

# Nebraska Association of County Officials Legislative Report



January 28, 2011

## Revenue Committee Hears State Aid Bills

Governor Heineman took the unusual step of testifying before the Revenue Committee in an effort to find support for his proposal to eliminate state aid to counties and other entities as part of his overall budget plan. He testified on Wednesday in support of [LB 383](#), a bill to eliminate state aid to counties, cities, and natural resources districts. On Thursday, the committee heard testimony on [LB 96](#), a measure that would replace a factor in a funding formula for a new county aid program, thereby allowing no appropriation to be made.

Several county officials from across the state testified in person and entered letters opposing changes to county aid. County representatives reminded the committee that counties face the same budget constraints as the state, including unfunded mandates pushed down from higher levels of government, but counties have few choices except property tax increases or cuts in services to offset changes. Constitutional and statutory levy limits and budget restrictions prohibit large increases in property tax revenues and expenditures of tax dollars.

Senators challenged counties and other local governments to provide alternatives to cutting state aid and options for revenue sources other than property taxes. Counties noted proposals this year to allow publication of meetings notices on websites ([LB 444](#)), sell surplus mobile equipment ([LB 139](#)), and increase fees for certain filings in register of deeds offices ([LB14](#)).

Following the hearing on [LB 96](#), the committee also took testimony on [LB 106](#), a bill that would allow counties to impose a sales tax with the proceeds used for infrastructure. Existing law authorizes counties to enact a sales tax on areas outside of municipalities with sales taxes with the revenue supporting a public safety commission. Although few counties have sizeable retail businesses in unannexed areas that would be eligible for the tax, it would constitute another tool for counties. Because questions were raised about the authority for all county residents to vote on the tax, it is possible that an amendment clarifying election procedures would be included if the bill is advanced by the committee.

## Court Cost Bill Heard by Judiciary Committee

The Supreme Court's budget would be supplemented by increased court fees under [LB 251](#), which was heard by the Judiciary Committee on Wednesday. The proposed \$20 increase for filing various cases would generate approximately \$7 million annually and is intended to reduce cuts and court closures that could result from reductions in state General Fund appropriations to the Supreme Court. Citing the fiscal note, NACO and county officials testified that counties would be forced to absorb the additional costs in some situations because not all court fees can be collected from the filer. Senator Brenda Council, the bill's introducer, indicated that the bill and a proposed amendment were not intended to modify the fees that counties currently receive. NACO testified that sustaining and improving courts is an important function of government and NACO supports the Supreme Court's efforts to improve efficiency through technology.

During the hearing on [LB 251](#), senators noted a number of factors related to court costs, including referencing a

restructuring plan for the court system proposed in [LB 302](#). The bill is set for hearing on Friday after the publication deadline.

The committee also heard testimony on [LB310](#) that would provide for the appointment of attorneys for indigent petitioners in protection order cases if the respondent is represented by an attorney. [LB 310](#) was introduced in response to a Court of Appeals case. After reviewing the fiscal note, NACO pointed out the impact on counties, particularly in light of other measures that are being proposed in this legislative session. The fiscal note shows estimated costs of \$175,000 per year for Douglas County and close to \$70,000 per year for Lancaster County.

On Thursday, the committee heard [LB 390](#), which would eliminate the Jail Standards Division of the Crime Commission. Instead, a manual of recommended guidelines would be published by the Crime Commission.

No action has been reported on these bills.

## Publication of Notices on County Websites Urged

State open meetings laws would specifically authorize counties and other governing bodies to provide public meeting notices by publishing in newspapers, posting on their website, or posting in community buildings under [LB 444](#). Sen. Bill Avery, Chair of the Government, Military and Veterans Affairs Committee, introduced the bill on behalf of NACO. Although open meetings statutes do not specifically require publication in newspapers, counties most often use this method to provide the reasonable advance publicized notice of meetings required by statute. However, as more counties develop a web presence, making meeting notices available online in lieu of publishing in newspapers is another step toward making government accessible to everyone. NACO encourages counties with

websites to designate their website as one means of providing the notice required by statute.

At the Government Committee hearing on Wednesday, representatives of several newspapers testified in opposition to [LB 444](#) and [LB 150](#), a bill to require notices of state meetings to be published on the Secretary of State's website in addition to existing publication requirements. The committee has not yet taken action on either bill.

The committee also heard testimony on [LB 266](#), which would revise open meetings laws to allow evaluation of the job performance of nonelected officials or employees during a closed session. The bill is intended to address job evaluations of school superintendents during public meetings.

## Road Funding Proposals Set for Hearing

State bonding for highways, increased motor vehicle fees on older vehicles, and the sale of federal aid funds are three mechanisms that have been proposed to aid construction and maintenance of infrastructure. These bills will be the subject of a public hearing by the Transportation and Telecommunications Committee on Tuesday, Feb. 1. [LR 3CA](#) would allow the state to pledge sales and use tax revenues for highway bonds.

[LB 98](#) would allow political subdivisions to sell federal-aid transportation funds to the Department of Roads at a discounted rate. The funds obtained from the sale could be used for road and bridge construction and maintenance, without some of the restrictions that cause delays and increased compliance costs for federal aid projects. The concept has been used successfully in other states.

[LB 327](#) would impose an additional \$10 motor vehicle fee on vehicles over 14 years of age. The additional fee would be credited to the Highway Trust Fund.

The committee will also hear testimony on [LB 584](#), which would provide an exemption from motor vehicle registration fees for deployed members of the military.

Several other proposals will be heard by the Revenue Committee on Feb. 10. [LB 84](#) would serve as implementing legislation for the bonding process offered in [LR 3CA](#). [LB 429](#) would reduce the commission paid to sellers of motor vehicle fuel with the additional dollars credited to the Highway Trust Fund. [LB 504](#) would increase fuel tax rates. [LB 505](#) would increase motor vehicle fees on older vehicles and use a portion of the funding for the State Patrol Retirement Fund.

## 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, Jan. 31

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

Room 1507 1:30 p.m.

- [LB 396](#) – Change bond provisions relating to the deposit and investment of certain county funds

#### *Business and Labor Committee*

Room 2102 1:30 p.m.

- [LB 472](#) - Adopt the Nebraska Workers Adjustment and Retraining Notification Act

#### *Transportation and Telecommunications Committee*

Room 1113 1:30 p.m.

- [LB 215](#) - Change state identification card and motor vehicle operator's license provisions
- [LB 183](#) - Change abandoned motorboat and trailer provisions
- [LB 206](#) - Provide for disposition of abandoned camper units and cabin trailers
- [LB 164](#) - Provide notification requirements before moving buildings or other large objects on a county or township road

# Selected Committee Hearing Schedule con't.

## Tuesday, Feb. 1

### *Agriculture Committee*

Room 1524 1:30 p.m.

- LB 160 - Eliminate a duty of the county assessor relating to information on trusts that own agricultural land

### *Transportation and Telecommunication Committee*

Room 1113 1:30 p.m.

- LB 98 - Provide powers relating to federal-aid transportation funds
- LR 3CA - Constitutional amendment to authorize pledge of state sales and use taxes for highway bonds
- LB 327 - Change motor vehicle fees and distribution of the proceeds
- LB 584 - Exempt deployed military personnel from motor vehicle registration fees

## Wednesday, Feb. 2

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

Room 1507 1:30 p.m.

- LB 499 - Change provisions relating to filing for office, registering to vote, and voting under the Election Act
- LB 368 - Change nomination provisions for partisan offices
- LB 173 - Prohibit natural resources district board members from running for or holding more than one office

### *Natural Resources Committee*

Room 1525 1:30 p.m.

- LR 51CA - Constitutional amendment to change allocation of state lottery proceeds

### *Revenue Committee*

Room 1524 1:30 p.m.

- LB 430 - Change property tax levy limitations

## Thursday, Feb. 3

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

Room 1507 1:30 p.m.

- LB 234 - Change provisions relating to county office and service facilities of the Department of Health and Human Services
- LB 254 - Provide and change requirements for instruments recorded by the register of deeds
- LB 278 - Authorize payment to county officers and employees by electronic funds transfer
- LB 556 - Change the boundaries of Hamilton County and Merrick County

## Thursday, Feb. 3, con't.

### *Judiciary Committee*

Room 1113 1:30 p.m.

- LB 115 - Change limitation of action provisions under the Political Subdivisions Tort Claims Act

### *Natural Resources Committee*

Room 1525 1:30 p.m.

- LB 529 - Change provisions relating to conservation and preservation easements and the Nebraska Environmental Trust

### *Revenue Committee*

Room 1524 1:30 p.m.

- LB 672 - Provide an exemption from the documentary stamp tax
- LB 384 - Eliminate a commissioner of the Tax Equalization and Review Commission and authorize single commissioner hearings

## Friday, Feb. 4

### *Revenue Committee*

Room 1524 1:30 p.m.

- LB 537 - Change provisions relating to budget limitations and property tax levy limitations

## Wednesday, Feb. 9

### *Revenue Committee*

Room 1524 1:30 p.m.

- LB 318 - Redefine qualified claimant for homestead exemption purposes
- LB 319 - Change reimbursement for homestead exemptions
- LB 320 - Change homestead exemption income limitations
- LB 321 - Change calculations relating to homestead exemptions

## Thursday, Feb. 10

### *Revenue Committee*

Room 1524 1:30 p.m.

- LB 84 - Adopt the Build Nebraska Act and authorize bonds for the highway system
- LB 429 - Change motor fuel tax collection commissions
- LB 504 - Change motor fuel tax rates
- LB 505 - Change motor vehicle taxes and distribution of proceeds

## Friday, Feb. 11

### *Revenue Committee*

Room 1524 1:30 p.m.

- LB 370 - Eliminate provisions relating to issuance of tax deeds
- LB 423 - Change tax foreclosure provisions relating to liens of sanitary and improvement districts

**Reminder: NACO scholarship [applications](#) are available. The application deadline is March 1.**