

# Nebraska Association of County Officials Legislative Report



February 11, 2011

## State Aid Elimination Bill Passes First Round of Debate

Reinventing government. Budget decisions versus policy decisions. Honesty for local governments.

During more than four hours of debate on LB 383, senators frequently used these phrases to describe a bill to eliminate \$44 million in state aid to counties, cities and schools as part of the Governor's budget proposal. The bill would eliminate a formula enacted two years ago to replace jail reimbursement, state aid to counties and County Property Tax Relief. The formula was set to take effect on July 1, 2011.

Several senators questioned the appropriateness of "kicking the can" and passing the state's budget woes to local governments that have no options for increasing funding except property taxes. Some noted that these forms of state aid were provided specifically as property tax relief. Others questioned why funding for certain programs, such as the University of Nebraska's Innovation Campus and the Governor's property tax relief credit, were not considered for elimination. Many expressed reluctance to increase property taxes but justified it

against cuts to Medicaid and other social programs.

Sen. Rich Pahls offered an amendment stating the Legislature's intent that reductions in state aid would be manifested in the form of reductions in local government budgets and services, rather than being made up by property tax increases. The amendment failed to advance. Sen. LeRoy Loudon offered an amendment that would have required the Legislature to fund state aid to counties beginning on July 1, 2013, but it was defeated 9-35. Sen. Brenda Council offered an amendment to retain county and city aid, but make funding optional. It, too, was defeated. The bill advanced from General File on a 37-8 vote. Senators voting against advancement of the bill were: Tanya Cook ([tcook@leg.ne.gov](mailto:tcook@leg.ne.gov)), Brenda Council ([bcouncil@leg.ne.gov](mailto:bcouncil@leg.ne.gov)), Russ Karpisek ([rkarpisek@leg.ne.gov](mailto:rkarpisek@leg.ne.gov)), Gwen Howard ([ghoward@leg.ne.gov](mailto:ghoward@leg.ne.gov)), Steve Lathrop ([slathrop@leg.ne.gov](mailto:slathrop@leg.ne.gov)), Heath Mello ([hmello@leg.ne.gov](mailto:hmello@leg.ne.gov)), Jeremy Nordquist ([jnordquist@leg.ne.gov](mailto:jnordquist@leg.ne.gov)), and Norm Wallman ([nwallman@leg.ne.gov](mailto:nwallman@leg.ne.gov)).

## Snapshots of County Issues

### Hearings

- Property could be transferred to a beneficiary through a transfer on death deed and bypass probate court under a bill that will be heard by the Judiciary Committee on Feb. 17. Although inheritance taxes would still be due, the transfer on death deed hampers counties' ability to collect inheritance taxes and the required showing that inheritance taxes have been paid. LB 536 would also exempt these deeds from documentary stamp taxes. It is unclear whether a real estate transfer would be filed to give notice to assessors of the change in ownership. Counties are encouraged to pay close attention to the bill. If used frequently, transfer on death deeds have the potential to significantly reduce inheritance tax collections.
- Three proposals to change the structure of county government will be heard by the Government, Military and Veterans Affairs Committee on Feb. 25. LR2CA is a proposed constitutional amendment to allow the Legislature to provide for a county manager form of government in which county officers may be

appointed. The form of government would be optional for each county and require a majority vote of the people of the county. Implementing legislation would be necessary to provide specifics of the process. LB 597 would provide for the consolidation of county offices in counties of 25,000 or less so that no more than five individuals occupy the offices at any time. LB 344 would require development of a plan to merge Omaha and Douglas County governments. The hearings will begin at 1:30 p.m. in Room 1507 of the State Capitol.

- Counties could adopt a coordinated plan for the management of black-tailed prairie dogs pursuant to LB 473. Persons owning or controlling property would be responsible for managing black-tailed prairie dog colonies and preventing the expansion of such colonies to adjacent property if the owner objects to expansion. The Agriculture Committee will hear the bill on Feb. 15.

## **Hearings, continued**

- County officials would be elected on nonpartisan ballots under two bills, LB 186 and LB 214, that will be heard by the Government, Military and Veterans Affairs Committee on Feb. 16. LB 214 would also require city elections to be nonpartisan.
- Property taxes take the forefront in the Revenue Committee on Feb. 17. Bills to eliminate filing of abstracts of assessment (LB 162), require preliminary notices of valuation (LB 457) and change the priority of special assessment liens (LB 519) will be heard, along with two proposals dealing with the Tax Equalization and Review Commission. LB 405 would allow a single TERC Commissioner to hear certain appeals. LB 363 would change procedural aspects of the TERC.

## **General File**

- LB 62, a bill to alter authority in the budgeting process, appears on the Legislature's agenda for first-round debate on Monday. The day's debate begins at 10:00 a.m. and LB 62 is the third bill scheduled. The bill provides that a county board cannot eliminate an officer or unduly hinder a county officer in the conduct of their duties. It places the burden on county officials to prove that their office or department would be negatively affected by a budget revision. The amendment removes language referencing the best interest of the county when overturning the board's decision.
- NACO's bill to eliminate the filing of a report on agland held by trusts in each county has been advanced by the Agriculture Committee. LB 160 was introduced by Sen. Kathy Campbell at the request of county assessors to eliminate an unnecessary, antiquated report.
- LB 302, a bill to encourage the Supreme Court to restructure

## **Select File**

- LB 135, a bill introduced by Sen. Jim Smith at NACO's request to allow treasurers to remit motor vehicle fees on the

- On Feb. 15, the Retirement Systems Committee will hear a bill to require law enforcement officers and firefighters employed by counties, cities, and fire protection districts to work until age 55 to receive full retirement benefits. The second section of LB 688 states: A person shall not participate or receive any pension or retirement plan or benefits as a result of service in an elective office. The bill would take effect on Jan. 1, 2012. The hearing begins at 12:10 p.m. in Room 1525 of the State Capitol
- The Legislature's Redistricting Committee will hold its first hearings on Feb. 16. The committee will hear two proposals, LB 195 and LB 233, to alter the number of state senators.

the court system was bracketed by the introducer. After floor debate about whether the Supreme Court or Legislature's Judiciary Committee should undertake the process, Sen. Brad Ashford asked to bracket the bill until June 5, 2011.

- Candidates who fail to be nominated at an election could request a manual recount of votes if LB 161 is adopted. The Government, Military and Veterans Affairs Committee sent the bill to the floor this week. A committee amendment would limit the manual recount request to candidates who fall within the margin triggering an automatic recount. The committee also advanced LB 368 to prevent political parties from nominating a candidate for office if they did not have one on the ballot in the primary election and LB 278 which would specifically allow counties to make payments such as salaries and reimbursable expenses through an electronic transfer or similar means of direct deposit.

fifteenth of the month, rather than the fifth, advanced from Select File on Thursday.

## **Selected Committee Hearing Schedule**

The following is a list of some of the bills with county impact that have been scheduled for public hearing in the coming weeks. Not all committees had completed next week's schedule at the time this newsletter went to print. Please check the Legislature's website for a full listing. Click on Calendar, then choose the hearing date or enter the bill number in the Search Current Bills function on the Legislature's home page.

### **Monday, Feb. 14**

*Banking, Commerce and Insurance Committee*

Room 1507 1:30 p.m.

- LB 409 - Provide for the retention of insurance proceeds by a county or municipality to repair or demolish damaged property

*General Affairs Committee*

Room 1510 1:30 p.m.

- LB 641 - Require law enforcement officers to report liquor law violations to the Nebraska Liquor Control Commission

## Selected Committee Hearing Schedule, continued

### Tuesday, Feb. 15

#### *Agriculture Committee*

Room 2101 1:30 p.m.

- LB 473 - Adopt the Black-Tailed Prairie Dog Management Act

#### *Banking, Commerce and Insurance Committee*

Room 1507 1:30 p.m.

- LB 371 - Provide for an unfair insurance trade practice relating to public officials

#### *Nebraska Retirement Systems*

Room 1525 12:10 pm.

- LB 688 - Require certain law enforcement officers and firefighters to work until age fifty-five to receive full benefits and prohibit elective officers from receiving retirement benefits

#### *Transportation and Telecommunications Committee*

Room 1113 1:30 p.m.

- LB 289 - Authorize the operation on public highways of low-speed vehicles as prescribed
- LB 573 - Authorize use of rotating or flashing amber lights on any motor vehicle operated by or for a storm spotter
- LB 353 - Change provisions relating to towing of vehicles and exemptions from size, weight, and load restrictions

### Wednesday, Feb. 16

#### *Government, Military and Veterans Affairs Committee*

Room 1507 1:30 p.m.

- LB 449 - Change the Election Act
- LB 503 - Change provisions for filling a vacancy on a ballot
- LB 186 - Require nonpartisan ballots for county officers
- LB 214 - Require nonpartisan election of county and city officials

#### *Redistricting Committee*

Room 1525 12:00 p.m.

- LB 195 - Change the number of members of the Legislature to fifty
- LB 233 - Decrease the number of members of the Legislature to forty-five

### Thursday, Feb. 17

#### *Appropriations Committee*

Room 1003 1:30 p.m.

- Agency hearings for Department of Revenue and Tax Equalization and Review Commission

#### *Judiciary Committee*

Room 1113 1:30 p.m.

- LB 536 - Adopt the Nebraska Uniform Real Property Transfer on Death Act
- LB 676 - Change provisions relating to emergency protective custody under the Nebraska Mental Health Commitment Act

### Thursday, Feb. 17, continued

#### *Natural Resources Committee*

Room 1525 1:30 p.m.

- LB 391 - Create the Nebraska Invasive Species Council
- LB 392 - Provide powers and duties relating to aquatic invasive species

#### *Revenue Committee*

Room 1524 1:30 p.m.

- LB162 - Change provisions relating to abstracts of property assessment rolls
- LB457 - Provide for notice of preliminary valuations and in-person meeting relating to property taxes and change certain dates
- LB363 - Change provisions relating to the Tax Equalization and Review Commission and property taxes and provide a duty for the Secretary of State
- LB405 - Authorize hearings by a single commissioner of the Tax Equalization and Review Commission
- LB519 - Change the priority of liens for special assessments

**The Legislature is in recess on February 18 and 21.**

### Tuesday, Feb. 22

#### *Transportation and Telecommunications Committee*

Room 1113 1:30 p.m.

- LB 104 - Change certain vehicle weight provisions
- LB 102 - Change provisions relating to vehicle loads
- LB 35 - Change provisions relating to oversize vehicle permits
- LB 420 - Provide an exception for farm tractor-farm wagon combinations from vehicle load limits

### Wednesday, Feb. 23

#### *Government, Military and Veterans Affairs Committee*

Room 1507 1:30 p.m.

- LB 21 - Change provisions relating to ballots cast by presidential electors
- LB 367 - Change balloting and vacancy provisions for presidential electors
- LB 501 - Change ballot status procedures for Presidential and vice-presidential candidates
- LB 583 - Adopt the Interstate Compact on the Agreement Among the States to Elect the President by National Popular Vote

## Selected Committee Hearing Schedule, continued

### Thursday, Feb. 24

*Government, Military and Veterans Affairs Committee*

Room 1507 1:30 p.m.

- LB 239 - Require presentation of government-issued photographic identification to vote in elections
- LB 365 - Change access provisions for voter information and voter registration registers
- LB 605 - Provide for voter registration on election day and require identification to vote
- LB 169 - Authorize provisional ballots for registered voters changing residence within Nebraska
- LB 631 - Provide for a permanent early voting request list

*Health and Human Services Committee*

Room 1510 1:30 p.m.

- LB 413 - Authorize use of the Affordable Housing Trust Fund for programs benefiting homeless youth

### Friday, Feb. 25

*Government, Military and Veterans Affairs Committee*

Room 1507 1:30 p.m.

- LR2CA - Constitutional amendment to authorize county manager form of county government
- LB 597 - Require consolidation of county offices
- LB 344 - Change provisions relating to municipal counties and merger of governmental services

### Tuesday, March 1

*Agriculture Committee*

Room 2102 1:30 p.m.

- LB 459 - Limit the adoption of any law by a political subdivision regarding the ownership of an animal

### Monday, March 7

*Transportation and Telecommunications Committee*

Room 1113 1:30 p.m.

- LB 182 - Change provisions relating to the issuance of one license plate
- LB 185 - Provide for one vehicle license plate
- LB 216 - Provide for special interest motor vehicle plates
- LB 661 - Change specialty license plate fees

### Tuesday, March 8

*Transportation and Telecommunications Committee*

Room 1113 1:30 p.m.

- LB 87 - Change provisions relating to mowing weeds in ditches