

Nebraska Association of County Officials Legislative Report



March 16, 2007

Inheritance Tax Bill on Agenda for Floor Debate

Exempt amounts would be increased for Class I lineal descendants and tax rates would be changed for other beneficiaries under a bill that appeared on the Legislature's agenda on Thursday. **LB 502** was introduced by Sen. Mick Mines and prioritized by Sen. John Wightman. As originally introduced, the current \$10,000 exemption for Class I beneficiaries would be increased to \$100,000. A Revenue Committee amendment would change the exempt amount to \$50,000. In both versions, tax rates for Class II beneficiaries, such as aunts, uncles, nieces and nephews, would increase from six percent to ten percent, but the exempt amount would increase from \$2,000 to \$25,000. Class III beneficiaries, who are not related to the decedent, would be taxed at a flat 18 percent rate on amounts in excess of \$25,000. Existing law exempts the first \$5,000 and sets tax rates ranging from 6 percent to 18 percent on

amounts in excess of \$5,000. Based on actual inheritance tax worksheets from a number of counties, this would result in a 15 percent reduction in inheritance tax collections to counties.

An amendment has been filed by Sen. Wightman to add a penalty of five percent per month, up to 25 percent of the unpaid taxes due, for failure to file inheritance tax proceedings within twelve months after the decedent's death.

LB 502 was not debated on Thursday due to lack of time. The bill appears on the agenda on Monday following debate on **LB 476**, the death penalty bill, so LB 502 is not likely to be taken up that day. However, the agenda for the rest of the week will be determined on a day-to-day basis. March 16 and 23 are recess days. If the debate focuses on the death penalty, it is possible that no NACO Legislative Report will be published next week.

Homestead Exemption Notice Bill Sent to Governor

On Tuesday the Legislature adopted **LB 145**, a measure to require county assessors to send notices of homestead exemptions by April 1 to persons who previously received the exemption. The notice would include the claimant's name, the application deadlines for the current year, a list of documents that must be filed with the application, and the county assessor's office address and telephone number. Notices would not be required if the person had already filed or the assessor had reason to believe that there had been a change of circumstances that disqualified the applicant. The Tax Commissioner would provide a list of

applicant addresses and forms.

The Legislature also adopted bills to allow road improvement district elections to be held by mail (**LB 248**) and to reorganize the Department of Health and Human Services (**LB 296**). The bill creates a single department headed by a chief executive officer who will oversee six separate divisions, effective July 1. At more than 900 pages and nearly 8 pounds of paper, the bill was one of the longest bills passed in recent years. Governor Heineman signed LB 296 on March 15.

Open Meetings Law Training for Public Officials Prioritized

Members of all public bodies subject to open meetings laws would be required to complete training on open meetings and public records under a bill advanced by the Government, Military and Veterans Affairs Committee and designated as a Speaker priority. **LB 622** would require the training within one year of taking the oath of office. The Attorney General would make at least one approved training course available on a widely available medium, such as the internet, at no cost. The training provided at NACO workshops and conferences could meet this requirement. A certificate of completion would be provided and made available by the public body for public inspection. The bill would take effect on Jan. 1, 2008.

LB 391, a bill to redefine access to public records and to require public bodies to have a form for citizens to make requests for items to be placed on the agenda, was advanced to the floor of the Legislature but did not receive a priority designation. A committee amendment would rewrite the bill to state that a public records custodian is not required to copy, produce or generate all public records created in a certain time frame unless the general subject matter is provided. The bill would clarify that the requester of a public record is allowed both access to and copies of public records. The amendment would expand the process for placing items on the agenda by allowing a member of the public to send a second request if the first request is denied. Within in five business days after receipt of the second request, the designee of the public body would have to provide notice of the time, place and date of the meeting at which the item will appear on the agenda. Members of the public would not be

prohibited from asking a member of the public body to place an item on the agenda.

LB 389, a bill to allow governments to shield certain job application materials from public disclosure, was advanced from General File. The bill would limit disclosure of information related to applicants who are not finalists. The bill has been designated as a Speaker priority.

Two bills that address the disclosure of certain arrest and misconduct records have been advanced. **LB 470**, which was advanced from second round debate, would allow notations of arrests to be removed from the public record after one year if the prosecutor declines to file charges, after two years if a diversion program is completed, and after three years if the charges are dismissed due to a hearing not subject to an appeal or by a motion of the prosecuting attorney. **LB 474**, which awaits General File debate, would make disciplinary actions involving certain law enforcement officers and school employees part of the public record.

The Government Committee killed **LB 7**, a bill that would prohibit public bodies from requiring a member of the public to be placed on the agenda in order to speak on an agenda item or new business, and **LB 135**, a bill to prohibit the disclosure of security records by public bodies.

A bill to grant counties authority to enact ordinances, **LB 212**, was killed. A similar bill, **LB 172**, was killed previously. The committee also killed a bill to require recount audits to be conducted by hand, **LB 284**.

April 12 – NACO Legislative Day

County officials are invited to Lincoln to meet with their senators and observe the Legislature in session on April 12. The day begins with registration between 8:30 and 9:00 a.m. at the NACO office. A tentative agenda includes a welcome by Governor Dave Heineman and addresses by the Speaker and several committee chairs. During the afternoon, officials can

observe the Legislature, visit state agencies and senators' offices, and tour the Capitol, Governor's Mansion, NACO and MIPS offices. In order to have an appropriate count for lunch at the Cornhusker Marriott Hotel, please register with your county clerk no later than April 6. Registration forms were emailed recently to all county clerks.

Final Public Hearings Scheduled

The Legislature will conclude public hearings on bills next week and move to full days of floor debate on March 27, the 52nd day of this 90-day session. The following bills have county impact.

Monday, March 19

Appropriations Committee - Room 1524 - 1:30 p.m.

- LB 536 - Appropriate funds to the Department of Health and Human Services Finance and Support
- LB 542 - Appropriate funds to the Department of Health and Human Services
- LB 545 - Appropriate funds to carry out the Nebraska Prostitution Intervention and Treatment Act
- LB 548 - Appropriate funds relating to behavioral health services
- LB 559 - Appropriate funds to the Department of Health and Human Services Finance and Support
- LB 576 - Provide for rate increases for behavioral health services providers

Tuesday, March 20

Judiciary Committee - Room 1113 - 1:30 p.m. (rescheduled)

- LB 696 - Provide a fee increase and a waiting period for marriage licenses if marriage education requirements are not met
- LB 164 - Change provisions of the Relocation Assistance Act
- LB 104 - Change age of majority from nineteen to eighteen
- LB 112- Provide for the judicial emancipation of minors

Tuesday, March 20 Continued

- LB 478 - Change provisions relating to adoption procedures
- LB 571 - Provide for adoption by two adult persons jointly
- LB 151- Provide a statute of limitations for certificate of deposit obligations as prescribed

Wednesday, March 21

Judiciary Committee - Room 1113 - 1:30 p.m.

- LB 685 - Change provisions relating to the possession of alcohol by minors
- LB 336 - Change penalties for violation of certain liquor laws relating to minors
- LB 337 - Provide for confiscation of identification of minors attempting to purchase alcohol
- LB 261- Eliminate provisions relating to religious uses of alcoholic liquor and minors' activities at permanent place of residence
- LB 580 - Change provisions relating to tobacco product manufacturers
- LB 585 - Change provisions relating to the dispensing of cigarettes or other tobacco products
- LB 258 - Change provisions relating to minors' violations under the Nebraska Liquor Control Act