Nebraska Association of County Officials

Legislative Report



March 2, 2007

Inheritance Tax Changes Advanced by Revenue Committee

Despite killing a similar bill early in the session, the Revenue Committee voted immediately after the hearing on Wednesday to advance a bill to change inheritance tax rates. As originally written, **LB 502** would increase the exemption for lineal descendants from \$10,000 to \$100,000 and change the tax brackets and rates for other beneficiaries. A committee amendment would set the exemption at \$50,000, an amount touted by the introducer as revenue neutral, and make the same adjustments to other rates and brackets. NACO opposes the bill. County officials are encouraged to contact their senators to voice

opposition to reductions in inheritance tax collections.

LB 662, a bill to impose a sales tax on certain road equipment with proceeds earmarked for the Highway Trust Fund, was also heard. It was killed by the committee.

LB 278, which would have allowed counties to implement a sales tax for infrastructure related to economic development, and **LB 443**, which would have authorized transportation development districts, were also killed.

Appropriations Committee Hears Jail Reimbursement Bill

Removal of the statutory \$3.91 million cap on jail reimbursement so that additional funds could be allocated to counties is the goal of a bill heard by the Appropriations Committee on Wednesday. Although the actual amount needed to fully reimburse counties for holding state prisoners is not known because many counties do not submit claims after state funding runs out each year, it is clear that \$3.91 million falls short of the actual amount. The cap sets a maximum appropriation amount but does not guarantee an appropriation. Eliminating the cap would provide an opportunity for a larger appropriation that more

adequately reflects the actual number of prisoners held annually. **LB 587** was introduced by Sen. Abbie Cornett at NACO's request.

The budget proposed by the Appropriations Committee takes the opposite approach to jail reimbursement by proposing a 50 percent cut to the program. The budget proposed by the Governor did not cut funding for the program.

The committee also held agency hearings for the Nebraska State Patrol and Commission on Law Enforcement and Criminal Justice.

Leave Pay Clarification Advances from First Round

With a minimum of debate, senators advanced a bill to clarify that sick leave is a conditional benefit that does not need to be reimbursed when employment is terminated unless the employer and employee have agreed to it. **LB 255**, Sen. Kent Rogert's priority bill, was introduced in response to a Nebraska Supreme Court case, *Roseland v. Strategic Staff Management, Inc.*, that required payment of unused vacation leave when employment was

terminated, despite a provision in the employer's handbook stating that such unused leave would not be paid. The case also raised questions about personal time off, commonly called PTO, which combines vacation and sick leave, as well as use-it-or-lose-it policies. The bill distinguishes vacation leave from sick leave, bereavement leave, and other types of time off. NACO supports the bill.

Judiciary Committee Sends Jail Ombudsman and County Attorney Bills to Floor

County jail inmates would be able to take complaints to the Office of Public Counsel under **LB 467**, which was one of several bills advanced to the floor by the Judiciary Committee this week. The Ombudsman's office currently investigates state administrative agencies and has no authority over political subdivisions. The committee amendment would incorporate **LB 107**, which provides for the appointment of a deputy public counsel for institutions to cover mental health and veterans institutions operated by the state.

The committee proposed significant revisions to **LB 639**, a bill that would have required county attorneys to control and supervise all legal matters affecting counties as well as all other political subdivisions in the county. The committee amendments would replace the original bill with a requirement for all school districts located within a learning community to use a competitive bidding process to acquire legal services. The bidding process is modeled after the County Purchasing Act, including a requirement for

county attorneys to approve such contracts as to form and filing of the contract with the county clerk. The Act, as it is written for counties, contains an exception from bidding for professional services.

The committee also advanced **LB 335**, which would allow persons who are under the influence of alcohol or drugs and have been placed in civil protective custody three or more times during the previous six months to be held for 72 hours, rather than 24 hours. A committee amendment would limit 72-hour holds to counties that have adopted a resolution certifying that suitable facilities exist within the county to treat persons suffering from chronic alcohol or substance abuse. The resolution would have to identify the facility and specify the maximum number of patients that could be served by the facility at any one time. In addition, the authority for extended commitments would apply to persons who had been placed in civil protective custody three or more times in the previous month.

Selected Hearing Schedule

The following is a list of some of the bills with county impact that have been scheduled for public hearing. Because hearings were cancelled on March 1 due to inclement weather and all had not been rescheduled by press time, please consult the Legislature's website (www.nebraskalegislature.gov) for a new hearing date. Some committees have concluded their public hearings for the session. The Legislature will begin full days of debate on March 27.

Monday, March 5

Business and Labor Committee - Room 2012 - 1:30 p.m.

- LB 31 Change minimum wage provisions
- LB 175 Require employer to provide employee a reason for termination
- LB 432 Change the Act Prohibiting Unjust Discrimination in Employment Because of Age

Transportation and Telecommunications Committee - Room 1113 - 1:30 p.m.

- LB 162 Provide for an electronic lien system for certificates of title
- LB 415 Change provisions relating to provisional operator's permits and other operator's licenses and permits
- LB 285 Authorize compliance with the driver's license provisions of the federal REAL ID Act of 2005

Wednesday, March 7

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

• LB 293 - Redefine public safety official with respect to infectious disease exposure

Thursday, March 8

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

- LB 627 Redefine real property and tangible personal property for purposes of taxation
- LB 688 Provide for development of an income-based method of valuing agricultural land.

• LB 703 - Change use of the income-approach calculation in determining the assessed valuation for rent-restricted housing projects

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

• LB 535 - Create the juvenile legal services division of the Commission on Public Advocacy and eliminate a council

Appropriations Committee - Room 1003 - 1:30 p.m.

- LB 42 Change distribution of cigarette tax
- LB 446 Require Department of Roads to let contracts for the construction of a Platte River bridge and for highway improvements

Friday, March 9

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

• LB 416 – Exempt government retirement benefits from income tax (reschedule)

Wednesday, March 14

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

- LB 243 Change provisions relating to jurors
- LB 693 Require use of driver's license numbers for preparation of juror lists
- LB 449 Change provisions on how judicial records are proved
- LB 45 Change provisions relating to district court fees

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

• LB 169, LB 183, LB 354 - Exclude military retirement benefits from income taxation (reschedule)

Thursday, March 15

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

- LB 540 Adopt the Probation and Parole Services Merger Act
- LB 541 Provide a duty for the Community Corrections Council
- LB 669 Adopt the Nebraska Behavioral Health Jail Diversion Planning and Coordination Advisory Council Act
- LB 671 Adopt the Office of Probation and Parole Administration

Monday, March 19

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

- LB 542 Appropriate funds to the Department of Health and Human Services
- 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