

**2019**  
**One Hundred Sixth Legislature**  
**First Session**

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# 2019

## NBA LEGISLATIVE UPDATE

### WRAP-UP EDITION

The first session of the 106<sup>th</sup> Nebraska Legislature is now history, as the Legislature adjourned *sine die* on May 31, 2019. As always, the Legislature dealt with a number of contentious issues in the waning days of the session. The next regular session is scheduled to convene in early January 2020.

Over 95 bills, amendments to those bills and amendments to other proposals were actively monitored by the NBA this session. We have summarized only the major bills of direct interest to the banking industry, according to subject. Most of the other numerous non-banking legislative measures were disposed of early in the session and were previously covered in the weekly *NBA Legislative Update* narratives or *Bill Summary* emails.

During this session, many of the bills on the NBA's affirmative legislative agenda or supported by the NBA were enacted into law. The Legislature also took no final action on any of the bills on which the NBA had established a position of opposition. The success of this session is in large part attributable to the excellent grassroots support provided by Nebraska bankers. When called upon to make contacts with legislators, Nebraska bankers responded promptly and effectively in communicating the NBA's position on issues of importance to the banking industry. Thank you to each and every Nebraska banker who took time to visit with their state senator during the 2019 Legislative Session.

In addition to the newly enacted legislation, we have also summarized a number of bills, which will be carried over to the 2020 Legislative Session. The summary also includes the effective dates of the enacted legislation and any necessary compliance information.

Members of the NBA Government Relations Committee put in many hours reviewing potential legislation for introduction on behalf of the NBA and in analyzing other legislation introduced each session. The Committee makes recommendations regarding positions to be established by the NBA on legislation of interest to the banking industry which are forwarded to the NBA Board of Directors for final action. A special thanks to Renee Rush, Equitable Bank, Grand Island, who served as Chairman of the NBA Government Relations Committee this year along with all of the members of the Government Relations Committee for their efforts on behalf of the banking industry. A listing of the 2018-19 members of the NBA Government Relations Committee is included in this *NBA Legislative Update Wrap-Up* edition.

If you have any questions regarding any of the bills highlighted below, please feel free to contact the NBA. **This *NBA Legislative Update Wrap-Up Edition* has been prepared as a summary and it does not necessarily constitute a complete or definitive analysis of each bill discussed.** The NBA staff is prepared to provide you with further information or to send you copies of bills in which you are interested.

## 2018-2019 Government Relations Committee

### **CHAIRMAN**

***Renee Rush, Chairman***

Equitable Bank, Grand Island

***Zac Karpf, BankPAC Chairman***

Platte Valley Bank, North Bend

***Dave Dannehl, NBA Chairman***

First State Bank of Loomis, Loomis

***Kelly Kitt***

Cornerstone Bank, York

***Alan Emshoff, NBA Chairman-Elect***

Generations Bank, Exeter

***Steven Mitchell***

Arbor Bank, Omaha

***Jared Baker***

Community Bank, Alma

***Arlen Osterbuhr***

Minden Exchange Bank & Trust Co.,  
Minden

***Craig Brewster, ABA Grassroots & GR  
Council***

Butte state Bank, Butte

***Aaron Otten***

Elkhorn Valley Bank & Trust, Norfolk

***Anna Castner Wightman***

First National of Nebraska, Inc., Omaha

***Ryan Steffensmeier***

First Community Bank, Beemer

***Timothy Clark***

Bank of Bennington, Bennington

***Doug Weiss***

West Plains Bank, Ainsworth

***Justin Douglas***

Farmers Bank of Cook, Cook

***Patrick Green***

Wells Fargo & Company, Des Moines

***Michael Hall***

American National Bank, Omaha

***Stacie Holden***

U.S. Bank, N.A., Minneapolis

***Mike Jacobson, ABA GR***

***Representative***

NebraskaLand National Bank, North  
Platte

***Jeff Kanger***

First State Bank Nebraska, Lincoln

The NBA legislative program is member-driven. Members submit ideas for legislation during the interim and in response to solicitations by NBA. The Government Relations Committee meets at least six times over a biennium to consider those ideas, make recommendations to the NBA Board of Directors regarding bills to be sponsored on behalf of the NBA, and to determine positions to be taken by the NBA on legislation introduced before the Nebraska Legislature which affects the banking industry.

## **NBA AFFIRMATIVE LEGISLATIVE AGENDA**

A number of bills were requested to be introduced on behalf of the NBA during the 2019 Legislative Session. Actions taken on bills that were a part of the NBA's affirmative legislative agenda were as follows:

### **MULTI-PARTY ACCOUNTS/LOANS TO MINORS/CO-FIDUCIARIES**

#### **LB 55/LB 172 – Sponsor: Senator John Lowe/Senator Patty Pansing Brooks**

NBA POSITION:      SUPPORT

BILL STATUS:      PASSED AND SIGNED

LB 55 (a) authorizes owners of multi-party accounts to designate specific percentages for account beneficiaries; (b) allows cofiduciaries (copersonal representatives, cotrustees, coguardians, or coconservators), effective January 1, 2020, to act independently of one another with respect to banking transactions, unless specifically restricted from doing so in a will, a trust, or an order of appointment; and (c) clarifies that minors age 18 can enter into binding obligations relating to (1) effective financing statements; (2) promissory notes or other instruments evidencing an obligation to repay; (3) mortgages, trust deeds, security agreements, financing statements or other security instruments to grant a lien or security interest in real or personal property or fixtures; and (4) acquisition or conveyance of title to real property. (The provisions of LB 172 were amended into LB 55.)

(Effective Date: September 1, 2019)

(NOTE: Provisions relating to the authority of cofiduciaries to act independently of one another with respect to banking transactions take effect on January 1, 2020.)

### **DIRECT BORROWING BY CITIES AND VILLAGES**

#### **LB 121 – Sponsor: Senator Sue Crawford**

NBA POSITION:      SUPPORT

BILL STATUS:      PASSED AND SIGNED

LB 121 clarifies provisions relating to direct borrowing from financial institutions by cities and villages to (a) allow installment loans to be repaid over a term not to exceed seven years; (b) extend the limitation on total amount of indebtedness from direct borrowing by a city of the second class to twenty percent of the municipal budget of the city; (c) provide that the amount of any loan attributable in any year to the limitation on the total amount of outstanding indebtedness from direct borrowing is the total amount of the outstanding loan balance divided by the number of years over which the loan is to be repaid; and (d) measure the permissible amount of the loan on the date the ordinance or resolution approving the direct borrowing, is approved.

(Effective Date: September 1, 2019)

## **COLLATERAL INSURANCE/LOSS PAYEE**

### **LB 257 – Sponsor: Senator Mark Kolterman**

NBA POSITION: SUPPORT

BILL STATUS IN COMMITTEE

LB 257 would provide additional protection to lenders named as “loss payees” under policies insuring the collateral for their loans. The bill would require insurers issuing checks for payment of damages to automobiles in excess of \$2,500 and to homes or commercial buildings in excess of \$7,500 to be made payable to the insured and to the loss payee or repair person.

## **CREDIT UNION FIELD OF MEMBERSHIP/NOTIFICATION REQUIREMENTS**

### **LB 453 – Sponsor: Senator Robert Clements**

NBA POSITION: SUPPORT

BILL STATUS: IN COMMITTEE

LB 453 would require state-chartered credit unions to provide notice to the state bankers associations when making application to amend their bylaws or articles of association for the purpose of expanding their field of membership.

## **PUBLIC FUNDS POOLED COLLATERAL**

### **LB 622 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 622 authorizes the use of a single bank pooled collateral method to collateralize public funds in excess of the FDIC insured amounts.

(Effective Date: July 1, 2020)

**PRACTICE POINTER:** The Department of Banking will be adopting rules and regulations for implementation of the single bank pooled collateral method.

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## **BILLS SUPPORTED BY THE NBA**

A number of bills on which the NBA took a “support” position were considered during the 2019 Legislative Session. Actions taken on the bills supported by the NBA were as follows:

### **UNIFORM VOIDABLE TRANSACTIONS ACT**

#### **LB 70 – Sponsor: Senator Matt Hansen**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 70 adopts the Uniform Voidable Transactions Act and repeals the Uniform Fraudulent Transfer Act.

(Effective Date: September 1, 2019)

### **REAL PROPERTY APPRAISER ACT**

#### **LB 77 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 77 creates alternatives to the existing extensive education and experience requirements for real property appraisers, which are designed to reduce barriers-to-entry into the real property appraiser profession.

(Effective Date: September 1, 2019)

### **NEBRASKA UNIFORM POWER OF ATTORNEY ACT**

#### **LB 145 – Sponsor: Senator Matt Hansen**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 145 authorizes an agent under a power of attorney granting authority with respect to banks and other financial institutions to execute such powers of attorney as may be required and necessary for interacting with the bank or other financial institution, provided the terms and conditions in the financial institution’s power of attorney are similar to those in the power of attorney granting authority, including the identification of the acting agent and the agent’s successors.

(Effective Date: September 1, 2019)

## **REMOTE ELECTRONIC NOTARIAL ACT**

### **LB 186 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: SUPPORT

BILL STATUS: FINAL READING

LB 186 authorizes the performance of a remote electronic notarial act if the signer of the electronic document is not in the physical presence of the electronic notary public at the time of notarization, provided the signer and electronic notary use video and audio conference technology meeting specified requirements and permitting the electronic notary to communicate and identify the signer at the time of the remote electronic notarial act.

(Effective Date: May 31, 2019)

(NOTE: Online notary publics must register with the Secretary of State prior to performing an online notarial act. Prior to registering as an online notary public, the notary public must take a course of instruction and pass an examination approved by the Secretary of State, with such course of instruction and examination to be approved by the Secretary of State by July 31, 2020.)

## **OMNIBUS BANKING BILL**

### **LB 258 – Sponsor: Senator Matt Williams**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 258 adopts the Bank and S&L “wildcard” provisions and repeals the \$15 renewal fee for issuing an executive officer’s or loan officer’s license.

(Effective Date: March 8, 2019)

## **EDUCATIONAL SAVINGS PLAN TRUST**

### **LB 470 – Sponsor: Senator Andrew La Grone**

NBA POSITION: SUPPORT

BILL STATUS: SELECT FILE

LB 470 would extend the income tax deduction for parents contributing to a 529 College Savings Plan to anyone who contributes and would remove the \$10,000 contribution limit.

## **MEDICAL ASSISTANCE RECOVERY**

### **LB 593 – Sponsor: Senator Tom Briese**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 593 will eliminate provisions relating to medical assistance reimbursement claims and liens by retroactively repealing provisions relating to Medicaid notice or waiver applications and provisions relating to transfers of property pursuant to a revocable trust following death without prior approval. The measure will authorize the Department of Health and Human Services to certify to a personal representative of an estate or to any other person authorized under the Nebraska Probate Code to act on behalf of the decedent or to any person or entity having interest in assets of the decedent including a successor trustee, whether medical assistance reimbursement is due or an application for medical assistance is pending that may result in medical assistance reimbursement due without requiring a court order designating the applicant as a person or entity who may receive information protected by applicable privacy laws.

(Effective Date: May 31, 2019)

(NOTE: Revisions contained within LB 593 are retroactive to August 24, 2017.)

## **NEBRASKA EDUCATIONAL SAVINGS PLAN TRUST**

### **LB 610 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 610 will provide employers with a 25 percent tax credit for contributions to an employee's 529 College Savings Plan. The bill creates a cash fund to provide incentive payments to employers that make matching contributions to employees' College Savings Plans. Starting in 2022, the incentive payment is equal to 25 percent of the matching contributions during the preceding year, up to \$2,000 per employee and capped at \$250,000 annually, in the aggregate. The bill was amended to include the provisions of LB 544, pursuant to which the State Treasurer will open a college savings account for every resident born in Nebraska after January 1, 2020, unless the parent or guardian chooses to exclude them. The bill also contains the provisions of LB 547, will provide a dollar-for-dollar match to a 529 College Savings Plan established by a family earning between 200 and 250 percent of the federal poverty guidelines and a two-to-one match for every dollar contributed by a family earning below 200 percent of the federal poverty guidelines. Matches are limited to \$1,000 per beneficiary per year and capped at \$250,000 annually, in the aggregate.

(Effective Date: September 1, 2019)

(NOTE: Incentive payments for matching employer contributions commence in 2022.)



## **INCOME TAX RATE REDUCTIONS/PROPERTY TAX RELIEF**

### **LB 615 – Sponsor: Senator Mike Hilgers**

NBA POSITION: SUPPORT

BILL STATUS: IN COMMITTEE

LB 615 would provide guaranteed, fiscally responsible income tax and property tax relief on an annual basis. The bill would establish a minimum balance of \$500 million for the state's Cash Reserve Fund at the end of each fiscal year and authorize one-to-one tax relief for income taxpayers and property taxpayers. The measure would provide income tax relief in the form of rate reductions, with property tax relief delivered through additional funding of the Property Tax Credit Cash Fund. It would also establish a goal of gradually reducing the top rates for both Nebraska's individual income tax and corporate income tax to 5.99 percent.

## **FEDERAL TAX CONFORMITY – ADJUSTED BASIS**

### **LB 663 – Sponsor: Senator Curt Friesen**

NBA POSITION: SUPPORT

BILL STATUS: PASSED AND SIGNED

LB 663 amends Nebraska's tax statutes to put Nebraska taxpayers in the same relative tax position as they were prior to enactment of the federal Tax Cuts in Jobs Act, with respect to the Nebraska adjusted basis of purchases of depreciable personal property. The bill retains the personal property (1031 exchange treatment), allowing businesses to sell existing personal property and purchase like-kind replacement property, while deferring state depreciation recapture and capital gains.

(Effective Date: September 1, 2019)

## **FEDERAL TAX CONFORMITY – QUALIFIED PRODUCTION INCOME**

### **LB 664 – Sponsor: Senator Matt Hansen**

NBA POSITION: SUPPORT

BILL STATUS: IN COMMITTEE

LB 664 would amend Nebraska's tax statutes to place manufacturing and other production businesses in the same relative tax position as they were prior to enactment of the federal Tax Cuts in Jobs Act by restoring Nebraska's favorable tax treatment of income derived from manufacturing, mining, construction and certain other production businesses (deduction equal to 9 percent of qualified production income subject to certain limitations) with the deduction to be an "above-the-line" deduction included in computing adjusted gross income.

## ECONOMIC DEVELOPMENT – BUSINESS INCENTIVES

### **LB 720 – Sponsor: Senator Mark Kolterman**

NBA POSITION: SUPPORT

BILL STATUS: SELECT FILE

LB 720 would revise and improve Nebraska’s business incentives to attract more high-paying jobs and investment from business located in Nebraska, as well as out-of-state companies. The measure would replace the Nebraska Advantage Act, and (a) encourage better investments, better jobs, more robust reporting and more overall transparency; (b) accelerate the distribution of incentives by simplifying the application process; (c) increase the “new present value” of tax credits helping Nebraska to win more projects and career opportunities for residents; and (d) allows the state to build stronger relationship with businesses to encourage greater levels of investments.

## **BILLS OPPOSED BY THE NBA**

A number of bills affecting the banking industry were indefinitely postponed during the course of the 2019 legislative session or will be “carried over” for further consideration during the 2020 legislative session. The NBA was “opposed” to the following bills:

### **INCOME TAXATION**

#### **LB 50 – Sponsor: Senator Tony Vargas**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 50 would, effective for taxable years beginning on or after January 1, 2019, establish an additional individual income tax rate bracket of 7.84 percent for incomes over \$100,000 for single individuals and over \$200,000 for married filing jointly. Would also impose an additional tax of one percent on that portion of the taxpayers Nebraska taxable income in excess of \$1 million and an additional tax of two percent on that portion of the taxpayers Nebraska taxable income in excess of \$2 million.

### **SCHOOL DISTRICT LOCAL OPTIONAL INCOME SURTAX ACT**

#### **LB 182 – Sponsor: Senator Kate Bolz**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 182 would authorize school districts to adopt a local option income surtax for property tax reduction, or building construction, remodeling and site acquisition. (Local option income surtax would be equal to the individual’s state income tax liability, less any amount of nonrefundable credits allowed to such individual under state law, multiplied by a rate determined by the school board, not to exceed 20 percent.) The measure would require approval of a local option income surtax by a majority of the registered voters in the school district. The bill would also limit the duration of the local option income surtax to a period not to exceed five years.

### **SUB S AND LLC INCOME TAXATION**

#### **LB 276 – Sponsor: Senator John McCollister**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 276 would repeal the S Corporation and LLC exclusion for passthrough income derived from other states. The measure would also include pass-through income from a S Corporation or LLC for “fair compensation for services rendered to the corporation or LLC.” LB 276 would repeal legislation designed to provide identical treatment for shareholders of C Corporations and S Corporations which apportion their multistate income among the states in which the corporation

conducts business. The current law was enacted to assure income tax parity between Nebraska resident shareholders and non-resident shareholders.

## **HEALTHY AND SAFE FAMILIES AND WORKPLACE ACT**

### **LB 305 – Sponsor: Senator Sue Crawford**

NBA POSITION: OPPOSE

BILL STATUS: GENERAL FILE

LB 305 would allow employees to accrue a minimum of one hour of paid sick time for every 30 hours worked, with a maximum of 40 hours of paid sick time accrued in a calendar year. Under the measure, employees would be entitled to use accrued paid sick time beginning on the 60th calendar day following commencement of employment. Paid sick leave would be authorized for (a) an employee's mental or physical illness, injury, or health condition; (b) an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; (c) an employee's need for preventative medical care; (d) care of a family member with a mental or physical illness, injury, or health condition; (e) care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; (f) care of a family member who needs preventative medical care; or (g) absence necessary due to domestic abuse, domestic assault, sexual assault, or stalking.

## **PAID FAMILY MEDICAL LEAVE INSURANCE ACT**

### **LB 311 – Sponsor: Senator Sue Crawford**

NBA POSITION: OPPOSE

BILL STATUS: GENERAL FILE

LB 311 would establish a statewide paid family medical leave insurance program similar to Nebraska's unemployment insurance system, managed by the state Department of Labor. The bill would apply to all employers' subject to the Employment Security Act (one or more employees), with self-employed individuals eligible to participate. The measure would also provide employees with two-thirds of their regular pay for up to three months of leave for their own health, or the birth or adoption of a child, and up to six weeks leave for the care of a family member.

## **TAX SHIFTS TO PROVIDE PROPERTY TAX RELIEF**

### **LB 314 – Sponsor: Senator Tom Bries**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 314 would impose new and expanded taxes to provide \$783 million in tax shifts resulting in \$470 million in additional state funding for the Property Tax Credit Fund and significantly increasing funding for state schools. The measure would also (a) increase the state sales tax from

5.5 percent to 6 percent; (b) eliminate the \$10,000 tangible personal property tax exemption; (c) eliminate itemized deductions; (d) increase alcohol and cigarette taxes; and (e) eliminate many existing sales tax exemptions.

In addition, the bill would also increase income tax collections by:

- Ending Nebraska's S Corporation/LLC exclusion on out-of-state earnings;
- Repealing the state's special capital gains and extraordinary dividends exclusion;
- Reinstating the alternative minimum tax on high-income earners; and
- Adding a 7.84 percent surcharge on income over \$250,000 for individuals and \$500,000 for couples.

## **STATE CHARTERED CREDIT UNION POWERS**

### **LB 407 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 407 would authorize a well-capitalized Nebraska state-chartered credit union, with approval of the Director of the Nebraska Department of Banking and Finance, to engage in any activity that a credit union chartered in another state and operating one or more branches in Nebraska may be authorized to engage in, provided the Director finds that the exercise of the power and authority serves the convenience and advantage of the members of the credit union, and maintains the fairness of competition and parity between credit unions chartered under the Credit Union Act and credit unions chartered by any other state which operate one or more branches in this state. The measure would also eliminate the requirement for published notice of a credit union application to establish a branch.

## **NEBRASKA ADVANTAGE ACT – TERMINATION DATE**

### **LB 413 – Sponsor: Senator Tom Brandt**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 413 would establish the termination date for the Nebraska Advantage Act as December 31, 2019 (was December 31, 2020).

## **ECONOMIC DEVELOPMENT – TERMINATION DATES**

### **LB 417 – Sponsor: Senator Curt Friesen**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 417 would accelerate the termination dates for a number of economic development programs, including the New Markets Job Growth Investment Act, the Nebraska Advantage Rural Development Act, the Nebraska Job Creation and MainStreet Revitalization Act, the Beginning Farmer Tax Credit Act, and the Nebraska Advantage Act.

## **STATE AID TO SCHOOLS – TAX SHIFTS TO FUND PROPERTY TAX RELIEF**

### **LB 497 – Sponsor: Senator Curt Friesen**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 497 would guarantee every public school to receive state support equal to 50 percent of its basic education funding needs; increase cigarette and alcohol taxes; eliminate certain sales tax exemptions; extend sales tax to certain services; eliminate the personal property tax exemption; and transfer \$150 million from the General Fund to the state's Cash Reserve Fund.

## **MANDATED BENEFITS**

### **LB 501 – Sponsor: Senator Megan Hunt**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 501 would mandate insurance coverage for in vitro fertilization procedures to the same extent as benefits provided for other pregnancy-related procedures under a health insurance policy. The bill would apply if the patient has been unable to attain a successful pregnancy through any less costly applicable infertility treatments and the in vitro fertilization procedures are performed at a medical facility that conforms to the minimal standards for programs of in vitro fertilization adopted by the American Society for Reproductive Medicine.

## **TAX SHIFTS FOR PROPERTY TAX RELIEF**

### **LB 507 – Sponsor: Senator Tom Briesse**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 507 would expand the sales tax on services to include, among many other services; labor for repair or maintenance services performed on motor vehicles; pet-related services; cleaning of tangible personal property; storage and moving services; investment advice; personal care services including haircare, nail services, spa services, and tattoo services; limousine, taxi, ridesharing and other transportation services; lawncare, gardening, and landscaping services; parking services; legal services other than services performed for a for-profit business enterprise; accounting and tax preparation services, other than for a for-profit business enterprise; labor of a contractor for any major addition, remodeling, restoration, repair, or renovation of owner-occupied residential housing; and interior design services. The bill would also eliminate several sales tax exemptions and impose a tax on soft drinks, candy, and bottled water. LB 507 would direct net revenues resulting from the taxes imposed by the bill to be credited to the Property Tax Credit Cash Fund.

## **TAXATION – TAXPAYER INVESTMENT PROGRAM/INCOME TAXATION**

### **LB 508 – Sponsor: Senator Tom Briesse**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 508 would impose sales tax on services for (a) cleaning of tangible personal property; (b) storage and moving services; (c) investment advice; (d) hair care services; (e) maintenance, painting, and repair services for single-family housing; (f) limousine, taxi, and other transportation services; (g) plumbing services; (h) lawn care, gardening, and landscaping services; (i) parking services; (j) swimming pool cleaning and maintenance services; (k) dating and escort services; (l) instruction in music, dance, golf, and other recreational activities; (m) clothing alteration services; (n) tanning services; (o) telefloral delivery services; (p) massage services, excluding massage services prescribed by a licensed health care professional; (q) prepared food; (r) fees and admissions for political events; (s) fees admissions by nonprofit tax-exempt organizations; (t) tax on soft drinks and candy; (u) prepared foods by fraternities or sororities; and (v) would credit to the Property Tax Credit Cash Fund any net increase in state tax revenue resulting from the taxes imposed by the bill.

## **ECONOMIC DEVELOPEMENT**

### **LB 613 – Sponsor: Senator Sue Crawford**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 613 would accelerate the termination dates under the New Markets Job Growth Investment Act, the Nebraska Job Creation and MainStreet Revitalization Act, and the Beginning Farmer Tax Credit Act to July 1, 2019, and transfer the estimated savings of \$30 million annually to the Site and Building Development Fund.

## **TAX SHIFTS FOR PROPERTY TAX RELIEF**

### **LB 614 – Sponsor: Senator Sue Crawford**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 614 would increase the alcohol tax and cigarette tax; impose sales and use taxes on candy, soft drinks and bottled water; increase the state's earned income tax credit; eliminate exemptions provided under the Personal Property Tax Relief Act; change provisions relating to certain extraordinary dividends and capital gains, certain S Corporation and limited liability company income and itemized deductions; provide for a property tax relief allowance; and increase allocated income tax funds under the school aid formula.

## **INCOME TAX INCREASES FOR PROPERTY TAX RELIEF**

### **LB 661 – Sponsor: Senator Curt Friesen**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 661 would eliminate the existing inflation adjustment for income tax brackets, change provisions relating to personal exemptions and provide for additional income tax liability. The bill would credit net revenues derived from the income tax increases to the Property Tax Credit Cash Fund for property tax relief.



## **BINDING ARBITRATION**

### **LB 685 – Sponsor: Senator Steve Lathrop**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LB 685 would prohibit the denial or delay of a remedy by due course of law resulting from an agreement requiring participation in mediation, binding arbitration, a grievance procedure, or any other form of dispute resolution unless enforcement of such agreement is otherwise provided for by the legislature.

## **CONSTITUTIONAL AMENDMENT – PROPERTY TAX RELIEF**

### **LR 3CA – Sponsor: Senator Steve Erdman**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LR 3CA would propose a constitutional amendment to provide for a refundable credit against individual income taxes in an amount equal to 35 percent of property taxes levied on real property located in this state and paid by the taxpayer for taxable years beginning on or after January 1, 2021.

## **CONSTITUTIONAL AMENDMENT – PROPERTY TAX RELIEF**

### **LR 5CA – Sponsor: Senator Tom Brewer**

NBA POSITION: OPPOSE

BILL STATUS: IN COMMITTEE

LR 5CA would propose a constitutional amendment to limit the percentage of funding for schools that comes from local property taxes to no more than 33 percent of the funding for free instruction in the common schools from local property taxes.

## **OTHER BILLS OF INTEREST**

The NBA monitored other bills of interest to the banking industry, as set forth below:

### **NEBRASKA UNIFORM POWER OF ATTORNEY ACT**

#### **LB 146 – Sponsor: Senator Matt Hansen**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 146 expands the damages associated with refusal to accept an acknowledged power of attorney for economic damages proximately caused by the refusal to comply with the instructions of the agent designated in the power of attorney in transactions relating to securities accounts.

(Effective Date: September 1, 2019)

### **FAIR CHANCE HIRING ACT**

#### **LB 254 – Sponsor: Senator John McCollister**

NBA POSITION: WATCH

BILL STATUS: FINAL READING

LB 254 allows employers to ask applicants for employment to disclose, orally or in writing, information concerning the applicant's criminal record or history, including any inquiry on any employment application, and require the employer to afford the applicant an opportunity to explain the information and the circumstances regarding any convictions or other criminal history, including the applicant's rehabilitation.

### **MOTOR VEHICLE LICENSING**

#### **LB 270 – Sponsor: Senator Curt Friesen**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 270 revises licensing, registration, entitling provisions for motor vehicles and other types of vehicles and authorize an implementation date of January 1, 2021, for updating of electronic certificate of title records. The measure also authorizes sellers of motorboat, vehicles and other titled items to request the Department of Motor Vehicles to update an electronic certificate of title if the purchaser does not obtain a certificate of title within 30 days of sale of vehicle.

(Effective Date: September 1, 2019)

## **REMOTE SELLER AND MARKETPLACE FACILITATOR ACT**

### **LB 284 – Sponsor: Senator John McCollister**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 284 requires any person selling property for delivery into this state who does not have a physical presence in this state to collect and remit sales tax as if the remote seller had a physical presence in the state if the remote seller meets either of the following criteria in the previous or current calendar year: (a) the remote seller's gross revenue from the sale of property delivered into Nebraska exceeds \$100,000; or (b) the remote seller sold property for delivery into Nebraska in 200 or more separate transactions. The measure also applies identical sales tax collection and remittance requirements upon a marketplace facilitator (person who contracts with sellers to facilitate the sale of the seller's products through physical or electronic marketplace operated by such person).

(Effective Date: March 22, 2019)

## **PETROLEUM PRODUCTS LIEN**

### **LB 318 – Sponsor: Senator John McCollister**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 318 eliminates the requirement for enforcement proceedings relating to a petroleum products lien to be instituted within 90 days after the filing of the lien and allow such lien to be enforced in the manner and form provided for the enforcement of secured transactions under Uniform Commercial Code, Article 9.

(Effective Date: September 1, 2019)

## **COMMITTEE ON AMERICAN CIVICS/FINANCIAL LITERACY**

### **LB 399 – Sponsor: Senator Julie Slama**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 399 requires every school district to establish a Committee on American Civics (was Committee on Americanism) to carefully examine and ensure that the social studies curriculum used in the district is aligned to the social studies standards adopted by the state and teaches and assesses foundational knowledge in civics, history, economics, financial literacy, and geography. The bill also requires in at least two high school courses, for time to be devoted to the teaching of civics in American history with specific attention to be given to the application of knowledge in

civics, history, economics, financial literacy, and geography in order to address meaningful issues within our society.

(Effective Date: September 1, 2019)

### **TREASURERS TAX DEEDS**

#### **LB 463 – Sponsor: Senator Matt Williams**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 463 revises notice requirements for the issuance of a treasurers tax deed in connection with tax sale certificates by requiring personal or residence service for both the owner of the property and any person in actual possession or occupancy of the real property.

(Effective Date: September 1, 2019)

### **NEBRASKA UNIFORM DIRECTED TRUST ACT**

#### **LB 536 – Sponsor: Senator Patty Pansing Brooks**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 536 allows a person granted a power of direction by the terms of a trust, to the extent the power is exercisable while the person is not serving as a trustee, to include power over the investment, management, or distribution of trust property or other matters of trust administration, including, but not limited to, amendment, reform, or termination of the trust.

(Effective Date: September 1, 2019)

### **ATUOMATIC TELLER MACHINE FEES**

#### **LB 603 – Sponsor: Senator Brett Lindstrom**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 603 eliminates the requirement that a switch implement the same ATM usage fee for all user financial institutions for essentially the same service.

(Effective Date: September 1, 2019)

## NEBRASKA HEMP ACT

### **LB 657 – Sponsor: Senator Justin Wayne**

NBA POSITION: WATCH

BILL STATUS: PASSED AND SIGNED

LB 657 would adopt the Nebraska Hemp Act to establish a state plan for the monitoring and regulation of hemp production in compliance with the Federal Agriculture Improvement Act of 2018, with the state plan to be submitted to the United States Secretary of Agriculture for approval within 30 days after the effective date of the Act.

(Effective Date: May 31, 2019)