



DIRT ALERT

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David C. Levy, Editor

104th Nebraska Legislature Adjourns *Sine Die*

The Second Session of the 104th Nebraska Legislature adjourned *sine die* on April 20, 2016. Of the 862 bills considered by the Legislature in 2016 (446 this session and 406 carryover bills), it enacted 216. It enacted 66 additional bills via amendments to other bills. The highlights of the sixty-day session included repeated filibusters, a tight-budget environment, and passage of several economic development initiatives.

This Dirt Alert provides an update on bills related to economic development, municipal law, real estate, renewable energy, and taxation. Of note, the Legislature deregulated the development of private renewable energy generation facilities in Nebraska. See our article on LB 824 for more details. See our article on LB 824 for more details, [here](#).

The Legislature also adopted a state low-income housing tax credit, which provides owners of qualified affordable housing projects placed in service after January 1, 2018, a nonrefundable tax credit equal to the amount of federal low-income housing tax credits available to the project. See our article on LB 884 for more details, [here](#).

And the Legislature adopted an innovative funding structure for state and local roads projects by creating a transportation infrastructure bank and several new programs to accelerate state and local roads projects. [Laws 2016, LB 960](#). In total, the legislation allocates over \$450 million to projects prioritized by the Nebraska Department of Roads between July 1, 2016, through June 30, 2033. LB 960 also authorizes the Department of Roads to solicit and execute design-build contracts and construction manager-general contractor contracts to accelerate completion of priority roads projects.

Copies of the bills and other information regarding the status of the bills is available on the Nebraska Legislature's website at <http://www.nebraskalegislature.gov/bills/>. Please contact us if you have questions about these bills or any others. Thank you.

David C. Levy
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Bill	Summary	Introducer	Committee	Hearing Date	Current Status
Economic Development					
<u>LB 671</u>	Repeal the Build Nebraska Act and change the distribution of sales tax revenue	Krist	Revenue	February 5, 2016	Indefinitely Postponed
<u>LB 719</u>	Change provisions relating to undeveloped vacant land under the Community Development Law	Groene	Urban Affairs	February 9, 2016	In Committee
<u>LB 799</u>	Include capital acquisition costs in the Nebraska Public Transportation Act's assistance program	Bolz	Telecomm. and Trans.	February 8, 2016	See <u>LB 977</u>
<u>LB 806</u>	Adopt the Riverfront Development District Act	Mello	Urban Affairs	February 16, 2016	General File
<u>LB 808</u>	Change provisions relating to amending an economic development program under the Local Option Municipal Economic Development Act	Hansen	Urban Affairs	February 9, 2016	See <u>LB 1059</u>
<u>LB 825</u>	Provide reporting requirements for tax-exempt property	Davis	Revenue	February 18, 2016	In Committee
<u>LB 860</u>	Add a type of economic development program under the Local Option Municipal Economic Development Act	Hughes	Urban Affairs	February 9, 2016	See <u>LB 1059</u>
<u>LB 884</u> Smith Priority	Change the Convention Center Facility Financing Assistance Act and the Sports Arena Facility Financing Assistance Act	Scheer	Revenue	January 22, 2016	Approved by Governor
<u>LB 948</u>	Change an application period limitation for the designation of enterprise zones as prescribed	Morfeld	Urban Affairs	January 26, 2016	Approved by Governor
<u>LB 951</u>	Adopt the Affordable Housing Tax Credit Act	Harr	Revenue	February 10, 2016	See <u>LB 884</u>
<u>LB 960</u> Brasch Priority	Adopt the Transportation Innovation Act and provide transfers from the Cash Reserve Fund	Smith	Appropriations	February 16, 2016	Approved by Governor

Bill	Summary	Introducer	Committee	Hearing Date	Current Status
LB 977 Telecomm. and Trans. Priority	Include capital acquisition costs in the Nebraska Public Transportation Act's assistance program	Smith	Telecomm. and Trans.	February 01, 2016	Approved by Governor
LB 1022 Legislative Performance Audit Priority	Change provisions relating to the office of Legislative Audit ; extends the following incentive programs until 2022: <ul style="list-style-type: none"> • New Markets Job Growth Investment Act, • Nebraska Job Creation and Mainstreet Revitalization Act, • Nebraska Advantage <ul style="list-style-type: none"> ○ Research and Development, ○ Microenterprise, ○ Rural Development, • Beginning Farmer, and • Angel Investment. 	Legislative Performance Audit	Executive Board	February 5, 2016	Approved by Governor
LB 1028	Change provisions relating to funding under the Business Innovation Act and require the Department of Economic Development to contract with certain entities	Morfeld	Appropriations	February 5, 2016	See LB 1093
LB 1042	Provides a county board of equalization veto authority over TIF projects and requires a report on the actual value of the property subject to TIF	Friesen	Urban Affairs	February 9, 2016	Indefinitely Postponed
LB 1048	Adopt the Nebraska Agriculture and Manufacturing Jobs Act and provide tax credits	Harr	Revenue	February 10, 2016	General File
LB 1051	Redefine qualified business under the Nebraska Advantage Act	Harr	Revenue	February 25, 2016	General File

Bill	Summary	Introducer	Committee	Hearing Date	Current Status
<u>LB 1059</u> Urban Affairs Priority	Requires redevelopers applying for TIF or LB 840 funds to disclose whether they intend to file an application for tax incentives under the Nebraska Advantage Act; allow municipalities to amend an existing LB 840 plan without a vote of the people (LB 808); and allow cities (other than Omaha and Lincoln) to make grants and loans under LB 840 for the construction or rehabilitation of workforce housing (LB 860).	Crawford	Urban Affairs	February 9, 2016	Approved by Governor
<u>LB 1083</u> Speaker Priority	Adopt the Next Generation Business Growth Act and change funding for tax credits under the Community Development Assistance Act	Williams	Executive Board	February 3, 2016	Approved by Governor
<u>LB 1087</u>	Change sales tax provisions relating to the definition of engaged in business in this state	Davis	Revenue	February 24, 2016	In Committee
<u>LB 1091</u>	State intent relating to appropriations for purposes of the Site and Building Development Fund	Hilkemann	Appropriations	February 5, 2016	In Committee
<u>LB 1102</u>	Authorize legislative performance audits of tax-increment financing projects	Davis	Executive Board	February 5, 2016	In Committee
<u>LB 1110</u> Business and Labor Priority	Adopt the Nebraska Workforce Innovation and Opportunity Act	Mello	Business and Labor	February 22, 2016	Approved by Governor
<u>LR 394CA</u>	Constitutional amendment to authorize taxing bodies to exclude their taxes from pledges made by cities to pay indebtedness on redevelopment projects	Hughes	Urban Affairs	February 9, 2016	Indefinitely Postponed

Bill	Summary	Introducer	Committee	Hearing Date	Current Status
LR 399CA	Constitutional amendment to require cities and villages to obtain voter approval before pledging taxes for the payment of indebtedness related to redevelopment projects	Davis	Urban Affairs	February 9, 2016	Indefinitely Postponed
Real Estate					
LB 699	Change the Nebraska Municipal Land Bank Act	Mello	Urban Affairs	January 19, 2016	Approved by Governor
LB 700	Require notice to neighborhood associations for changes to business improvement districts and zoning ordinances in cities of the metropolitan class	Mello	Urban Affairs	January 19, 2016	Approved by Governor
LB 704 Urban Affairs Priority	Change building code provisions applicable to political subdivisions	Urban Affairs	Urban Affairs	January 19, 2016	Approved by Governor
LB 725 Consent Calendar	Provide an exception to a filing requirement relating to conveyances of real estate	Schumacher	Revenue	January 21, 2016	Approved by Governor
LB 854	Adopt the Self-Service Storage Facilities Act and provide for a lien on certain property	Coash	Judiciary	January 28, 2016	In Committee
LB 864	Change provisions relating to a municipality requesting additional extraterritorial zoning jurisdiction	Crawford	Urban Affairs	January 26, 2016	Approved by Governor
LB 877 Consent Calendar	Change a provision relating to review of proposed subdivision plats by certain county planning commissions	Murante	Government, Military and Veterans Affairs Committee	February 11, 2016	Approved by Governor
LB 925	Change provisions relating to issuing a treasurer's tax deed and bringing a tax lien foreclosure action as prescribed	Harr	Revenue	February 17, 2016	In Committee
Renewable Energy					
LB 736 Consent Calendar	Change provisions relating to electric utilities and electric suppliers under the Rural Community-Based Energy Development Act	Friesen	Natural Resources	February 4, 2016	Approved by Governor

Bill	Summary	Introducer	Committee	Hearing Date	Current Status
LB 824 Natural Resources Priority	Exempt privately developed renewable energy generation facilities from regulation as prescribed	McCollister	Natural Resources	January 27, 2016	Approved by Governor
LB 863	Adopt the Wind Energy Expansion Act	Schilz	Natural Resources	February 4, 2016	In Committee
LB 881 Consent Calendar	Change provisions relating to energy financing contracts	Schilz	Natural Resources	January 28, 2016	Approved by Governor
LB 897 Friesen Priority	Allow certain public power agencies to engage in hedging transactions	Lindstrom	Natural Resources	February 5, 2016	Approved by Governor
LB 914	Change compensation for certain members of the Nebraska Power Review Board as prescribed	Schilz	Natural Resources	January 28, 2016	See LB 824
LB 973 Consent Calendar	Change penalty, permit, and notice provisions relating to electric utility lines, poles, and structures	Smith	Telecomm. and Trans.	February 08, 2016	Approved by Governor
LB 1012 Haar Priority	Adopt the Property Assessed Clean Energy Act	Mello	Urban Affairs	February 9, 2016	Approved by Governor
LB 1047	Change sales tax exemption provisions relating to purchases of energy and fuel	Harr	Revenue	February 19, 2016	See LB 774
LB 1068	Allows the Public Service Commission to review electric utility rate increases	Haar	Telecomm. and Trans.	February 23, 2016	Indefinitely Postponed
LB 1069	Provide duties for the state investment officer relating to investment in energy-related companies or funds	Haar	Nebraska Retirement Systems	February 9, 2016	Indefinitely Postponed
LB 1071	Adopt the Solar Energy Economic Development Act	Haar	Natural Resources	February 11, 2016	In Committee
LB 1085	Authorizes an production tax credit for C-BED electric generation in a county with a population of less than seven thousand inhabitants	Davis	Revenue	February 25, 2016	In Committee
Taxes					
LB 717 Groene Priority	Change provisions relating to the assessment and valuation of real property	Groene	Revenue	February 4, 2016	In Committee
LB723	Change sales and use tax collection fees	Schumacher	Revenue	January 22, 2016	In Committee

Bill	Summary	Introducer	Committee	Hearing Date	Current Status
LB724	Change sales and use tax collection fees	Schumacher	Revenue	January 22, 2016	In Committee
LB 774 Revenue Committee Priority	LB 774 includes: <ul style="list-style-type: none"> • a sales tax exemption for certain substance abuse treatment centers; provides an income tax credit for no more than two years equal to 20% of expenditures by an employer; • an income tax credit for an employer for certain payments made on behalf of employees who had been on public assistance (LB 510); • a sales tax exemption for county agricultural societies (LB 542); • clarifies that insurance companies may utilize credits under the Nebraska Job Creation and Mainstreet Revitalization Act and reserves the first \$4 million of credits each year for applications seeking credits of less than \$150,000 each year (LB 888); • a sales tax exemption for museums that rent or lease property (LB 1015); • a sales tax exemption for drying and aerating of grain in commercial agricultural facilities (LB 1047); and • a sales tax exemption for a center for independent living as defined in 29 U.S.C. 796a (LB1088). 	Scheer	Revenue	February 5, 2016	Approved by Governor
LB 775	Change property tax provisions relating to motor vehicles; changes date in which net book value is calculated to the date in which the property is placed into service	Gloor	Revenue	January 21, 2016	Approved by Governor

Bill	Summary	Introducer	Committee	Hearing Date	Current Status
LB 776	Change revenue and taxation provisions (Department of Revenue omnibus)	Gloor	Revenue	January 21, 2016	Approved by Governor
LB 777	Change provisions relating to partial payments for property taxes held in escrow	Gloor	Revenue	January 21, 2016	In Committee
LB 812	Provide a sales tax exemption relating to custom software	Smith	Revenue	February 12, 2016	In Committee
LB 888	Change provisions relating to tax credits under the Nebraska Job Creation and Mainstreet Revitalization Act	Mello	Revenue	January 27, 2016	See LB 774
LB 907	Change provisions relating to the New Markets Job Growth Investment Act	Harr	Revenue	February 3, 2016	In Committee
LB 913 Consent Calendar	Adopt the Facilitating Business Rapid Response to State Declared Disasters Act	Smith	Revenue	February 24, 2016	Approved by Governor
LB 945	Adopt the Nebraska Healthy Food Financing Initiative Act	Hansen	Agriculture	February 9, 2016	In Committee
LB 958 Revenue Priority	Change provisions relating to budgets, the valuation of agricultural land, and levy limitations	Gloor	Revenue	February 4; March 24, (AM2617)	Approved by Governor
LB 1087	Change sales tax provisions relating to the definition of engaged in business in this state	Davis	Revenue	February 24, 2016	In Committee
LB 1088	Provide a sales and use tax exemption for nonprofit centers for independent living	Davis	Revenue	February 19, 2016	See LB 774