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## **Legislative Report 2017 Nebraska Unicameral 105<sup>th</sup> Legislature, First Session**

*2017 Legislative Review Prepared For:*

### **Included Within Report:**

Summary of Session  
Relevant Interim Studies

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Registered Lobbyists

American Communications Group, Inc.

The 2017 Legislative Session is now in the books. Because of electoral successes in 2016, pro-union candidates were elected to control enough of the Committee membership structure of the Legislature to ensure that the Business and Labor Committee, the committee that handles most of the labor policy, was comprised of a majority of pro-union Legislators. As a result, a myriad of anti-union legislation to limit and roll back workers' compensation protections, public sector dues collection and pro-employer changes to the Commission of Industrial Relations were halted in Committee. This spared us significant time and effort as we navigated through anti-worker tax policy proposed by the Governor as well as burdensome campaign law changes and constitutional convention proposals.

### **BUDGET**

Included in the biennium budget is \$31 million for funding the NAPE/AFSCME contract to cover salary increases and health insurance premiums ([LB 327](#)). The Department of Roads will merge with Department of Aeronautics and become the Department of Transportation ([LB 339](#)) and the Division of Veterans' Homes of the Department of Health and Human Services is now officially transferred to the Department of Veterans' Affairs ([LB 340](#)). Workers' compensation coverage was expanded for Nebraska State Employees who work in the hazardous occupations within the Correctional System and Regional Centers as a result of a NAPE/AFSCME promoted amendment that will provide an expansion of mental health coverage under certain conditions ([LB 444](#)).

### **TAX UPDATE**

Overall NAPE/AFSCME monitored 80 bills and participated with a coalition of others to thwart the Governor's income tax proposal that would cause the type of financial danger that has been unleashed in Kansas. The main piece of legislation was [LB 461](#), a bill introduced by Senator Smith that was a vehicle to incorporate provisions of several different tax bills. Portions of the following bills were included, [LB 337](#), [LB 338](#) and [LB 452](#). LB 461 was presented as responsible tax reform intended to give average Nebraskans much needed tax relief, but it was not. The vast majority of the tax cuts in LB 461 would

have been income tax cuts for the extremely wealthy and was not sound fiscal policy particularly when facing a significant budget deficit. LB 461 did not have enough support and a cloture motion on General File debate failed on a vote of [27-9](#), when 33 votes were needed. The only revenue generating bill that was advanced out of the Revenue Committee was LB 44, which imposed requirements to collect online sales tax that are already due. The Governor adamantly opposed the bill as a tax increase and it remains on Select File and will carryover until next year.

Below is a summary of the legislation that passed and those that will be carried over to next year. We are also attaching your full tracking spreadsheet, as well as a review of the interim studies that Legislators have introduced that may give us an early indication of new legislation for the 2018 Legislative Session. Please do not hesitate in contacting us for any questions or clarifications.

## Legislation that Passed

### **LB72 - Change provisions relating to cities and villages filing for bankruptcy**

#### *Introduced by Senator Schumacher*

Prevents a city or village with a defined benefit retirement plan from filing for bankruptcy unless the plan's funded ratio reaches a certain percentage. The ratio will increase incrementally from approximately 52 percent for any petition filed between 2020 and 2023 to 90 percent after Jan. 1, 2038. The bill also allows a city or village without a pension plan to declare that its general obligation bonds would be equally and ratably secured by property taxes levied from year to year by the city or village. Those bonds would have a first lien on the property taxes levied.

### **LB172 - Change the Employment Security Law**

#### *Introduced by Senator Albrecht*

LB 172 was introduced at the request of the Department of Labor. It revises Nebraska's Employment Security Law by eliminating obsolete language and clarifying provisions to make the law easier to understand for both claimants and employers. LB 172 contains no policy changes to the Employment Security Law. The bill contains 89 sections, many of which harmonize language, consolidate definitions, strike obsolete language and dates, make grammatical changes, update references, relocate language to allow clearer understanding of statute, make technical changes, create subsections in certain sections for organizational purposes, replace references, outright repeal certain sections, and provides an operative date of January 1, 2018.

### **LB203 - Change provisions relating to maximum annual unemployment benefits and disqualification for benefits and authorize electronic notice**

#### *Introduced by Senator Kuehn*

Reiterates current law of what unemployment benefits an eligible individual is entitled to during a benefit year. For any benefit year beginning on or after October 1, 2018, an individual is entitled to benefits of twenty-six times his or her weekly benefit amount or one-third of his or her wages as employed per calendar quarter, whichever is less. However, when an individual is separated from employment under which the individual could have been determined disqualified (due to leaving work voluntarily without good cause or due to discharge for misconduct), the amount of benefits the individual is entitled to will be reduced as follows: If the claimant was disqualified for benefits due to leaving work voluntarily without good cause, the total benefit amount is reduced by (i) two times the weekly benefit amount if the individual left work voluntarily to accept previously secured, full-time, insured work, which the individual does accept or (ii) thirteen times the weekly benefit amount if the individual left work voluntarily without good cause for any reason other than previously described.

## **LB207 - Change provisions relating to powers and duties of the Office of Inspector General of Nebraska Child Welfare**

### ***Introduced by Senator Krist***

Clarifies that investigations of death or serious injury of children in state custody shall be conducted only when the Inspector General "determines the death or serious injury did not occur by chance." Adds clarifying language that if the Inspector General issues a subpoena to compel a person to appear and give sworn testimony or produce documentary evidence, he or she is entitled to have counsel present, but that the fees for such legal counsel "shall be the personal responsibility of the person required to provide information." Clarifies that any person receiving a report of an investigation shall not further distribute the report or any confidential information contained in the report "beyond the entity that is the subject of the report. Clarifies the language regarding fees associated with legal representation so that it is clear that such fees are not the responsibility of the office of Inspector General of Nebraska Child Welfare

## **LB225 - Change provisions of the Child Protection and Family Safety Act, the Nebraska Juvenile Code, the Foster Care Review Act, and the Nebraska Strengthening Families Act as prescribed**

### ***Introduced by Senator Crawford***

The bill expands Nebraska's alternative response pilot to a statewide program and extends the authorized use of alternative response until Dec. 31, 2020. The bill also requires that the mandatory evaluation of the program be presented to the Nebraska Children's Commission by Nov. 15, 2018.

The bill includes three additional child-welfare related measures:

- LB297, sponsored by Omaha Sen. John McCollister, creates the Children and Juveniles Data Feasibility Study Advisory Group as a pilot project;
- LB298, sponsored by Lincoln Sen. Roy Baker, renames the Normalcy Task Force as the Nebraska Strengthening Families Act Committee under the Nebraska Children's Commission and adds a juvenile facility representative to the committee; and
- LB336, sponsored by Ralston Sen. Merv Riepe, allows DHHS to charge a maximum \$3 fee to conduct a central registry check.

## **LB263 - Change provisions relating to motor vehicles, the Public Service Commission, motor carriers, and the statewide one-call notification center**

### ***Introduced by The Transportation and Telecommunications Committee***

Requires the state Department of Motor Vehicles (DMV) to create an electronic dealer services system. The system will allow dealers to provide titling and registration services following the sale of a vehicle, in addition to collecting title and registration fees, sales taxes and motor vehicle taxes. Any car dealer participating in the electronic dealer services system can charge a service fee of up to \$50. The bill also allows the owner of a motor vehicle that is more than 30 years old to apply for issuance of a title when no major component parts have been replaced and the DMV shows no record of a previously issued title. A title can be issued following presentation of a notarized bill of sale, completion of a title inspection and payment of a \$25 fee.

Provisions of 10 additional transportation-related bills are contained within LB263, including:

- LB54, introduced by Columbus Sen. Paul Schumacher, which excludes the owner of a vehicle equipped with a keyless ignition from the duty to lock and remove a key from the ignition before leaving a vehicle unattended on a highway;
- LB70, introduced by Lincoln Sen. Patty Pansing Brooks, which allows for judicial discretion to forego the current one-year revocation of operating privileges in cases of a first offense of driving with a revoked driver license;
- LB143, introduced by Henderson Sen. Curt Friesen, which requires that the vehicle registration for a vehicle with a public power district license plate be kept at the principle place of business of the public power district;

- LB164, introduced by Lincoln Sen. Suzanne Geist, which amends several technical DMV provisions relating to commercial driver license disqualification, motor vehicle accident reports and motor vehicle records administration;
- LB294, introduced by Papillion Sen. Jim Smith, which allows the DMV to enter into an agreement of mutual recognition of operator licenses with foreign countries;
- LB355, introduced by Lincoln Sen. Kate Bolz, which authorizes the DMV to create “Native American Cultural Awareness and History” license plates;
- LB418, introduced by Albion Sen. Tom Briese, which updates state statute with federal regulations adopted within the last year;
- LB459, introduced by Smith, which expands the responsibilities of the state fire marshal in carrying out the One-Call Notification Act;
- LB460, also introduced by Smith, which authorizes the state Department of Health and Human Services or any organization or agent contracted by the department to contract for non-medical emergency transportation with a contract carrier authorized by the Public Service Commission (PSC); and
- LB483, introduced by Lincoln Sen. Mike Hilgers, which provides to the PSC an exemption from the Nebraska Administrative Procedures Act for purposes of granting or denying a petition for intervention.

### **LB320 - Change provisions relating to bidding and purchases, conflicts of interest in the materiel division, and facilities construction and administration**

#### *Introduced by Senator Lowe*

Increases the dollar value for competitive formal bidding for personal property from \$25,000 to \$50,000. The threshold for informal bidding is raised from \$10,000 to \$25,000. The threshold for unrestricted open market purchases increases from \$10,000 to \$25,000. The threshold for real property purchases would be modified to \$64,000.

### **LB339 - Merge the Department of Aeronautics into the Department of Roads and rename as the Department of Transportation**

#### *Introduced by Senator Friesen at the request of the Governor*

The state Department of Aeronautics will merge with the state Department of Roads, effective July 1. The combined agencies will be renamed the Nebraska Department of Transportation. The newly formed department will be administered by the director-state engineer for the state Department of Transportation. This position will be filled by the current director-state engineer for the state Department of Roads. Any person hired to serve as the director of the aeronautics division within the department will require legislative confirmation.

### **LB340 - Transfer powers and duties from Division of Veterans' Homes of Department of Health and Human Services to Department of Veterans' Affairs**

#### *Introduced by Senator Murante at the request of the Governor*

Transfers all programs, services and duties of the state Department of Health and Human Services Division of Veterans' Homes to the state Department of Veterans' Affairs, effective July 1, 2017. The bill also creates the Department of Veterans' Affairs Cash Fund to receive all money paid to the state by members of the Nebraska veterans' homes. Division employees will be considered employees of the Department of Veterans' Affairs after the transition and retain their rights and service under the state personnel system.

### **LB415 - Change provisions relating to certain retirement plans as prescribed**

### ***Introduced by Senator Kolterman***

Creates a new “Rule of 85” with a minimum retirement age of 60 for new school employees. The change applies only to employees hired on or after July 1, 2018. Under the rule, an employee may retire at age 60 if their age plus their years of creditable service equal 85 or higher.

Also included are provisions of six additional measures introduced by Kolterman that make changes to the various state retirement plans, including:

- LB31, which makes changes in the school employees retirement plan related to creditable service;
- LB32, which changes the frequency and method of calculation of county prior service annuity payments in the County Employees Retirement Act;
- LB110, which eliminates the obligation of political subdivisions to file annual reports on defined contribution plans after Dec. 31, 2017, and delete the requirement for the Public Employees Retirement Board to design and provide the annual reporting form;
- LB278, which clarifies the definition of disability in the county, state and school plans;
- LB413, which makes technical and clean-up changes to the judges and state patrol retirement plans; and
- LB532, which makes changes regarding military service in the judges and state patrol plans.

### **LB444 - Prohibit cities and counties from canceling health insurance coverage for injured first responders as prescribed and include under the Nebraska Workers' Compensation Act frontline state employees with respect to personal injuries**

#### ***Introduced by Senator Walz***

Prohibits cities and counties from canceling existing health insurance coverage for any law enforcement officer who suffers serious bodily injury as a result of an assault while in his or her official capacity. The bill also covers injured sheriffs, deputy sheriffs, firefighters and mental health care providers. Cities and counties are now obligated to provide health insurance while first responders remain employed with the agency and return to work within one year of the original injury.

The bill includes provisions of LB244, originally introduced by Lincoln Sen. Kate Bolz, which extends workers' compensation benefits to employees of the state Department of Correctional Services and Department of Health and Human Services who regularly and directly interact with high-risk individuals. A high-risk individual includes a person in state custody with a history of violent or physically intimidating behavior, including a committed offender, regional center patient and a committed juvenile offender.

### **LB508 - Change population threshold for the county civil service system and change provisions relating to personnel policy boards and boards of county commissioners**

#### ***Introduced by Senator Hilgers***

Changes the upper population threshold for the county civil service system from 300,000 to 400,000. It also reforms the membership of the board. Currently, the board is comprised of two members appointed by the County Board, two members appointed by the elected department heads, and two members appointed by classified employees covered by the personnel system. The amendment would remove one of the members appointed by the County Board, and one of the members appointed by the elected department heads. Second, it makes changes to the quorum requirement for the personnel board. Under the amendment, three members of the board would constitute a quorum. However, the member appointed by the County Board, and the member appointed by the elected department heads must be present in order for a quorum to exist.

### **LB539 - Change the Office of Inspector General of the Nebraska Correctional System Act**

#### ***Introduced by Senator Krist***

Expands the reporting requirement to include all cases that result in death, serious injury, hospitalization or urgent medical treatment required by an employee acting in his or her official capacity. The inspector general may release investigative findings if it is determined to be in the public's best interest. The bill also protects employees who provide information for such a report from negative employment consequences.

## **LB624 - Provide procedure to withhold from the public law enforcement officers' residential addresses in county records**

### *Introduced by Senator Wishart*

Directs county assessors and registers of deeds to withhold from the public the residential address of a law enforcement officer who applies unless a member of the public requests the address in writing. Officers are required to renew their applications every five years.

## **RECENT HEADLINES**

- **Spending during campaign pays off in veto fights:** [http://www.omaha.com/news/politics/ricketts-spending-in-legislative-campaigns-pays-off-in-veto-fights/article\\_330d6f71-52b0-55e7-beb2-92e492c76b5d.html](http://www.omaha.com/news/politics/ricketts-spending-in-legislative-campaigns-pays-off-in-veto-fights/article_330d6f71-52b0-55e7-beb2-92e492c76b5d.html)
- **OWH Editorial – New era for Legislature:** [http://www.omaha.com/opinion/editorial-new-conservative-era-for-legislature/article\\_31ee5eac-59df-57d9-b5bd-6608d74f110c.html](http://www.omaha.com/opinion/editorial-new-conservative-era-for-legislature/article_31ee5eac-59df-57d9-b5bd-6608d74f110c.html)
- **Nebraska Legislature passes over 170 bills, but budget shortfall casts shadow:** [http://www.omaha.com/news/legislature/nebraska-legislature-passes-more-than-bills-but-budget-shortfall-casts/article\\_3321327f-2c19-5c9f-9f4a-8ed2bad598e0.html](http://www.omaha.com/news/legislature/nebraska-legislature-passes-more-than-bills-but-budget-shortfall-casts/article_3321327f-2c19-5c9f-9f4a-8ed2bad598e0.html)
- **How Trump's budget would affect every aspect of government:** [https://www.nytimes.com/interactive/2017/05/23/us/politics/trump-budget-details.html?smid=fb-nytimes&smtyp=cur&\\_r=1](https://www.nytimes.com/interactive/2017/05/23/us/politics/trump-budget-details.html?smid=fb-nytimes&smtyp=cur&_r=1)