affordable Care Act. Hearing before the Health and Human Services Committee is scheduled for March 18.

LR 23 (Riepe) – Resolution that would put on record the Legislature urging the United States Department of Veterans Affairs to provide veterans with direct access to health care services in each local community in Nebraska; would expand health care access to all veterans, particularly in rural areas. A hearing was held on January 28 before the Government, Military and Veterans Affairs Committee.

Budget/Taxes

LB 64 (Shumacher) – Would exclude income from secondary jobs from the federal adjusted gross income used to calculate Nebraska income tax. Hearing was held on February 4 before the Revenue Committee.

LB 71 (Schumacher) – Agricultural Property Tax Credit Act. Would create an ag property tax credit to provide property tax relief. Credit would be based on ag land sales price minus inflation adjusted value (1993 value adjusted for inflation). Would also create a tax for excessive sales prices for ag property. A hearing was held on January 22 before the Revenue Committee.

LB 76 (Schumacher) – Would change the eligibility for the state Earned Income Tax Credit based on the federal EITC and carryover/operating losses. A hearing was held on January 22 before the Revenue Committee.

LB 178 (Watermeier) – Lowers valuations for ag land for property tax purposes. A hearing was held on January 29 before the Revenue Committee.

LB 186 (Bolz) – Property Tax Circuit Breaker Act. A hearing was held on January 29 before the Revenue Committee. We testified in support of the bill. *Support*

LB 200 (Davis) – Creates a method of collecting and distributing sales tax from out-of-state retailers to the Property Tax Credit Fund if Congress allows such sales tax. The bill was advanced by the Revenue Committee on an 8-0 vote. The bill was amended to sunset after three years. The bill sits on General File.

LB 246 (Sullivan) – Increases the eligible net worth for agricultural operations to qualify for the Nebraska Advantage Microenterprise Tax Credit. The bill was advanced by the Revenue Committee on an 8-0 vote. The bill sits on General File.

LB 256 (Bloomfield) – Increase the sales tax rate to 6% (from 5.5%) with increased revenue to the Property Tax Credit Fund. Hearing was held on February 20 before the Revenue Committee.

LB 259 (Gloor) – The Property Tax Relief Act. Exempts \$25,000 in valuation for tangible personal property from taxation. A hearing was held on January 29 before the Revenue Committee.

LB 280 (Davis) – Reduces the levy authority of schools districts and provides for the option of a local income tax for school funding. Hearing was held on February 18 before the Revenue Committee. *Support*

LB 293 (Schnoor) – Changes ag land valuation to 65% of actual value for property taxation. LB 309 (Davis) – Would appropriate an addition \$25 million to the Property Tax Credit Fund for each of FY2015-16 and FY2016-17. Hearing was held on February 19 before the Revenue Committee. *Oppose*.

LB 322 (Bolz) – Increases income thresholds for child and dependent care tax credits for state income tax. Hearing was held on February 11 before the Revenue Committee.

LB 345 (Kolowski) – Creates the Property Tax Relief Fund. Exempts from taxation \$8,000 for all homesteads in the state (extends the homestead program). Counties are reimbursed from the fund for the lost taxation value of exemptions. Hearing was held on February 12 before the Revenue Committee.

LB 350 (Brasch) – Decreases ag land valuation for property taxation to 65%. Hearing is scheduled for February 19 before the Revenue Committee. *Oppose*.

LB 351 (Brasch) – Would redirect 20 percent of state income tax back to school district from which it originated for school fiscal year 2016-17. A hearing was held on February 2 before the Revenue Committee.

LB 357 (Smith) – Changes all income tax brackets and rates. Transfers a total of \$160 million from Cash Reserve to Property Tax Credit Fund and to the General Fund. Would result in nearly

\$1 billion in reduced state revenue over its first 8 years of operation, with resulting spending cuts. Hearing was held on February 18 before the Revenue Committee. *Oppose*.

LB 364 (Watermeier) -- \$120 million to Property Tax Credit Fund for next two years. Hearing was held before the Appropriations Committee on February 27.

LB 384 (Linstrom) – Owner of agriculture property may apply to the county assessor to have up to 30 acres of land reclassified as pasture or rangeland. A condition of approved reclassification is the owner agrees to plant perennial cover on the reclassified acres. Hearing was held on February 19 before the Revenue Committee.

LB 387 (Schnoor) – Transfer \$60 million from the Cash Reserve to the Property Tax Credit Fund on or before December 15, 2015. Hearing was held before the Appropriations Committee on February 27.

LB 398 (Harr) – Exempts all tangible personal property from property taxes beginning January 1, 2017. Hearing was held on March 5 before the Revenue Committee.

LB 442 (Bolz) – Transfer of \$20 million from the General Fund to the Property Tax Credit for each of 2015 and 2016. Hearing was held before the Appropriations Committee on February 27.

LB 495 (Pansign Brooks) – Would increase the state Earned Income Tax Credit to 13 percent of the federal EITC for tax years 2016 and 15 percent for tax year 2017 and beyond (from the current 10 percent). Hearing was held on March 4 before the Revenue Committee. *Support*

LB 523 (Sullivan) – Would increase individual income tax rates to facilitate an increase for state aid to schools and to shift burden from property taxes to income taxes. Hearing was held on February 26 before the Revenue Committee.

LB 574 (Davis) – The Intangible Personal Property Tax Act. Would levy a tax on intangible personal property (stocks, bonds, etc.; but exempt certain things like life insurance and retirement accounts); tax revenue would go to school funding with the intent to reduce the burden on real and tangible personal property. Hearing is scheduled for March 12 before the Revenue Committee.

Energy/Environment

LB 407 (Harr) – Changes definitions and requirements for renewable export facilities. Hearing was held before the Natural Resources Committee on March 4.

LB 412 (Mello) – Changes requirements for C-BED projects. C-BED projects must be located in counties that have adopted zoning regulations. Notice must be given to each property owner on which a turbine is located and to local elected officials by project developers of incentives from C-BED for local ownership and local participation requirements. The bill was advanced by the Natural Resources Committee on an 8-0 vote. The bill sits on General File.

LB 423 (Nordquist) – Changes to the renewable energy tax credit for renewable electricity generation facility; would make qualifying C-BED projects eligible for the credit. Hearing was held on February 25 before the Revenue Committee.

LB 424 (Davis) – Changes the nameplate capacity tax to include all forms of renewable energy fuel sources (solar, biomass and landfill gas in addition to wind). Hearing was held on March 5 before the Revenue Committee.

LB 469P (Smith) – Would require the Department of Environmental Quality to complete a report on the likely economic impacts of the rules on Nebraska utilities and electric utility consumers before developing carbon rules for electric power plants based on EPA's rule. Hearing was held on February 5 before the Natural Resources Committee. Sen. Lidstrom designated this his Priority Bill.

LB 473 (Chambers) – Would eliminate the power of eminent domain for major pipelines. Hearing before the Judiciary Committee is scheduled for March 11.

LB 536 (Haar) – Requiring all public power suppliers to file an annual report on numerous data points. Hearing was held on February 11 before the Natural Resources Committee.

LB 583 (Schilz) – Would require an annual state energy plan by the State Energy Office. Hearing was held on February 11 before the Natural Resources Committee.

Education

LB 49 (Scheer) – Would require school districts with K-12 enrollment of less than 650 students to form an allied school district with at least three other districts with enrollments less than 650 students. Allied school districts are primarily scheduling entities – all districts in an allied district would have common schedules. Also allows for reimbursement for distance education. No requirement to consolidate or merge. Similar bill introduced in 2014. The bill was Indefinitely Postponed on an 8-0 vote of the Education Committee.

LB 534 (Groene) – Would place a cap on state aid to education – the previous fiscal year amount plus a student growth adjustment. A hearing was held before the Education Committee on February 3.

LB 444 (Groene) – Would eliminate the minimum levy adjustment for state aid to schools. A hearing was held before the Education Committee on February 2.

Government

LB 84 (Davis) -- Would make video and teleconferencing easier for members of state boards that serve smaller counties (less than 3000 people). A hearing was held before the Government, Military and Veterans Affairs Committee on January 21.

LB 633 (Stinner) – Appropriates \$20 million from the General Fund for aid to municipalities and counties for public infrastructure programs. Hearing I scheduled for March 18 before the Appropriations Committee.