

# Nebraska Association of County Officials Legislative Report



March 28, 2008

## Budget to be Finalized on 49<sup>th</sup> Day

On Friday, March 28, the 49th day of the 2008 session, senators will take a final vote on the state budget. While most of the work on the budget was completed last year, the first year of the two-year budget cycle, adjustments are typically needed in the second year. This year's budget bills are **LB 959**, **LB 960** and **LB 961**.

Many priority bills, including several controversial measures such as the possible relocation of the state fair, remain in various stages of debate and will be taken up during the final twelve days of the session. Any efforts to override possible vetoes of the budget bills will also occur during the remaining days.

## Partial Payment Amendment Offered to LB 965

Counties would be required to accept partial payments of real and personal property taxes under an amendment that was offered by Sen. Ron Raikes and then withdrawn during the first round of debate on **LB 965**. The concept was originally introduced as **LB 814**. The amendment would require counties to accept partial payments in amounts of \$500 or more and continue to allow county boards to adopt resolutions authorizing partial payments of amounts less than \$500. County treasurers would send an additional delinquency notice and be allowed to charge one dollar to help defray the costs.

The bill arose because a property owner mailed a property tax

payment that was postmarked on the day after the deadline. Due to a holiday weekend, the taxpayer was charged interest for several days before the payment was returned with information about the interest due. The taxpayer failed to open the notice for several days, during which additional interest accrued. While the treasurer acted in compliance with state law, there was a concern that the current process is not taxpayer-friendly.

NACO has offered to work with Sen. Raikes to develop a broader partial payment process before **LB 965** is debated on Select File.

## Wholesale Fuel Tax Increase Advances from First Round

Fuel wholesalers would pay 26.3 cents per gallon under a new component of the fuel tax formula that was advanced from General File on Wednesday. Sen. Deb Fischer, chair of the Transportation and Telecommunications Committee, prioritized **LB 846** in an effort to provide additional road funds to counties, cities and the state in response to reductions in federal highway funding. In addition to the new wholesale tax, the fixed portion of the existing fuel tax formula would be reduced by 8 cents. The bill would apply to tax periods beginning Jan. 1, 2009. Two amendments have been offered that would increase funding to counties. If **LB 846** passes, Governor Heineman will likely veto the bill.

Gas taxes were also part of the budget debate on **LB 959**. The Appropriations Committee added \$14.5 million to the Department of Roads budget to cover salaries and health insurance. Because these costs are paid from variable fuel tax

receipts, senators debated whether to allow the tax to increase or take money from cash reserves. Senators voted to leave the money in the cash reserve to address future needs. The two bills combined would likely result in a 1.2 cent per gallon increase in the variable fuel tax in July and an additional 3 cents in January.

Because these votes were difficult for many senators, please send a note of appreciation to those senators who helped counties by voting to support these measures.

The Transportation Committee reported two bills out of committee on Wednesday – **LB 1034** and **LB 1129**. **LB 1034** would designate the Nebraska Expressway System. **LB 1129** adds factors, including population and location near the interstate, for the Department of Roads to consider when establishing highway priorities. These bills are candidates for amendment into **LB 846**.

## Bills Advanced from General File

- County boards would be required to spend up to \$1,000 from the general fund for the care and maintenance of each abandoned or neglected **cemetery** under a bill intended to change and clarify the duties of local governments. Existing requirements to care for Indian burial grounds were replaced. The current 20-year period to determine whether a pioneer cemetery has been abandoned or neglected would be reduced to five years. A committee amendment would strike proposed language requiring four mowings of such cemeteries each year and instead allow county boards to hold a hearing, if requested, to determine whether more than one mowing is necessary. **LB 995** advanced from General File on Thursday.
- Employers with a payroll in excess of \$100,000 annually would be required to **electronically file unemployment taxes**, wage reports, and reimbursements in lieu of contributions beginning on January 1, 2010 if **LB 819** is adopted. Currently only employers with \$500,000 or more in annual payroll are required to file electronically. Employers can file for an exception if the bill would create a hardship on the employer. The bill advanced from the first round of debate.
- Language was eliminated from a Health and Human Services Committee amendment to **LB 928** that would have allowed **jails**

and correctional facilities to return certain prescription drugs for relabeling and redispensing to other inmates. The language was originally introduced as **LB 759** and contained restrictions on the packaging and storage of the drugs prior to their return. **LB 928** was then advanced to Select File.

- **LB 953** would address concerns raised by the Department of Motor Vehicles relating to the issuance of mobile home and **manufactured home titles** after the vehicles are affixed. Existing law categorizes these structures as motor vehicles unless they are affixed and the title is surrendered. At that point, they become real property subject to transfers by deed, rather than title. The bill advanced from General File without debate.
- **LB 736** provides for indigent assistance for **ignition interlock** devices. Due in part to NACO's concerns that the original bill does not specifically address the party responsible paying for these devices for the indigent, a Judiciary Committee amendment was adopted that would impose a fee upon interlock dealers to create a fund for indigent interlock users. The fund would be administered by the Office of Probation Administration. The bill advanced on Tuesday.

## Bills Advanced from Select File

- County treasurers, clerks and assessors who act as a **freeholder board** to determine whether property is moved from one school district to another would use a different timeline and criteria under an amendment that was adopted during Select File debate on **LB 988**, a school funding bill. The concept was

originally introduced as **LB 977**, and advanced from the Education Committee with an amendment adding language from **LB 976**.

## Bills Passed

- On Tuesday, the Legislature passed several bills including **LB 1096**, which would provide job security for certain **volunteer emergency responders**. Employees could not be terminated or disciplined for absences or tardiness due to responding to an emergency prior to the time they were scheduled to report to work. Employers could deduct the time absent from the employee's pay and could request written verification of service. Career firefighters or law enforcement officers who volunteer as

emergency responders would not be eligible for job protection. These provisions would only apply to employers with ten or more employees. The concept was originally introduced as **LB 948**. The bill also requires first class cities of a certain population to hire a full-time fire chief.

- **LB 606**, which prohibits certain uses of stem cells and creates an advisory board, was also passed by the Legislature on Tuesday and signed by the governor the same day.

## Other Bills

- A bill that would require **workers' compensation** coverage for mental injuries that are not accompanied by physical injuries for employees who witness violent criminal acts was debated but no vote was taken before time ran out on Thursday. **LB 1082** would apply to certain first responders as well as other employees. Senators discussed the impact of the bill on the workers' compensation court and the coverages provided by health insurance for these injuries.
- Amendments continue to be circulated on **LB 777**, a bill to address the determination of **agricultural or horticultural use**

of acreage property. The bill was advanced from the first round and is scheduled for a second round of debate on Friday.

- Eleven amendments were pending to **LB 880** when General File debate ended due to time constraints on Wednesday. The original bill would give bonding authority to certain natural resources districts.

- Numerous interim study resolutions have been introduced for examination this summer. A complete list of resolutions with county involvement will be published in NACO's annual legislative summary in early May.