

Jim's Perspective...

2022 Legislative Session

The 2022 Legislature convenes on January 5th. Bills can be introduced during the first ten legislative days with day ten falling on January 20th. I will be in touch with the PIA Legislative Committee within the next few weeks to provide the Committee with an overview of what we may see that might impact the insurance industry and more specifically insurance agents. Once the session starts, as I have done in the past, I will usually provide the Committee with a weekly Friday report discussing what has transpired during the week. Each introduced bill must be given a hearing before one of the committees of the Legislature. The Banking, Commerce and Insurance Committee is the standing committee of primary interest to the insurance industry and agents. When hearings are completed (probably in early March) my reports to the PIA Legislative Committee will be sent less often since Senators will spend all day in floor debate, and they will focus on a limited number of bills. The 2022 session is a “short session” and will end on the sixtieth legislative day which is scheduled to be April 20th.

Something unique for this session will be the Legislature's responsibility to allocate and spend federal funds that Nebraska will receive from the massive federal infrastructure program. No doubt state senators will spend a lot of time on this issue and this will further limit advancement of other bills. As you may have read, senators have suggested using the federal funds towards finishing Nebraska's expressway system. There will also be discussion about a large new reservoir between Lincoln and Omaha. I have also seen proposals related to high-speed internet service for rural areas, and improvement of public transportation including a high-speed rail link between Lincoln and Omaha. Today, a Nebraska State Education Association survey was released that shows a high level of stress among staff in public schools. Senators will probably consider use of federal American Rescue Plan funds as a solution for workforce issues in the public school system. All of this will take up a lot of time during the legislative session. As always, there will be discussion about property tax relief. As you know, a big part of the property tax problem centers around how to fund public education. Nebraskans understand the value of a good public education system. Nebraska ranks 17th nationally in funding of public education; at \$12,379 per student according to the U.S. Department of Education. However, Nebraska ranks 46th in state support of education through sales and income tax, and therein lies the problem. Presently, Nebraska's tax burden is split 44% property tax, 30% income tax and 26% sales tax according to the Legislative Fiscal Office. It seems like there is considerable debate every session regarding rebalancing the three legs of our income, property and sales tax stool. I am guessing not much will be done on this issue in the 2022 short session. Any changes to funding of public education will affect all 244 Nebraska school districts varying in enrollment from 60 to 51,000 students according to a Lincoln Journal Star article, and that will stir up plenty of interest from voters across the entire state.

All of the different issues that arise during a legislative session generate much interest, and this in turn keeps the lobbyists busy. According to the non-profit organization, Common Cause Nebraska, total lobbying costs for 2019 were a little more than \$19 million. This includes

lobbyist compensation. There were about 400 compensated lobbyists in 2019. As you can see, I have a lot of friends!

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