



**FALL LEGISLATIVE RETREAT
AUGUST MANAGEMENT TEAM MEETING
THURSDAY, AUGUST 25, 2016
LANCASTER COUNTY EXTENSION OFFICE
444 CHERRYCREEK ROAD, LINCOLN NE**

AGENDA

- 8:30 a.m. CONTINENTAL BREAKFAST**
- 8:45 a.m. DISCUSSION WITH LANCASTER COUNTY STATE
SENATORS AND COUNTY LEGISLATIVE AGENDA**
- 11:00 a.m. ADJOURNMENT**

LANCASTER COUNTY LEGISLATIVE PROPOSALS 2017 SESSION

INTRODUCTION

The 2016 Nebraska Legislature passed a number of Bills which will benefit Lancaster County:

- LB 742 raises the 300,000 population threshold to 400,000 and clarifies how reaching the threshold is determined
- LB 960 increases State funding for county roads and bridges
- LB 774 exempts agricultural societies from paying sales tax
- LB 136 prohibits flying lanterns
- LB 1038 provides funding for riparian vegetation management
- LB 1000 opens up grand jury records to the public

Lancaster County's legislative agenda was significantly advanced by the passage of LB's 742 and 960. Addressing the 300,000 population threshold was a top priority for the County going into the 2016 session. LB 742 took care of almost all of the County Board's concerns with regard to the threshold. However, the final version of LB 742 left the civil service statutes covered under the 300,000 threshold. The County will consider introducing legislation to address this omission.

The County's ongoing priority of reducing pressure on the property tax is addressed by LB 960, which provides a steady stream of State funding for county road and bridge projects. Another Bill which will help reduce pressure on the property tax is LB 774. By exempting agricultural societies from paying sales tax, LB 774 will lead to lower county fair expenses, thereby allowing more to be done with the existing levy.

However, the County still faces a number of old and new challenges in achieving its top legislative priority of property tax relief:

- Medicaid reform under LB 1032, which could have relieved the County of \$2.1 million in General Assistance medical costs, failed to advance out of committee.
- No action was taken on LB 61, which would have relieved all counties from the obligation of providing office space for Health and Human Resources, a savings of more than \$300,000 for the County.
- LB 894 creates a new unfunded mandate for counties with a population over 150,000 by expanding the obligation to provide legal counsel in juvenile court proceedings, a possible annual fiscal impact on Lancaster County of \$65,000 to \$75,000.
- Adult criminal justice reform under 2015 Neb. Laws LB 605 appears to be causing an increase in the population of the Lancaster County Jail, and the County is providing additional office space for Adult Probation.
- Inadequate State funding for post adjudication community-based programs is resulting in longer stays at the Youth Services Center, and the per diem paid by the State is not adequate to cover the County's cost of providing detention services.

A number of property tax reduction Bills were introduced during the 2016 session with a variety of different approaches to limiting the growth of property taxes:

- Governor Pete Rickett's plan for property tax relief, introduced by Senator Gloor under LB 958, is based on tightening budget lids and limiting the ability of local governments to exceed levy limits. The Governor's plan also contained a provision to limit the amount of unused restricted funds which could be carried forward to 3%.
- LB 717 holds 2016 property valuations to the 2015 values and lengthens the time period for inclusion of comparable sales to help smooth out valuation increases.
- LB 940, entitled the Tax Stabilization Act, holds valuations to values determined as of January 1, 2016 for three-year period, and ties levy increases for political subdivisions to the same percentage increase or decrease in the State budget.
- Several Bills proposed limiting agricultural values to 65% of market value (LB's 293 and 350).

The only action taken by the Legislature in 2016 for property tax relief was to increase funding under the Property Tax Credit Act for 2017 to \$224 million. However, many of the proposals to control property taxes by limiting levies and valuations are likely to return in 2017. As discussed above, limiting available revenue for counties can be problematic, especially if unfunded mandates continue to increase. LR 588 is intended to identify best practices in drafting tax legislation and determine the fiscal impact of tax policies. Lancaster County will need to make its voice heard during these discussions.

NEW PROPOSALS

1. **Allow financing of County Bridges under Neb. Rev. Stat. §23-120(3)(b)**

The number of structurally deficient county bridges in Nebraska is increasing at an alarming rate. In Lancaster County alone there are twenty (20) structurally deficient bridges and five (5) functionally obsolete bridges. Amending §23-120(3)(b) to include county bridges could provide a steady source of revenue for addressing this important public safety issue.

2. **Strengthen Prisoner Litigation Statutes to Discourage Frivolous Lawsuits**

Frivolous litigation filed by state and local prisoners is time consuming, expensive, and a waste of limited judicial resources. The deliberate filing of frivolous lawsuits by prisoners could be discouraged if all prisoners were required to have some financial stake in filing an action. Federal statutes governing civil rights actions of prisoners require that a prisoner seeking to proceed in forma pauperis is still required to pay the full amount of the filing fee. Along with the affidavit seeking to proceed in forma pauperis, a prisoner is also required to submit to the court a certified copy of their institutional trust fund account for the six month period immediately preceding the complaint or notice of appeal. The prisoner may then be allowed to pay the filing fee over time based on a

payment formula in the federal statutes. Federal law also gives judges greater discretion in dismissing actions filed by prisoners which the court determines to be frivolous, malicious, or fail to state a claim upon which relief can be granted.

Presently, Neb. Rev. Stat. §25-3401(2)(a) provides, “A prisoner who has filed three or more civil actions, commenced after July 19, 2012, that have been found to be frivolous by a court of this state or a federal court for a case originating in this state shall not be permitted to proceed in forma pauperis for any further civil actions without leave of the court...” This statute should be amended to include the federal law provisions which require the prisoner to pay the filing fee and which provide greater discretion to judges to dismiss frivolous or malicious claims.

3. Lancaster County Treasurer Proposals

- a. Amend Neb. Rev. Stat. §77-1807 to give counties the option to conduct tax sales through an online auction. §77-1815 would also need to be amended to reflect this change.
- b. Amend Neb. Rev. Stat. §77-1701 to give parcel owners the option of receiving statements, reminders, and notices of delinquency by electronic communication.
- c. Amend Neb. Rev. Stat. §77-1736.06 to add the following provisions:
 - (1) Raise the threshold from \$200 to \$500 for notifying political subdivisions regarding distribution reductions due to tax refunds; and
 - (2) Allow notifications to political subdivisions to be sent by electronic communication.
 - (3) Add clarifying language addressing refunds involving parcels within tax increment financing (TIF) districts where an owner has entered into a contract promising not to appeal property values.
 - (4) Amend Neb. Rev. Stat. §77-1901 to establish a minimum delinquency value before pursuing foreclosure.

See Attachment A.

4. Amend Neb. Rev. Stat. §28-929 to Include Mental Health Technician and Other Support Staff Under the Definition of Health Care Professional

In 2012 LB 677 amended Neb. Rev. Stat. §28-929 to make it a felony to assault a health care professional while working in a hospital or clinic. The Lancaster County Mental Health Crisis Center is included under the definition of a hospital. However, the definition of health care professional does not include front line Crisis Center employees such as mental health technicians and other employees with direct patient contact. §28-929 should be amended to cover these employees.

EXISTING PROPOSALS

1. Increase the Cigarette Tax

The average cost per pack of cigarettes in the United States is \$1.49, and the Nebraska tax on a pack of cigarettes is only 64¢. There are numerous health and economic benefits to raising the cigarette tax. Statistics indicate price increases on cigarettes cause adults to quit smoking and prevent teenagers from starting to smoke. LB 1013 would have raised the cigarette tax to \$2.14 per pack, but the Bill did not advance out of the Revenue Committee during the 2016 session. The Lincoln-Lancaster County Health Department strongly supports increasing the cigarette tax, and the County should again support future legislative attempts to increase the tax.

2. Increase Original Certificate of Title Fee for Vehicles Transferred to Nebraska from Another State

The statutory fee for titling motor vehicles in Nebraska is low compared to other states. As a result, the Lancaster County Treasurer receives a disproportionate number of requests to issue original certificates of title for out of state vehicles. LB 765 was introduced in 2016 to raise the fee for an original title for a vehicle being titled in Nebraska from another state or country from \$10 to \$25. This Bill also increased the amount retained by the county issuing the title from \$3.25 to \$12. Although LB 765 did not advance from the Transportation and Communications Committee, Lancaster County should continue to support an increase of this fee.

3. Tax Increment Financing

The Nebraska Redevelopment Act, Neb. Rev. Stat. §58-501 et seq. is intended to encourage economic growth through redevelopment of blighted and substandard areas within cities. The Act generates funds for redevelopment projects by creating tax increment financing (TIF) districts. TIF is widely used by cities and villages to finance community redevelopment projects. Essentially, two land values are established for tax parcels lying within the boundaries of a project: the value of the parcel prior to redevelopment and the value of the parcel after redevelopment. Property tax increases within the TIF district attributable to the project are placed in a special fund to be used solely to pay the principal, interest, and premiums on any bonds, loans, notes, or other indebtedness incurred to finance the redevelopment project. Lancaster County has identified the following concerns with TIF:

A. Clarify Who is Entitled to the Proceeds in a Tax Increment Financing Special Fund Upon Payment of All Bonds, Loans and Other Indebtedness for a Redevelopment Project

Neb. Rev. Stat. § 18-2147(1)(b)(Reissue 2007) provides, “ When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project

shall be paid into the funds of the respective public bodies...”

A question has arisen regarding whether a city has the authority to amend a redevelopment project after all indebtedness has been paid, and thus continue using the proceeds in the special fund for redevelopment purposes instead of distributing the balance of the special fund to the respective public bodies which levy on the property. Legislation is needed to clarify whether a city or village has the authority to amend a redevelopment project after the original indebtedness has been paid.

B. County Input in the Approval of Tax Increment Financing Districts Which Affect the County Tax Base

Other taxing entities in the county where the TIF district is located lose the benefit of the property valuation increase for the entire district during the period the project is financed. In recent years there has been a sharp increase in the number of TIF districts created by the City of Lincoln. TIF districts often encompass a large area, regardless of the size or number of the individual projects within the TIF, and regardless of whether the entire district is blighted or substandard. Since the other taxing entities, including counties, are being denied essential tax revenue, they should have direct input into the establishment of TIF districts. This would help guarantee TIF districts are actually targeted to blighted or substandard areas and do not unnecessarily remove growth from the assessed valuation for other taxing entities.

LR 439 was introduced by Senator Crawford to examine the use of TIF by municipalities. Although the primary purpose of LR 439 is to examine the use of TIF for residential properties, Lancaster has had the opportunity to express these concerns in a meeting with Senator Crawford,

4. Increase County Treasurer’s Sales Tax Collection Fee Charged to the State

Pursuant to Neb. Rev. Stat. §§77-2703(1)(i) and 77-2703(2)(d)(Reissue 2009), counties are entitled to retain a sales tax collection fee of 2.5% on the first \$3,000 of sales tax remitted each month to the State. This fee is collected separately for (a) motor vehicles, semitrailers and trailers registered with the County, and (b) motorboats registered with the County. Based on this formula, last year Lancaster County collected a fee of \$1,800. During the same year the County remitted \$30.6 million of sales tax to the State.

In contrast, the amount of time and resources devoted by the Lancaster County Treasurer’s Office to collection of the State sales tax is staggering. The twenty-eight (28) clerks in the Treasurer’s motor vehicle division spend more than 10% of their work day processing sales tax returns, while the four (4) supervisors spend nearly 10% of their time working on sales tax issues. This amounts to an annual expenditure by the County of \$116,473. Under these circumstances, a higher sales tax collection fee is clearly justified.

In 2016 LB 724 was introduced to increase the tax collection fee from 2.5% of the first \$3,000 collected to 5% of the first \$6,000 collected. Under this Bill the County’s collection fee would have gone from \$1,800 to \$7,200. LB 724 did not get out of the Revenue Committee.

For a list of other uncompensated services provided to the State see Attachment B.

5. Amend Neb. Rev. Stat. §29-2022 to Give Trial Courts Discretion with Regard to Sequestered Juries in Criminal Cases

Defendants in criminal cases have the right to keep a jury sequestered until a verdict is reached, regardless of the severity of the case or the actual risk the jury members may be influenced by improper contact or communications. Neb. Rev. Stat. §29-2022. When a jury is sequestered counties are responsible for paying all the costs of housing and feeding the jury members, as well as the costs of providing security. These expenses can be significant. Additionally, sequestration can result in a substantial hardship to the members of the jury. This statute should be amended to give the trial court discretion in deciding whether a jury in a criminal case should be sequestered until a verdict is reached, based on the actual potential of the jury being improperly influenced.

2016 Neb. Laws LB 976 would have given trial courts discretion on jury sequestration. However, it was withdrawn prior to consideration by the Judiciary Committee.

6. Reasonable Fees for Services Provided by the County Engineer for Issuance of Driveway Permits, Right-of-Way Utility Permits, Subdivision Reviews, and Load Permits

The Lancaster County Engineer's Office spends a significant amount of time issuing driveway permits, right-of-way permits for utilities, vehicle load permits, and reviewing proposed land subdivisions. These services primarily benefit individual companies or persons. Enabling legislation is necessary to give counties the authority to charge a reasonable fee to these services.

7. Limit Workers' Compensation Awards to Retirement Age

Rising workers' compensation costs are a concern to the County. Awards for permanent disability are expensive and can extend an indefinite period into the future. Limiting disability awards to the age of retirement would still benefit the injured worker by helping replace lost wages during wage-earning years. At retirement other revenue sources, such as social security and pensions, then become available to support the injured worker. The benefit to the County would be lower costs and a greater ability to manage workers' compensation cases.

8. Clarify Management Right to Select Benefit Providers without Negotiating

Recent court decisions have held that government employers cannot change providers for a benefit plan (health insurance, dental insurance, pensions, health retirement savings plans, etc.) without first negotiating with unions. See Scottsbluff Police Officers Association, Inc., F.O.P. Lodge

38 v. City of Scottsbluff, Nebraska, 282 Neb. Reports 676 (2011). The County believes this requirement infringes on a traditional management right to make such business decisions. Recently, Lancaster County changed providers for its post employment health plan after issuing an RFP and carefully analyzing the proposals with the help of a specialist. Although the data clearly indicated the County selected the best provider, one of the unions decided to remain with the old provider. The County is now forced to maintain two plans, which creates inefficiencies, additional costs, and weakens the County's bargaining authority with existing and potential providers. The law should be clarified that government employers do not need union approval to change providers for benefit plans.

9. Extend Deadline for Issuing Greenbelt Valuation Notice

When a property owner simultaneously has a pending board of equalization valuation protest and an application for special Greenbelt valuation, it is possible that a landowner will receive conflicting valuation notices. This problem can be solved by amending Neb. Rev. Stat. §77-1345.01(2) to extend the final date for the board of equalization to send a notice of special valuation from July 22nd to August 15th.

10. Provide Flexibility with Regard to Treasurer's Obligation to Invest County Funds on a Pro Rata Basis with Banks, Capital Stock Institutions, and Qualifying Mutual Financial Institutions

Neb. Rev. Stat. §77-2314 imposes a duty on county treasurers to invest county funds on a pro rata basis with a list of banks, capital stock institutions, and qualifying mutual financial institutions, as that list is determined by the county board as of December 31. However, some of the financial entities on the list are refusing to accept county funds over the FDIC guaranteed amount because of narrow interest rate spreads and the added cost of collateral requirements. This makes it very difficult if not impossible for some treasurers to meet the pro rata requirements of §77-2314. This statute should be amended to provide treasurers with more flexibility with regard to the investment of county funds. Additionally, the treasurer should be given discretion to work with their county board to add financial entities to invest with which are not on the annual list because they are new or have a name change.

11. Clarify How Funds Raised under Neb. Rev. Stat. §33-109 Can be Used to Modernize Technology Related to the Preservation and Maintenance of Register of Deeds Records

2012 Neb. Laws LB 14 created a special fund to be used exclusively for the purposes of preserving and maintaining public records in the office of the register of deeds and for modernization and technology needs relating to those records. The additional fees used to create the fund will sunset January 1, 2018. Different counties have different modernization and technology needs relating to register of deeds records. §33-109 should be clarified to allow each county to benefit fully from the fund.

12. Increase the Indigent Defense Fee

Neb. Rev. Stat. §33-156 provides for a three dollar indigent defense fee which is taxed as costs for each case filed in each county court and district court, and credited to the Public Advocacy Operations Cash Fund. Pursuant to Neb. Rev. Stat. §29-3933, this Fund is used to reimburse counties for a portion of their indigent defense system expenditures. Increasing the indigent defense fee would help defray the growing cost of providing indigent defense.

13. Tax Incentives for Compressed Natural Gas (CNG)

The County is investigating the possibility of converting a portion of its motor vehicle fleet to CNG. However, conversion costs are high and state tax incentives could help speed the switch to this more efficient fuel.

14. Clarify Funding Source When Courts Assign Non-IV-D Cases to a Child Support Referee

Under Neb. Rev. Stat. §43-1610 funding for a child support referee shall be provided by the county and state to the district Court, separate juvenile court, and county court. Neb. Rev. Stat. §43-1611 provides these courts may by rule or order assign any matter regarding the establishment and collection of child, spousal, or medical support, paternity matters, and protection orders to a child support referee. However, when a child support referee is assigned non-IV-D cases federal funds may not be used to cover the cost. Since the courts have complete discretion in assigning cases to a child referee, it is possible the county may incur additional costs under the IV-D program over which it has no control. The statutes should be clarified to provide state funding will be used in this situation rather than county funding.

15. Corrections Booking Fee

A significant portion of the cost for housing inmates is incurred during the booking process. The Lancaster County Corrections Department has recommended the imposition of a booking fee to help recoup these expenses. However, legislation is needed to create statutory authority for the County to charge booking fees.

16. Modify Strict Liability Provisions of Neb. Rev. Stat. §13-911 When a Vehicular Pursuit Is Terminated by a Law Enforcement Officer

As interpreted by the Nebraska Supreme Court, a political subdivision can be held strictly liable under §13-911 for damages to an innocent third party caused by a fleeing motorist, even after a pursuing law enforcement officer has stopped the pursuit. §13-911 should be amended to eliminate strict liability when the damages are caused by the fleeing motorist after the pursuit has been terminated by the officer. This amendment would provide an incentive to law enforcement to stop pursuits which have become dangerous to innocent third parties.

17. Increase Funding for Sex Offender Treatment and Tracking

All sex offenders are transferred to the Lincoln Regional Center prior to release from state custody. This policy results in a disproportionate number of sex offenders in our community. Since state policy is increasing the number of sex offenders in the County, additional funding should be provided by the State to address this problem.

Also, the Lancaster County Sheriff is statutorily required to register sex offenders under the Sex Offender Registration Act, Neb. Rev. Stat. §29-4004 (Reissue 2008). The Sheriff devotes a full time employee to perform this mandated function. Likewise, the Corrections Department has additional duties under §29-4007. To help defray these costs sex offenders should be required to pay a registration fee.

18. Review and Revise the Criminal Code Regarding Appropriate Use of Jail Time

LR 272 was enacted by the Legislature for the purpose of studying the fiscal impact of the criminal law on counties, especially new criminal laws and procedures. LR 272 will also examine if the criminal law is effectively addressing the problems it is trying to solve, and whether a cost-benefit analysis could be performed prior to enacting new criminal offenses and enhanced criminal procedures. Criminal offenses which carry jail time increase county costs for jails and indigent defense, and the Legislature very seldom if ever appropriates funding to assist counties with these costs. The criminal justice system continues to grow at an alarming rate, and Lancaster County could benefit from a sensible approach to the creation of new jailable offenses, as well as a review of the effectiveness of the imposition of jail time on existing offenses.

19. Amend Neb. Rev. Stat. § 43-278 to Give the Juvenile Court Discretion to Allow Evidentiary Hearings Telephonically or by Videoconferencing

Conducting juvenile court sessions by videoconferencing saves money, reduces risk, and improves the efficiency of the court. At the same time, all precautions must be taken to protect the rights of our youth involved in the juvenile justice system. Under existing law, all non-evidentiary hearings may be heard by the court telephonically or by videoconferencing. However, evidentiary hearings cannot be heard telephonically or by videoconferencing without the stipulation of all parties. Many attorneys are reluctant to stipulate, thereby requiring their clients be in the courtroom for every evidentiary hearing, regardless of whether the due process rights of their clients can be protected by videoconferencing. § 43-278 should be amended to eliminate the requirement that all parties must stipulate before an evidentiary hearing can be heard telephonically or by videoconferencing. The juvenile court judges are in the best position to decide whether the physical presence of the youth at an evidentiary hearing is necessary to protect their rights.

20. Provide Statutory Guidance on Enforcement of Insurance Subrogation Clauses

In the case of Blue Cross and Blue Shield of Nebraska, Inc. v. Dailey, 268 Neb. 733 (2004), the Nebraska Supreme Court held a subrogation clause in the insurance contract could not be

enforced against the insured under the equitable made whole doctrine. The Dailey case involved an employee covered under an insurance contract between his employer, the Nebraska Association of County Officials, and Blue Cross. The employee was injured as a result of the negligence of a third party, and subsequently recovered a one-time payment of \$1,225,000 and monthly payments of \$10,000 for life against the third party. Even though the contract clearly provided Blue Cross would be entitled to recover approximately \$794,000 it had paid on behalf of the insured for injuries caused by a third party, the Supreme Court held Blue Cross was not entitled to recover these funds because the insured had not yet been made whole for the injuries. A statutory solution is needed to provide for the enforcement of reasonable subrogation clauses to help control health insurance costs.

21. Create the Position of Magistrate

In 2009 the Legislature passed LR 183 to examine the creation of a specialized magistrate for the State's largest courts. The magistrate would have authority to issue search warrants, subpoenas, arrest warrants, summonses, and set bail. The purpose for creating this position is to help reduce jail populations, as well as reduce the need for new judges.

22. Occupation Tax on Wineries

Neb. Rev. Stat. §53-132(4) gives authority to cities, villages and counties to charge an occupation tax on retail, craft brewery, and microdistillery licenses. However, no such authority exists for farm winery licenses. Given the growing number of farm wineries, it may be advisable to authorize an occupation tax on farm winery licenses.

23. Amend Neb. Rev. Stat. § 83-1,103.04 to Provide for the Appointment of a Private Attorney Rather than the Public Defender

When the Office of Parole Administration determines an amendment of the conditions of community supervision is necessary for an individual subject to lifetime supervision, if the person requests legal counsel and is indigent, an attorney from the public defender office is appointed. Since this proceeding is civil in nature, appointment of the public defender is not appropriate. Also, the cost of appointing a private attorney should be borne by the State.

77-1807.

Real property taxes; delinquent tax sale; how conducted; sale of part; bid by land bank; effect.

(2)(a) This subsection applies beginning January 1, 2015.

(d) The county treasurer shall announce bidding rules at the beginning of the public auction, and such rules shall apply to all bidders throughout the public auction.

* Would like to add the option that a county can choose to conduct tax sale through online auction.

77-1815.

Real property taxes; county treasurer; attendance at tax sale; penalty.

If any treasurer fails to attend any sale of real property as required by sections 77-1801 to 77-1814, either in person or by deputy, he or she shall be liable to a fine of not less than fifty nor more than three hundred dollars to be recovered by an action in the district court in the name of the county against the treasurer and the person issuing the treasurer's bond.

*Would like to clarify the ability to conduct an online auction.

77-1701.

Collection of taxes; county treasurer tax collector; statements; contents; special assessments; de minimis amount; how treated.

(1) The county treasurer shall be ex officio county collector of all taxes levied within the county. The county board shall designate a county official to mail or otherwise deliver a statement of the amount of taxes due and a notice that special assessments are due, to the last-known address of the person, firm, association, or corporation against whom such taxes or special assessments are assessed or to the lending institution or other party responsible for paying such taxes or special assessments. Such statement shall clearly indicate, for each political subdivision, the levy rate and the amount of taxes due as the result of principal or interest payments on bonds issued by the political subdivision and shall show such rate and amount separate from any other levy. Beginning with tax year 2000, when taxes on real property are delinquent for a prior year, the county treasurer shall indicate this information on the current year tax statement in bold letters. The information provided shall inform the taxpayer that delinquent taxes and interest are due for the prior year or years and shall indicate the specific year or years for which such taxes and interest remain unpaid. The language shall read "Back Taxes and Interest Due For", followed by numbers to indicate each year for which back taxes and interest are due. Failure to receive such statement or notice shall not relieve the taxpayer from any liability to pay such taxes or special assessments and any interest or penalties accrued thereon. In any county in which a city of the metropolitan class is located, all statements of taxes shall also include notice that special assessments for cutting weeds, removing litter, and demolishing buildings are due.

*As an option to parcel owners to those who choose to participate, would like to add electronic communication of statements, reminders and notices of delinquency

77-1736.06.

Property tax refund; procedure.

The following procedure shall apply when making a property tax refund:

(1) Within thirty days of the entry of a final nonappealable order, an unprotested determination of a county assessor, an unappealed decision of a county board of equalization, or other final action requiring a refund of real or personal property taxes paid or, for property valued by the state, within thirty days of a recertification of value by the Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the county assessor shall determine the amount of refund due the person entitled to the refund, certify that amount to the county treasurer, and send a copy of such certification to the person entitled to the refund. Within thirty days from the date the county assessor certifies the amount of the refund, the county treasurer shall notify each political subdivision, including any school district receiving a distribution pursuant to section 79-1073 and any land bank receiving real property taxes pursuant to subdivision (3)(a) of section 19-5211, of its respective share of the refund, except that for any political subdivision whose share of the refund is two hundred dollars or less, the county board may waive this notice requirement. Notification shall be by first-class mail, postage prepaid, to the last-known address of record of the political subdivision. The county treasurer shall pay the refund from funds in his or her possession belonging to any political subdivision, including any school district receiving a distribution pursuant to section 79-1073 and any land bank receiving real property taxes pursuant to subdivision (3)(a) of section 19-5211, which received any part of the tax or penalty being refunded. If sufficient funds are not available or the political subdivision, within thirty days of the mailing of the notice by the county treasurer if applicable, certifies to the county treasurer that a hardship would result and create a serious interference with its governmental functions if the refund of the tax or penalty is paid, the county treasurer shall register the refund or portion thereof which remains unpaid as a claim against such political subdivision and shall issue the person entitled to the refund a receipt for the registration of the claim. The certification by a political subdivision declaring a hardship shall be binding upon the county treasurer;

*Would like to change from two hundred dollars or less to five hundred or less in counties with greater populations than 250,000

* Also add notification can be sent through electronic submission to the political subdivision

*This is also where the complicated issue of TIF refunds should be discussed when there are contracts not to appeal tax values while in a TIF.

77-1901.

Tax liens; delinquency; order of county board directing foreclosure.

Counties shall have a lien upon real estate within their boundaries for all taxes due thereon to the state, any governmental subdivision of the state, any municipal corporation, and any drainage or irrigation district. After any parcel of real estate has been offered for sale and not sold for want of bidders, the county board shall make and enter an order directing the county attorney to foreclose the lien for all taxes then delinquent, excluding any lien on real estate for special assessments levied by any sanitary and improvement district which special assessments have not been previously offered for sale by the county treasurer, in the same manner and with like effect as in the foreclosure of real estate mortgages, except as otherwise specifically provided by sections 77-1903 to 77-1917.

*Put a tax value minimum on pursuing county foreclosures at the disclosure of the county board and county attorney (Doug Cyr would have insight into this issue)

ATTACHMENT B

Lancaster County, Nebraska Services Provided to the State of Nebraska

		<u>Updated Information</u>	<u>Budget Year</u> <u>2016-17</u>
County Treasurer	The Treasurer collects sales tax and remits to the State through the motor vehicles division. Collected \$29,238,776 in FY12 and collections fees kept by the county were \$1,800.	Collected \$38,086,753 in FY16 and collection fees kept by the county were approximately \$2,700	
West O Building	Lancaster County provides 4,075 square feet to the State for Drivers License Examiners. This includes utilities and custodial services. The cost per sq/ft at West O is \$14.88.	The cost per sq/ft at West O is \$18.50 (2016-17)	\$ 75,388
Motor Vehicle Building	Lancaster County provides 1,651 square feet to the State. This includes utilities and custodial services. The cost per sq/ft is \$7.47.	The cost per sq/ft is \$9.72 (2016-17)	\$ 16,048
Register of Deeds	The Register of Deeds does all of the work required to file land records yet is required to send a portion of the documentary stamp tax to the state to fund other programs. County keeps 22.22% and the State receives 77.78%. Based on \$2 million collected - state receives \$1,555,000. (76-903)	Calculated amount is still reasonable	\$ 1,555,000
Election Commissioner	Billable costs for elections are not allowed to be billed to the state. Costs are passed down to other political subdivisions but not to the state. State costs would range from 50% to 60% of billable costs. Last primary billable costs were \$356,000.		
County Court (BU 6280)	Lancaster County is required to remit certain court costs to the State. If those fees cannot be collected from defendants, the County must pay.	Court Costs (All 3 courts have been combined)	\$ 305,000

ATTACHMENT A

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Motor Vehicle Building	Lancaster County provides 1,651 square feet to the State. This includes utilities and custodial services. The cost per sq/ft is \$7.47.	The cost per sq/ft is \$9.72 (2016-17)	\$ 16,048
Register of Deeds	The Register of Deeds does all of the work required to file land records yet is required to send a portion of the documentary stamp tax to the state to fund other programs. County keeps 22.22% and the State receives 77.78%. Based on \$2 million collected - state receives \$1,555,000. (76-903)	Calculated amount is still reasonable	\$ 1,555,000
Election Commissioner	Billable costs for elections are not allowed to be billed to the state. Costs are passed down to other political subdivisions but not to the state. State costs would range from 50% to 60% of billable costs. Last primary billable costs were \$356,000.		
County Court (BU 6280)	Lancaster County is required to remit certain court costs to the State. If those fees cannot be collected from defendants, the County must pay.	Court Costs (All 3 courts have been combined)	\$ 305,000

Lancaster County, Nebraska
Services Provided to the State of Nebraska

		<u>Updated Information</u>	<u>Budget Year</u> <u>2016-17</u>
County Court	All County Court staff are state employees. Lancaster County pays for operating expenses, computers, and office equipment.		\$ 470,852
	Lancaster County is required to provide for office space and courtrooms. Cost includes custodial services, utilities, security, and parking. 29,195 sq/ft at a cost of \$14.72 per sq/ft. (New Courtroom is under construction)	31,422 sq/ft @ \$15.45 plus parking	\$ 490,870
Juvenile Court	Juvenile Court Judges are state employees. The County pays for a Court Administrator, 3 Clerk Typists, and 4 bailiffs. (Personnel Costs)		\$ 617,783
	Lancaster County also pays for Court Appointed Attorneys, Boarding contracts, and other operating expenditures.	LB 894 has increased budget by \$75,000 due to appointing attorneys for all juveniles in court.	\$ 1,231,012
	Lancaster County is required to provide for office space and courtrooms. Cost includes custodial services, utilities, security, and parking. 12,632 sq/ft at a cost of \$14.72 per sq/ft.	12,500 sq/ft @ \$15.45 plus parking	\$ 197,805
District Court	Lancaster County is required to remit certain court costs to the State. If those fees cannot be collected from defendants, the County must pay.		-
	District Court Judges are state employees. The County pays for a Court Administrator, 2 Law Clerks, and 8.75 bailiffs. (Personnel Costs)		\$ 1,214,103
	Lancaster County has had a District Court Referee		

Lancaster County, Nebraska
Services Provided to the State of Nebraska

Updated Information

Budget Year
2016-17

for many years. State Statute states the county and state should pay for the costs. IV D pays for 2/3 of the costs but the state pays zero.

Lancaster County also pays for Court Appointed Attorneys, juror fees, and other operating expenditures.

\$ 1,016,731

Lancaster County is required to provide for office space and courtrooms. Cost includes custodial services, utilities, security, and parking. 33,524 sq/ft at a cost of \$14.72 per sq/ft.

33,524 sq/ft @ \$15.45 plus parking

\$ 525,506

County Sheriff

Special Services Division provides security for the courtrooms. This cost is incorporated into the cost per sq/ft in rent calculations.

The Civil Division is responsible for the process of writs and documents. Sheriff does receive revenue but it does not offset the cost of performing the service.

Register sex offenders and complete handgun registrations in the Administrative Support Division. 2 employees - does not include supervisor time.

Corrections

The Jail has provided 859 DNA tests for the State over the last 2.5 years.

The Jail has completed 7,175 full sets of fingerprints for the State system (NSP) over the last 2 years.

Lancaster County, Nebraska
Services Provided to the State of Nebraska

Updated Information

Budget Year
2016-17

The Jail has completed 22 sex offender registrations over the last 2 years.

The Jail has had to answer 138 Ombudsman's request with time spent researching, interviewing, making repeated phone calls, and email contacts with the Ombudsman's office over the last 2 years.

The Jail has completed approximately 18,000 warrant checks on offenders before releasing over the last 2 years.

Time and staff effort to send inmate medical files to the State of Nebraska over the last 2 years.

Jail Reimbursement - housing of prisoners on behalf of the State. The State's rate was only \$35 per day and funding would run out during the fiscal year. Funding ended after FY11.

\$ 7,070,523

Amount billed FY00-FY11	15,696,765
Amount collected	8,626,242

Amount unable to be billed because funding ended:	
FY12	1,809,255
FY13 - 10-31-12	669,305

Amount unable to be billed because funding ended: (through June 30, 2016)

\$ 9,392,425

Juvenile Probation

Juvenile Probation staff are state employees. Lancaster County pays for operating expenses, computers, and office equipment. This also includes contracts with the State Probation Office. The Juvenile Drug Court was funded by the State with grants but the County started funding in FY05.

Computer Request
 (County is no longer funding Drug Court after September)

\$ 82,804
 5,410

Lancaster County, Nebraska
Services Provided to the State of Nebraska

		<u>Updated Information</u>	<u>Budget Year</u> <u>2016-17</u>
	Lancaster County provides space for the department and the juvenile drug court. Cost includes custodial services, utilities, security and parking. 3,736 sq/ft at a cost of \$14.72 per sq/ft.	Heritage Square thru March 605 Building After April (14,181 sq/ft @ \$15.45 plus parking)	\$ 218,768
Adult Probation	Adult Probation staff are state employees. Lancaster County pays for operating expenses, computers, and office equipment. This also includes a contract with the State Probation Office.	Computer Request	\$ 176,690 \$ 13,322
	Lancaster County provides space at the Jail and office space at Trabert Hall. Cost includes custodial services, utilities, security and parking. 6,323 sq ft at a cost of \$11.75 per sq/ft at the jail and 17,572 sq ft at a cost of \$10 per sq/ft at Trabert Hall.	K Street - 2,254 sq/ft @ \$11.75 plus parking 605 Building - 20,405 sq/ft @ \$15.45 plus parking Trabert Hall New Reporting Center at MSC	\$ 316,812
Community Corrections	Drug Court - reimbursement for employees. Dollar amount of reimbursement has not changed over 6 years - despite Kim's request. Employee Costs - \$276,156 (salaries only) State Reimb - \$183,839	The state has increased their reimbursement by \$65,000 to \$248,839. Still does not cover employee costs (\$446,851)	
Youth Services Center	The state does not reimburse the county for the cost of care for youth detained and/or in an alternative to detention post adjudication and beyond. The requirement is only when the youth is committed to HHS/OJS and should be adjudicated youth in juvenile court. The state should also be responsible for the cost of care for youth who are detained due to a violation of probation pre-adjudication status.	State Probation does not cover actual costs Staff Secure has been eliminated in FY16-17	

Lancaster County, Nebraska
Services Provided to the State of Nebraska

Updated Information

Budget Year
2016-17

General Assistance	Lease agreement with Health & Human Services - 41,267 square feet x 13.60 per sq ft. x 51.62% nonfederal share = \$289,707.55 (Included on legislative list)	\$ 277,933
County Fees	A number of county statutory fees have not been raised for many years. Fees are not allowed to be increased to cover costs. A few examples: locksmith license marriage license handgun permits motor vehicle inspection fees Treasurer fees	
Other Court Related Costs	Clerk of the District Court	\$ 1,781,294
	Jury Commissioner	\$ 153,744
	Mental Health Board	\$ 141,260

Note: List was started in FY12-13 and updates have been added throughout the years.

**MINUTES
FALL LEGISLATIVE RETREAT
AUGUST MANAGEMENT TEAM MEETING
LANCASTER COUNTY EXTENSION BUILDING, 444 CHERRYCREEK ROAD
THURSDAY, AUGUST 25, 2016
8:30 A.M.**

Commissioners Present: Roma Amundson, Chair; Todd Wiltgen, Vice Chair; Larry Hudkins; Deb Schorr; Bill Avery

State Senators Present: Matt Hansen, District 26; Roy Baker, District 30

Others Present: Chris Triebsch, Legislative Aide for Senator Patty Pansing Brooks, District 28; Kerry Eagan, Chief Administrative Officer; Dennis Meyer, Budget and Fiscal Officer; Minette Genuchi, Administrative Assistant to the County Board; Joe Kelly, County Attorney; Pat Condon, Chief Deputy County Attorney; Joe Nigro, Public Defender; Terry Wagner, County Sheriff; Todd Duncan, Chief Deputy Sheriff; Troy Hawk, Clerk of the District Court; Dan Nolte, County Clerk; Scott Gaines, Chief Administrative Deputy Assessor/Register of Deeds; Candace Meredith, Chief Deputy Treasurer; Brad Johnson, Interim Corrections Director; Sheli Schindler, Youth Services Center (YSC) Director; Sara Hoyle, Human Services Director; Kim Etherton, Community Corrections Director; Scott Etherton, Mental Health Crisis Center Director; Rick Ringlein, Veterans Service Officer; Brent Meyer, Weed Control Superintendent; Brian Pillard, Records & Information Manager; Karen Wobig, County Extension Educator, Unit Leader; Jeff Curry, Chief Probation Officer, Adult Probation; Judy Halstead, Lincoln-Lancaster County Health Department (LLCHD) Director; Randy Jones, Aging Partners Director; Steve Henderson, Chief Information Officer, Information Services (IS); Chad Blahak, Building and Safety Director; Joe Kohout, and Jonathan Bradford, Kissel/E&S Associates (Legislative Consultants); Larry Dix, Nebraska Association of County Officials (NACO) Executive Director; Jim Ballard, Candidate for County Commissioner District 2; Larry Scherer, Candidate for Legislative District 21; Jim Gordon, Candidate for Legislative District 25; Dick Clark, Candidate for Legislative District 27; Tim Hrouza, Director of Policy and Research, Lincoln Independent Business Association (LIBA); Kevin Abourezk, Lincoln Journal Star Newspaper; Ann Taylor, County Clerk's Office

Advance public notice of the Fall Legislative Retreat was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on August 24, 2016.

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:46 a.m.

AGENDA ITEM

1 CONTINENTAL BREAKFAST

Karen Wobig, County Extension Educator, Unit Leader, welcomed those in attendance to the facility.

Schorr arrived at the meeting at 8:49 a.m.

2 DISCUSSION WITH LANCASTER COUNTY STATE SENATORS AND COUNTY LEGISLATIVE AGENDA

Senator Matt Hansen, District 26, and Senator Roy Baker, District 30, discussed their impressions of the 2016 Legislative Session and the upcoming legislative session.

Chris Triebisch, Legislative Aide for Senator Patty Pansing Brooks, District 28, gave an overview of some of the issues Senator Pansing Brooks has worked on.

Jim Gordon, Candidate for Legislative District 25, Larry Scherer, Candidate for Legislative District 21, and Dick Clark, Candidate for Legislative District 27, identified what they feel are crucial issues, i.e., property taxes, education, corrections, behavioral health, roads, health care, and public safety.

Jim Ballard, Candidate for County Commissioner District 2, noted he has received a number of questions on property taxes as he has been campaigning. He also identified roads and bridges and public safety as priority issues.

Tim Hrouza, Director of Policy and Research, Lincoln Independent Business Association (LIBA) said LIBA will be looking at user fees during the next legislative session, noting several elected officials have expressed concerns that the user fees, which are set by the State, are being subsidized by property taxes.

Larry Dix, Nebraska Association of County Officials (NACO) Executive Director, said property taxes are a priority issue for NACO. He said NACO will also continue to monitor the issue of unfunded mandates. Dix noted State revenues are anticipated to decrease and said when that occurred in the past, a number of legislative bills were introduced to shift costs to cities and counties. He pointed out that the primary funding source for counties is property tax.

Kerry Eagan, Chief Administrative Officer, discussed legislation that was passed last session that will benefit Lancaster County (see agenda packet):

- Legislative Bill (LB) 742 (Raises the 300,000 population threshold to 400,000 and clarifies how reaching the threshold is determined)

Eagan noted one of the labor unions came forward at the end of debate and objected to the provisions that would have made the County's Civil Service Commission subject to the 400,000 threshold as well. He said that was one of the County's main objectives in seeking the legislation. Eagan said the timing of the objection did not allow for full debate and said the Civil Service Commission issue will likely be looked at again. Sheli Schindler, Youth Services Center (YSC) Director, added that any departments that have a Civil Service program could see an impact to their budget and services.

- LB 960 (Increases State funding for county roads and bridges)
- LB 774 (Exempts agricultural societies from paying sales tax)
- LB 136 (Prohibits flying lanterns)
- LB 1038 (Provides funding for riparian vegetation management)

Brent Meyer, Weed Control Superintendent, said the Nebraska Department of Agriculture was directed to funnel this funding to departments so they can address invasive species along waterways but has not done so.

- LB 1000 (Opens up grand jury records to the public)

Eagan noted the County has still had difficulty achieving its top legislative priority, which is property tax relief.

Discussion moved to unfunded mandates. Eagan said LB 894 expanded the obligation to provide legal counsel for juveniles in the juvenile court proceedings at county expense. The estimated fiscal impact to Lancaster County is \$65,000 to \$75,000. He said adult criminal justice reform as a result of the 2015 Legislative Session's LB 605, which created significant criminal justice reform, is another area that has had a significant fiscal impact on the County. Eagan said the County supports the intent of the two bills but feels funding should have followed. He said LB 605 has impacted the population numbers at the Lancaster County Adult Detention Facility (LCADF), adding the County also has an obligation to provide space for additional adult probation officers as a result of the bill.

Eagan said it is a similar situation with juvenile justice. He said there is inadequate State funding for post-adjudication, community-based services which has resulted in longer stays at the County's Youth Services Center (YSC). He said only four of the juveniles in the 50-bed facility are pre-adjudication, which is a County responsibility. Post-adjudication is a State responsibility. Schindler said the majority of youth that are in detention have been in the community or an out-of-home placement and were returned for violating the court order. She stressed they are not there for new law violations. Schindler said all of the services for juveniles are provided by private agencies, except for the Youth Rehabilitation and Treatment Centers in Kearney and Geneva, and can either admit or deny youth placement in their facilities. Schindler added the County is not being adequately reimbursed for the cost of care being provided to youth in the facility. **NOTE:** The State refuses to pay the per diem rate established by the County.

Dennis Meyer, Budget and Fiscal Officer, gave an overview of uncompensated services that are provided to the State (see agenda packet). **NOTE:** The amount is estimated to be \$27,347,082, which includes \$16,000,000 the County has not received in jail reimbursement. Eagan said there are many agencies and functions that are funded by property taxes that are appropriate, such as public safety, because of the direct benefit to the citizens of Lancaster County. He said what the County is objecting to is the uncompensated services that have been foisted on the County and primarily benefit state government.

Terry Wagner, County Sheriff, said he believes there needs to be an ability to increase fees without going back to the Legislature, citing the fees for vehicle inspections and handgun permits as examples of ones that have not increased for many years. Eagan noted the County worked to raise the marriage license fee but was unsuccessful in getting it raised to the level to cover costs.

Wobig said 24,000 youth receive some form of 4-H programming in Lancaster County and are working on positive growth and development aspects in their lives. She said the County Extension Office is a University of Nebraska-Lincoln (UNL), State and County funded facility and said UNL recently presented County Extension with an opportunity to expand its program areas with several new positions funded by the University, including a Water Educator that will work with domestic water and wastewater management, and Community Vitality Initiative Educator, which is an economic development type of position.

Sara Hoyle, Human Services Director, said her department is able to provide more services by partnering with non-profit agencies and utilizing funding through the Joint Budget Committee (JBC) (a combination of City and County funds). She explained that non-profit agencies are able to pull money in from donors and certain state and federal grants that governmental entities are not eligible to apply for. She said the same philosophy is applied to juvenile services with the County partnering with non-profit entities to provide a full-range of services.

Eagan presented Lancaster County Legislative Proposals, 2017 Session (see agenda packet):

- 1) Allow Financing of County Bridges under Nebraska Revised Statute §23-120(3)(b)
- 2) Strengthen Prisoner Litigation Statutes to Discourage Frivolous Lawsuits
- 3) Lancaster County Treasurer Proposals:
 - a. Amend Neb. Rev. Stat. §77-1807 to give counties the option to conduct tax sales through an online auction. Neb. Rev. Stat. §77-1815 would also need to be amended to reflect this change.
 - b. Amend Neb. Rev. Stat. §77-1701 to give parcel owners the option of receiving statements, reminders, and notices of delinquency by electronic communication.
 - c. Amend Neb. Rev. Stat. §77-1736.06 to add the following provisions:
 - (1) Raise the threshold from \$200 to \$500 for notifying political subdivisions regarding distribution reductions due to tax refunds; and
 - (2) Allow notifications to political subdivisions to be sent by electronic communication.
 - (3) Add clarifying language addressing refunds involving parcels within tax increment financing (TIF) districts where an owner has entered into a contract promising not to appeal property values.
 - (4) Amend Neb. Rev. Stat. §77-1901 to establish a minimum delinquency value before pursuing foreclosure.

Candace Meredith, Chief Deputy Treasurer, said most of the proposed amendments would help improve electronic communications and on-line features to provide cost efficiencies and assist with the citizen outreach efforts.

- 4) Amend Neb. Rev. Stat. §28-929 to Include Mental Health Technician and Other Support Staff Under the Definition of Health Care Professional

Scott Etherton, Mental Health Crisis Center Director, said the expanded definition would include hospitals.

Larry Dix, Nebraska Association of County Officials (NACO) Executive Director, said the hospitals have expressed concern about law enforcement dropping emergency protective custody (EPC) individuals off in their facilities and may propose legislation that will require a law enforcement officer to remain with that individual while they are at the hospital.

Schindler said jails don't want to hold individuals who have mental health issues and the hospitals don't want them in their facility because they are too violent. The hospitals believe mental health services should be provided within the jails but the jails aren't being reimbursed for the medical costs. She felt the proposal wasn't necessarily about new laws but about providing the right services.

Joe Nigro, Public Defender, said he views the proposal to increase penalties as a misguided effort. He said individuals who are mentally ill won't care whether the penalty has been increased and said pulling them into the criminal justice system won't help treat their mental health issues. Nigro stressed the need to increase mental health services in the community and to have more beds at the Lincoln Regional Center (LRC). He said there are individuals "stuck" at the Mental Health Crisis Center because there are no placements for services available. Nigro said this problem is not unique to Lancaster County. He said many individuals with mental disorders were deinstitutionalized but community mental health services were never adequately funded and those individuals are now being "treated" in the correctional system. Nigro said it is cruel, inhumane and ineffective.

Eagan also gave an overview of some of the existing legislative proposals that had activity during the 2016 Legislative Session (see agenda packet for a full listing):

- 1) Increase the Cigarette Tax
- 2) Increase Original Certificate of Title Fee for Vehicles Transferred to Nebraska from Another State
- 3) Tax Increment Financing
 - a) Clarify Who is Entitled to the Proceeds in a Tax Increment Financing Special Fund Upon Payment of All Bonds, Loans and Other Indebtedness for a Redevelopment Project
 - b) County Input in the Approval of Tax Increment Financing Districts Which Affect the County Tax Base
- 4) Increase County Treasurer's Sales Tax Collection Fee Charged to the State

Gordon asked why sales tax has not been applied to internet and catalog sales. Eagan said it is primarily a federal issue because there are some federal bans in place. He explained the County can apply a sales tax in the County for public safety purposes and said it requires a vote of the people. Eagan estimated \$2,000,000 to \$3,000,000 in revenue could be raised with a county sales tax, mostly generated from the sale of motor vehicles. Clark added there isn't a mechanism to effectively collect the use tax for interstate purchases. Joe Kohout, Kissel/E&S Associates (Legislative Consultant), noted Senator Heath Mello estimated the State was losing about \$100,000,000 on internet sales. He said some states have taken action to create a level of nexus between the seller and buyer and said that is currently being litigated.

Brad Johnson, Interim Corrections Director, also discussed the 2015 Legislative

Session's LB 605, noting there has been a significant increase in LCADF's population since passage of the bill. He said there has been a 13% increase as of July of this year. The average over the last twenty years was closer to 3% per year. Johnson said he believes the Legislature needs to recognize there were unintended consequences which will cost taxpayers a lot of money. He said Sarpy County's adult detention facility is overfull and they don't know what to do about it. Johnson said the LCADF is basically full as well. The LCADF was opened in July of 2013 and was projected to last 10 to 15 years. He added counties that previously had space to assist others are now at capacity as well. Joe Kelly, County Attorney, said the underlying assumptions of LB 605 were that prison numbers and recidivism would decrease and that jails wouldn't see much, if any, increase. That isn't the case. He said it isn't necessarily that more individuals are being arrested and more crimes are being charged, rather much of it has to do with the sanctions for those individuals who violate probation or post-release supervision.

Wiltgen asked Dix if NACO is working on this issue. Dix said it is impacting all of the counties, although numbers are higher in Douglas, Lancaster and Sarpy Counties. He added many of the senators that were apprised of what was happening have been term limited out of office. Schorr noted \$500,000 was set aside to assist counties that might see an increase in their jail population but said the rules and regulations to access those funds have yet to be established. Jeff Curry, Chief Probation Officer, Adult Probation, said the next year will be telling as some of the provisions of LB 605 are just starting to take effect.

In terms of the proposal to amend Neb. Rev. Stat. §28-929 to include mental health technicians and other support staff under the definition of health care professional, Curry said if these individuals are charged with felonies and aren't successful on probation, they will end up in the county jail.

Nigro said he believes the County will need to look at other ways to reduce the jail population such as increasing utilization of pre-trial release programming and alternatives to requiring offenders to come up with bond money. He said he also anticipates that Lancaster County will be the pilot program for the Mental Health Court. Nigro said getting the misdemeanor population that has mental health issues out of the jail and into services would have a significant impact, stating he believes many of them will not repeat if they get on medication and have their housing situation stabilized.

Eagan stressed the County is willing to help address the issues and fund solutions but also wants the State to be an equal partner. He added the County does not want new unfunded mandates, especially with the lid, spending and valuation limits.

Hoyle noted the Legislature put more money into juvenile justice reform and said the County had representation on the committee that developed the rules and regulations that governed those funds. She said NACO now chairs that committee and asked whether NACO will have a similar role with the adult criminal justice reform funding.

Dix said NACO is trying to stay on top of it and is working with a number of different groups in that regard.

Triebisch said data that shows how LB 605 has contributed to pressure on the County or other factors that have contributed to overpopulation of the jails would be helpful to legislators.

Senator Baker predicted there will be proposals for property tax relief and to lower income tax in the coming legislative session and said anything with a fiscal note will likely be viewed as not doable.

Avery said he believes there needs to be a focus on user fees.

Hudkins said the State needs funding sources to address issues such as property taxes and suggested that consideration be given to a sales tax on food.

Board members expressed their appreciation for the working relationship it has with the elected officials and department directors and for senators responding when the Board reaches out to them on issues of importance to the counties.

Hudkins was recognized for his service on the County Board. **NOTE:** Hudkins did not seek re-election and his term of office will end on January 5, 2017.

3 ADJOURNMENT

There being no further business, the Chair adjourned the meeting at 11:03 a.m.

Submitted by Ann Taylor, Lancaster County Clerk's Office.