



# Legislative Update

Board of Directors Committee Meeting

August 13, 2024



# Overview of the Special Session

- Governor called a Special Session for property tax relief
- 81 bills and 24 constitutional amendments were introduced
  - OPPD monitoring several bills of interest (positions to be determined, with exception of LB1)
- Legislature is focusing on four bills currently:
  - LB1
  - LB2
  - LB3
  - LB9

# Governor Pilleen's tax plan bills

- **LB 1 - Adopt the Property Tax Growth Limitation Act, the School District Property Tax Relief Act, and the Advertising Services Tax Act and change revenue and taxation provisions**
  - Introduced by Senator Linehan on behalf of the Governor
  - Imposes new taxes and limits local government (cities and counties) spending growth
  - Impacts to OPPD are significant
  - Hearing held July 30 – OPPD testified in opposition
- **LB 2 – Provide, change and eliminate appropriations for operations of state government**
  - Introduced by Senator Clements on behalf of the Governor
  - Changes the budget as passed at the end of last session – taking any unspent funds
  - Hearing held July 30

# OPPD Bills of Interest

- **LB 3 – Provide, change and eliminate provisions relating to funds and fees**
  - Introduced by Senator Clements on behalf of the Governor
  - Sweeps certain cash funds and increases numerous fees
  - Impacts to the Nebraska Power Review Board interest income – NPA submitted comments online
- **LB 9 – Change, add and eliminate certain calculations and provisions under the Tax Equity and Educational Opportunities Support Act, state intent regarding transfers to the Education Future Fund, and change provisions relating to property tax levies for school districts**
  - Introduced by Senator Hughes
  - Utilizes additional state aid to public schools to lower the maximum levy cap to provide property tax relief
  - Hearing held July 29

# OPPD Bills of Interest

- **LB 35 – Adjust the nameplate capacity tax for inflation**
  - Introduced by Senator Brewer
  - Every January starting January 1, 2025, the tax rate will be adjusted by the percentage change in the CPI – Consumer Price Index
  - Hearing held August 1
- **LB 37 & LB 38 – Change provisions relating to property that is exempt from property taxes**
  - Introduced by Senator Kauth
  - PILOT – shell bill
  - Hearing held August 1
- **LB 56 – Provide salary limitations for certain elected officials of political subdivisions**
  - Introduced by Senator Wayne
  - Salary cannot exceed legislature salary by 2 times for part-time and 3 times for full-time for boards, commission, council or other entity holding legislative power and elected by registered voters
  - Hearing held August 2

# OPPD Bills of Interest

- **LB 58 – Appropriate funds to the Department of Natural Resources for the construction of solar panels and property tax relief**
  - Introduced by Senator Wayne
  - Appropriates \$2 million for the General Fund for the construction of solar panels, with the energy produced to be sold back to the market. Revenue generated from the sales is intended to be allocated for property tax relief
  - Hearing held July 31
- **LB 62 – Adopt the Solar Panel Energy Property Tax Reduction Act**
  - Introduced by Senator Wayne
  - Department of Natural Resources is responsible for managing the grant process with up to \$2 million available per fiscal year and individual grants capped at \$5,000 each
  - Hearing held August 1

# Next Steps

- Senator, stakeholder, coalition and industry conversation and strategy focus continues
- Monitor floor debate
- Board communication process continues