

# Nebraska Association of County Officials Legislative Report



May 1, 2009

## Governor Signs Assessment Transfer Bill

Governor Heineman signed a number of bills into law on April 22, including several with county impact. **LB 121** transfers the assessment function back to the nine counties that are currently assessed by the state. These counties will begin to partially reimburse the state beginning July 1, 2010. After four years, counties will bear the full cost of assessment unless they choose to reassume the county assessment function sooner. Should this occur, a county assessor would be appointed until the office could be filled at the next election.

**LB 111** provides for doubled fines in construction zones in

portions of a highway where road construction workers are present. **LB 202** provides for electronic motor vehicle or motorboat titles if a lien has been filed. Motor vehicle dealers can apply for a certificate of title in any county. **LB 361** allows county boards and other governing bodies to use an electronic voting device to record roll call or voice votes. Existing law allows city councils or village boards to use the devices. Other sections of the bill address meeting by conference call for certain risk management pools and other entities.

## Bleak Budget Forecast Leaves Senators Eyeing Reserves

In response to a downward revision of projected tax receipts by the Nebraska Economic Forecasting Advisory Board, the Appropriations Committee has presented a budget proposal balanced by a transfer of \$56 million of reserve funds. Last week the Forecasting Board decreased its February projections by \$71 million for the current fiscal year.

In addition to the reserve funds, other sections of the budget proposal would reduce increases to providers of medical and human services, higher education, and a cultural trust. The proposal assumes changes in state aid to schools and receipt of \$31 million in anticipated federal stimulus funds.

Senators will begin budget debate on Tuesday. According to the rules of the Legislature, the appropriations bills must be passed no later than the 80<sup>th</sup> legislative day in a 90-day session. This year, May 18 is the 80<sup>th</sup> day. Bills requiring a general fund expenditure or resulting in a reduction of revenue to the general fund cannot be read on Final Reading until the appropriations bills are passed.

The budget package is comprised of **LB 311, LB 312, LB 313, LB 314, LB 315, LB 316, LB 318** and **LB 456**.

Senators addressed a shortage of funds in the state's defined benefit retirement plans by advancing legislation that would increase employer and employee contributions in the state patrol and school plans. Currently Nebraska State Patrol employees contribute 13 percent of income. A committee amendment adopted on General File increased that amount to 15 percent. As advanced from Select File, employee and

employer contributions would increase to 16 percent. Other sections of **LB 188** would extend deadlines and make technical changes to the county and state plans.

Members of the school plan would increase contributions by one percent from September 1, 2009 until August 31, 2014. During the same period, the state would deposit one percent of compensation of all members of the school plan and the Class V (Omaha) School Retirement System into the state plan. After that date, the state would deposit 0.7 percent of compensation into the fund. Contributions by members of the Omaha plan will increase from one percent to 8.30 percent on September 1, 2009 under **LB 187**.

These retirement plans, as well as the judges plan, are defined benefit plans, which provide benefits based upon a formula including years of service and prior compensation. County officials and employees participate in either a cash balance or defined contribution plan. Under the cash balance plan, participants receive a rate of return based on a federal rate, with a guaranteed minimum annual return of five percent. Returns under the defined contribution plan are based upon investment decisions made by the employee.

No action has been taken on **LB 427**, a bill to increase retirement contributions by county law enforcement officers, and **LB 426**, a measure to increase retirement benefits for police officers.

## NRD Bonding Authority Advances

After a second General File vote, a bill granting limited bonding authority to the Papio-Missouri Natural Resource District (NRD) advanced to the second round of debate on Tuesday on a 31-11 vote. An initial vote was taken on Monday, but due to a miscommunication, a roll-call vote was not taken and the vote failed to advance. Speaker Flood rescheduled the bill so that the problem could be corrected.

**LB 160** would give NRDs encompassing an area with a metropolitan class city the authority to issue bonds for flood protection and water quality enhancement projects. The bill was the result of efforts over the last six years to implement a

funding mechanism for these projects. Debate focused on the amount of levy authority that could be used to repay the proposed bonds, whether a local entity should pay for projects of statewide significance, and who should be given authority to approve or disapprove of bonds. An amendment to limit levy authority to two cents and require bond issues to be presented to voters at a statewide general or primary election failed. Both opponents and proponents of the original bill opposed the amendment. An amendment was adopted to require approval of a majority of registered voters in the district to approve the project.

## Safe Haven Package Sent to Final Reading

Five bills aimed at providing behavioral health services were combined into a single bill, **LB 603**, and advanced to Final Reading on April 30. Introducers of the bills, members of the Health and Human Services Committee, and others developed the package after beginning debate on the issue in March. Proponents said that the \$16 million proposal addresses short, intermediate, and long-term concerns.

As advanced, the bill would increase the number of children

eligible for the state's Kid's Connection health insurance program (**LB 136**), increase services for children in the state's six behavioral health regions (**LB 356**), and create a 24-hour hotline for peer and professional support (**LB 346**). Other sections of the bill would require the state to apply for Medicaid coverage for certain services (**LB 601**) and provide additional funds for training psychiatry professionals (**LB 603**).

## Bills Advanced from General File

- **County Coroners:** County attorneys or deputy county attorneys who act as coroners would be required to complete initial death investigation training within one year after election or appointment and receive annual continuing education under **LB 671** as advanced to Select File. As advanced, the bill would add a forensic pathologist and county sheriff or chief of police to the County Attorney Standards Advisory Council and charge the group with developing uniform checklists of best practices of death investigations. The council would also be responsible for establishing a voluntary network of regional law enforcement officials, county coroners, and medical personnel to provide death investigation support services for any location in Nebraska.

The original version of the bill would have established a regional medical examiner system funded by a one dollar court fee. Due to the economy, the proposal was scaled down by a Judiciary Committee amendment.

- **Workers' Compensation:** A proposed cost of living increase for workers' compensation benefits was eliminated from **LB 630** before it advanced from General File. Opponents of the

bill argued about the costs to employers, including counties and cities. Proponents presented data indicating negligible costs to implement the bill as amended.

- **Wind Energy:** Senators gave first-round approval to a bill aimed at creating standards for wind energy agreements. Although several wind farms have been developed in Nebraska and many other sites are being investigated, currently there are no guidelines for the process. As advanced, **LB 568** would require wind leases to be filed with the register of deeds. Wind energy interests could not be severed from the surface estate and would be subject to statutory requirements applicable to solar energy or wind energy conversion system leases. Wind agreements would run with the land for an initial term not to exceed 50 years. Agreements would terminate if development of the project has not started within ten years. Parties could agree to extend this period. An amendment is pending that would shorten the development time frame to five years.

Senators commended a group of Saline County landowners for coming together to create an association to work through legal and practical issues related to a wind farm in that area.

## Board of Equalization Seminar Set for May 14

County board members, attorneys, clerks and assessors, as well as the chairman of the Tax Equalization and Review Commission and Property Tax Administrator, will provide training and share their experiences in the equalization process

at NACO's sixth County Board of Equalization Workshop in May 14 in Kearney. See the NACO website for the agenda and registration information.