

# Nebraska Association of County Officials Legislative Report



February 22, 2008

## Revenue Committee Kills Inheritance Tax Bill

On Wednesday, the Revenue Committee officially reported that **LB 913**, a bill to decrease inheritance taxes paid by Class II beneficiaries, was killed. The committee also killed two bills to exempt the first \$25,000 of a home's value from property taxes (**LB 732** and **LB 733**) and a related constitutional amendment, **LR 220CA**. A proposed constitutional amendment to exempt elderly, limited-income homeowners from paying property taxes on the increased value of their homes, **LR 230CA**, was also killed, along with a measure to exempt certain low-income housing from taxes, **LB 1026**.

Other property tax relief measures are still pending including **LB 961** and **LB 1000**, bills to increase a state-funded property tax credit.

Although no committee action has been reported, the committee heard testimony on Wednesday on six bills dealing with valuation issues, including transferring the assessment function back to counties. **LB 1008** would require counties that had transferred the responsibility to the state to reassume it no later than 2011. Counties could choose to reassume the function at any time prior to 2011 or reimburse the state for providing this service on a tiered payment scale over the next three years.

Several county officials testified about the impact of reassumption on their budgets and levies, as well as reasons for the transfer. **LB 777** would create a classification of multi-use parcels in an effort to address difficulties in determining whether the primary use of a parcel is agricultural or horticultural. Senators heard from county officials and acreage owners regarding numerous appeals pending before the Tax Equalization and Review Commission (TERC) and several that are in the process of being filed with the Court of Appeals. **LB 1110** would create a property tax review court to perform the equalization and appeal functions currently handled by the TERC. **LB 1111** would limit TERC to two members who are attorneys and require two members to be licensed real property appraisers. **LB 1039** would create a task force to develop an income capitalization approach to valuing ag land. One assessor, four livestock and crop producers, an ag economist and others would serve on the task force, which would be headed by the Property Tax Administrator. **LB 1118** would require governing bodies to submit data showing the amount that would be raised from the levy proposed for the current year when applied to the prior year's valuation.

## Snapshots of County Issues

- Persons wishing to speak at a public meeting could not be required to have their name placed on the agenda prior to the meeting in order to speak on an agenda item under **LB 962**. The bill was advanced from the Government, Military and Veterans Affairs Committee. The committee also moved **LB 904**, a bill to allow county veterans service officers to apply for payment of expenses of a last illness and burial for veterans when there are no next of kin. Existing law authorizes only a recognized veterans' organization to make such an application.
- Wireless and landline reporting requirements would be updated

if **LB 755** is adopted. This Transportation Committee priority bill also contains provisions from **LB 829** that prohibit wireless carriers that receive money from the wireless surcharge fund from charging additional costs to public safety answering points (PSAPs) for wireless 911 service. The bill was advanced to Select File this week.

- Senators overrode Governor Heineman's veto of **LB 39**, a bill to add requirements for petition circulators. The bill prohibits paying circulators for each signature, among other things.

## NACO Scholarship Applications Due March 3

Children and stepchildren of county officials and employees may be eligible for one of twelve \$1,000 NACO scholarships. Applicants must be graduating seniors who plan to continue

their education within the state of Nebraska. See the NACO website ([www.nacone.org](http://www.nacone.org)) or call the NACO office (402-434-5660) for an application.

## Senators and Committees Select Priority Bills

Natural resources districts (NRDs) would not be able to use eminent domain to acquire property which could later be turned over to nonpublic entities if a committee amendment to **LB 880**, Sen. Gail Kopplin's priority bill, is adopted. The bill was sent to the floor by the Natural Resources Committee. A separate bill containing eminent domain language, **LB 945**, was killed by the committee. LB 880 would allow certain NRDs to issue bonds, payable by a special levy, to pay for design, rights-of-way acquisition, and construction for storm water management. The committee amendment limits the use of bonds to reservoirs of a certain size and requires public access.

Recall petitions would have to allege malfeasance, misfeasance or nonfeasance in office under Sen. Pat Engel's priority bill, **LB 878**. As originally introduced, the bill would have required county clerks to notify the Secretary of State at various stages of the recall process and estimate the cost of the potential recall election. A committee amendment would remove the cost estimate.

Sen. Vickie McDonald has prioritized **LB 1055**, which would give counties more authority to regulate dangerous dogs. The bill came out of the Judiciary Committee with an amendment.

A 5 percent excise tax based on wholesale fuel costs would be distributed to counties, cities and the state through the Highway Allocation formula under **LB 846**, which was prioritized by Sen. Deb Fischer. The bill is on General File.

Multi-part Form 521, which is used to report real property sales prices, would be replaced with an electronic version of the form by **LB 965**. Sen. Ray Janssen prioritized the bill, which would also move the date that the value of certain property used for economic development projects is certified to assessors. **LB 964**, a TERC clean-up bill, was amended into LB 965.

As noted in a prior report, Sen. Ray Aguilar has prioritized **LB 587**, which would remove the statutory \$3.91 million cap on state appropriations for jail reimbursement.

The deadline to prioritize bills is Friday upon adjournment. Speaker priority bills will be announced on Monday, the 30<sup>th</sup> day of this 60-day session. Bills without a priority designation or measures that cannot be amended to a priority bill are not likely to be debated this year. Remaining bills will not carry over to 2009.

## Final Committee Hearing Schedule

The following is a list of some of the bills with county impact that will be discussed during the final week of standing committee hearings. Please check the Legislature's website for the full listing of bills. The Legislature is in recess on Feb. 29.

### Monday, Feb. 25

#### *Business and Labor*

*Room 1524 - 1:30 p.m.*

- LB 1073 Adopt the Nebraska Construction Prompt Pay Act

#### *Transportation and Telecommunications*

*Room 1113 - 1:30 p.m.*

- LB1068 Create the road classification of remote residential road
- LB1091 Provide for private entrances and exits on expressways
- LB908 Provide for issuance of certain veterans license plates for multiple vehicles
- LB941 Provide for use of historical license plates on historical vehicles registered for general purposes
- LB1064 Provide for Legion of Merit license plates

### Tuesday, Feb. 26

#### *Transportation*

*Room 1113 - 1:30 p.m.*

- LB1069 Change provisions governing railroad companies blocking certain railroad crossings

### *Tuesday, Feb. 26 continued*

#### *Agriculture*

*Room 1525 - 1:30 p.m.*

- LB 1114 Require a vote of the people to approve county fairground bonds

### Wednesday, Feb. 27

#### *Judiciary*

*Room 1113 - 1:30 p.m.*

- LB 1170 Create a cause of action against employers of illegal immigrants
- LB 963 Require verification of lawful presence in the United States to receive public benefits
- LR224 Encourage law enforcement agencies in Nebraska to enter into a Memoranda of Agreement with the Secretary of Homeland Security to perform immigration law enforcement functions

#### *Revenue*

*Room 1524 - 1:30 p.m.*

- LB931 Change provisions relating to taxation of air carriers

#### *Health and Human Services*

*Room 1525 - 1:30 p.m.*

- LB742 Change licensure provisions relating to engineers