

NACO Legislative Report



February 16, 2024

[Video Report](#)

Inheritance Tax Repeal On Tuesday's Agenda

On Thursday the Revenue Committee sent [LB1067](#), the bill to repeal inheritance taxes, to the full Legislature for debate.

The bill appears on Tuesday's [agenda](#) for first round floor debate. Since the body will convene at 10:00 and several bills precede LB1067, it's possible that debate may not begin on Tuesday, but we will need to be prepared for debate at any time on or after Tuesday. Most of the early bills are relatively noncontroversial Select File measures and will be advanced with little debate and a voice vote.

We need your help more than ever to continue tell your county's story to your senator. Because the Legislature is in recess on Friday and Monday is a holiday, senators may not be in their Lincoln offices. But we can use the four-day weekend while they are at home to make informal connections and show them how inheritance taxes are used in their district.

In addition, county officials need to fill the Rotunda on Tuesday to show our opposition to LB1067. NACO staff will be on hand to help you call your senators off the floor so you can speak to them personally. Please bring copies of the letters you have sent and information about your county's use of inheritance taxes. Our allies will use these as speaking points during the debate.

If your senator is determined to eliminate inheritance taxes, stress to them that we need replacement revenue for the entire amount. These funds are essential to counties, especially as we face the possibility of property tax caps. We are working on amendments that would provide some replacement revenue but no single solution will provide equivalent revenue to all counties.

The Revenue Committee has offered an [amendment](#) that would increase the jail reimbursement proposed in the bill from \$35 per day to \$100 per day and limit counties' use of visitor promotion funds to 50 percent of those dollars. The amendment would not otherwise affect the proposed five-year phase-out of inheritance taxes. Separate amendments have been offered to set the reimbursement [rate](#) at \$40 per day and completely [repeal](#) inheritance taxes for deaths after January 1, 2025.

Thanks once again for all you have done and continue to do to help preserve this funding source for counties.

Floor Activity This Week

The Legislature debated mostly senator and committee priority bills on General File this week, as well as advancing bills from Select File. Thursday was the final day to designate priority bills or request a speaker

priority designation. The full list of senator and committee priority bills is [here](#) . Speaker priority bills will be announced next week. Among the priority bills of interest to counties are:

[LB1067](#) to eliminate inheritance taxes

[LB126](#) to provide homestead exemptions for veterans

[LB61](#) and [LB1031](#) to authorize the lease of dark fiber and address other broadband issues

[LB1120](#), [LB1300](#) and [LB1301](#) to address foreign ownership of property near military installations and foreign supply chain concerns

[LB1363](#) to increase the rate and expand the allocations for documentary stamp taxes

[LB1335](#) to provide exemptions from the Nongame and Endangered Species Conservation Act for infrastructure projects

[LB287](#) to update election, open meetings, and public records laws

One of the [bills](#) advanced from General File would give counties a share of the taxes generated on skill games. As amended before advancement, 40 percent would be directed to the Property Tax Credit Cash Fund and 25 percent would be sent to the treasurer of the county where the device is located. If the device is in an unincorporated area, the county would keep the entire amount. If it is located in a city or village, one half of the 25 percent distribution would be shared with the city or village. Political subdivisions would be prohibited from imposing additional taxes on these devices.

In addition to LB1067, the inheritance tax repeal, committees advanced a number of bills to the full Legislature for debate. Many are priority bills.

The Transportation and Telecommunications Committee advanced [LB1108](#) that would increase motor vehicle registration fees by fifty cents. The increase would be earmarked for the Nebraska Emergency Medical System Operations Fund, which currently receives fifty cents. The fund is used to support emergency medical services programs and emergency medical programs for children and the statewide trauma system. The amendment would add two other designated uses for the fund: financial support for the statewide patient care reporting system and trauma registry and support for the recruitment, retention and training of emergency medical responders.

Dark Fiber For Broadband Advanced

Political subdivisions with dark fiber could collaborate with internet providers to offer broadband service pursuant to a bill advanced from the first round of debate. [LB61](#) , as introduced, would allow for public power entities to lease or license their dark fiber in public-private partnerships in unserved and underserved areas. Dark fiber is [defined](#) as unused fiber optic cable through which no light is transmitted or any installed fiber optic cable not carrying a signal. Before the bill was advanced, an amendment was adopted that would allow leases of dark fiber only in unserved areas as determined by the broadband access map created by the Nebraska Broadband Office. This map is different than the one used by the FCC.

Other broadband and communications issues were discussed during Transportation and Telecommunications Committee hearings on Monday. [LB1336](#) would transfer administration of the Broadband Bridge program from the Public Service Commission (PSC) to the state's broadband office. The program facilitates and funds the deployment of broadband networks in unserved and underserved areas. The bill is intended to alleviate redundant processes and ensure that funding is not duplicated between agencies.

[LB1112](#) would cap the amount of permit fees counties can charge to place communications infrastructure on poles or towers. Fees would be limited to \$100 per application and permit fees would be capped at \$250. Costs for third-party reviewers could not be assessed to applicants. Permitting entities would have to publish

information about the application process and fees on their website. Applications would have to be approved or denied within 30 days after receipt. This bill was brought up during the debate on LB61.

On Tuesday, the committee heard [LB1212](#) to enhance railroad safety by offering training to local fire departments, limiting lengths of trains carrying hazardous materials, and maintaining defect detection systems. Trains on main lines would be prohibited from blocking public crossings for more than 10 minutes.

Next Tuesday, February 20, the committee will hear bills on next-generation 911 issues. [LB1255](#) would accelerate the migration to next-gen 911 within a year. [LB1256](#) would require carriers to submit reports on outages to the Public Service Commission. [LB1257](#) is a shell bill that would be used by the committee if necessary.

On February 23, the Revenue Committee will hear a bill ([LB1389](#)) to exempt broadband equipment from personal property tax if it is deployed in an area funded by the federal BEAD (Broadband Equity, Access, and Deployment) program or in certain qualified census tracts in a metropolitan class city.

The committee has designated [LB1031](#) as one of its priority bills. It would require broadband speeds of 100 uploading and 100 downloading in order to qualify for subsidies from the Nebraska Telecommunications Universal Service Fund. The committee's other priority bill, [LB1200](#), would update references to federal laws and make changes proposed by the Department of Motor Vehicles, including allowing ATV and UTV owner to apply for a certificate of title in any county. Neither bill has been reported out of committee.

Hearings Held this Week

Replacement Revenue

On Thursday, the Government, Military and Veterans Affairs Committee heard [LR287CA](#), which is a proposed constitutional amendment to require the state to compensate political subdivisions when the Legislature reduces or eliminates a locally imposed source of revenue. The funding would be based on the five-year average of receipts from the revenue source. As a constitutional amendment, if it is passed by the Legislature, the question would be presented to voters at the November 2024 general election. County officials, NACO and city officials testified in support of the measure.

Public Officials Serving on Other Boards

NACO, county officials, and representatives of cities and schools testified against a bill to make open meeting-style laws apply to certain meetings of non-public bodies. [LB951](#) states that if the board of a private or quasi-public entity includes a majority of members who are public officials, the board would have to be open to the public under statutes similar to the Open Meetings Act. Elected or appointed officials of the state or political subdivisions or any employee or official in an upper level of management, including school superintendents, would be considered public officials in LB951.

Early Voting Deadlines

Early voters would have a compressed time frame to receive and return their ballots under provisions of [LB1211](#) that was heard by the Government, Military and Veterans Affairs Committee on Wednesday. Currently early voters have 35 days to vote by mail or 30 days to vote in person. The bill would shorten this period to 22 days. County clerks and election commissioners testified that postal service delays would further reduce the time to receive and return ballots. Most counties would need to increase staffing and space to accommodate the lessened time frame.

The committee also heard testimony on [LB1042](#). The bill would require the Department of Motor Vehicles to transmit voter registration information for all driver's license applicants to the county clerk or election commissioner unless the applicant indicates that they do not want to register to vote or update their registration. Existing law allows applicants to register to vote when obtaining a driver's license but does not require it. Proponents said the process would increase the number of persons registered to vote and reduce the number of

provisional ballots. The proposed process would generate a large number of duplicate names that would need to be verified by county clerks and election commissioners.

The committee sent an election bill to the full Legislature. [LB1152](#) is the Secretary of State's annual omnibus bill. It includes an amendment that was agreed to but not adopted when voter ID legislation passed last year. Other sections contain election cleanup legislation that would specify the number of times voter lists may be provided at no cost, create a framework for special elections to fill a vacancy, and other issues.

Property Ownership by Foreign Adversaries

Purchasers of property within 10 miles of a military installation would have to sign an affidavit stating that they are not affiliated with a foreign government as part of a bill heard on Monday. [LB 1120](#) , introduced by Senator Brian Hardin, is one of three bills heard by three different committees to address concerns of foreign ownership of property near critical military sites.

LB1120 would take a proactive approach by requiring the affidavit at the time of purchase. An amendment was suggested that would replace the bill with new language including the wording of the affidavit, which would have to be signed by the purchaser and register of deeds. NACO and a representative of the Land Title Association testified in opposition to the bill as introduced. They suggested technical changes to the amendment, such as removing the register of deeds signature requirement and placing checkboxes on the Form 521 Real Estate Transfer Statement rather than creating a new form.

The other bills, [LB1301](#) and [LB1300](#) , propose more reactive approaches. LB1301 would prohibit land ownership by foreign adversarial interests. LB1300 would examine potential supply chain issues due to a disruption in the Pacific and prohibit certain purchases from countries of concern. The committees have not reported action on these bills. All have been designated as senator priority bills.

Flashing Yellow Arrows

[LB966](#) is the Nebraska Department of Transportation's (NDOT) annual update. It would clarify the meaning of solid red and flashing yellow traffic arrows and make a technical adjustment to the decimal point calculation for the variable fuel tax rate. A representative from NDOT testified that the adjustment is not intended to have a fiscal impact but to give more precision in setting the rate.

Hearings Scheduled for Next Week

Following are some of the committee hearings scheduled for next week. Hearings will conclude on February 29.

Veterans' Assistance

County veterans aid could be provided to veterans who served during peacetime under [LB869](#) . Existing law limits the assistance to members of the Armed Forces who served during designated periods of war or conflict. Senators Eliot Bostar and Mike Jacobson introduced the bill on behalf of veterans service officers and NACO. The Government, Military and Veterans Affairs Committee will hear LB869 on February 21. The committee will also hear a bill, [LB1037](#), to prohibit so-called benefit sharks from charging fees to provide referrals or assist veterans in filing claims for services.

Emergency Proclamations

Utility companies could ask the Governor to declare an emergency for multiple counties without first requesting a declaration from a county under [LB1277](#). The request could be made by any political subdivision of the state that supplies electricity, natural gas, water, or sewer service. The declaration could be requested for a disaster, emergency or civil defense emergency. The bill will be heard by the Government, Military and Veterans Affairs Committee on February 23.

On February 22, the committee will hear bills to make meetings on state contracts open to the public ([LB1076](#)) and codify an agreement between state agencies to provide assistance to volunteer first responders to control wildland fires ([LB1243](#)).

Court Security and Inmate Wages

The state would reimburse counties for up to \$12 million for the costs of deputies assigned to court security under [LB1360](#) . The reimbursement would cover the actual wage costs, including benefits, for up to one and four-tenths deputies assigned per judge and one supervisor for every ten deputies assigned to court security.

Under [LB1021](#) , counties, cities and other entities employing inmates would have to pay at least minimum wage and set aside a portion of the wages in various trust accounts. The jail administrator would transfer 25 percent of the inmate's net wages into a commissary account, with other funds designated for the support of their families, restitution and other legal obligations, and reimbursement for injuries or damage caused by intentional acts of the inmate. Based on data from 10 of the 20 counties with the largest jail populations, NACO estimates that wages would likely exceed \$3.5 million statewide. The Judiciary Committee will hear [LB1360](#) and [LB1021](#) on February 22.

On February 21, the committee will hear [LB916](#) that would create new processes for the forfeiture of property in controlled substance cases.

On February 23, the committee will hear bills to consider youth renewal centers for high-risk youths to be juvenile detention facilities ([LB1282](#)), allow detention of juveniles for their own protection ([LB1208](#)), and require hearings for the release of certain juveniles ([LB1281](#)).

Homestead Exemptions and Valuations

The Revenue Committee will hear three bills to revise homestead exemptions next week. On February 22, the committee will hear [LB853](#) that would increase the value of homes eligible for homestead exemptions to 350 percent of the average assessed value or \$300,000. Veterans who are disabled would qualify for an exemption based upon their percentage of disability. Senator Jen Day has prioritized a separate homestead exemption bill, [LB126](#), that would also provide a homestead exemption to veterans based on their level of disability.

On February 23, the committee will hear [LB1151](#) that would define occupancy provisions for property owners who are in nursing homes or otherwise away from their homes. [LB1041](#) would adjust eligible income amounts by the percentage increase in the average assessed value of a single-family residential property in each county.

At the same hearing, the committee will hear bills to require the correction of tax rolls upon the final order of an administrative body or court ([LB1019](#)) and two measures to cap residential property valuations. [LR285CA](#) would allow the legislature to create a separate class for residential property and limit its valuation growth. [LB1362](#) is a companion bill that would cap residential valuation growth at five percent. It would take effect after passage of the constitutional amendment.

Documentary stamp taxes would increase by \$1.25, with counties receiving an extra five cents, in a bill that will be heard on February 21. Counties currently receive 50 cents of the fee of \$2.25 per \$1,000 of value on the transfer of property. Other portions of the fund would be earmarked for new programs including military base development, innovation hubs, and the Nebraska film office. Senator Mike McDonnell has selected [LB1363](#) as his priority bill.

The committee will also hear the Property Tax Circuit Breaker Act, [LB1367](#) , that would provide an income tax credit to qualified taxpayers whose property taxes exceed five percent of their federal adjusted gross income.

Road Projects and Funding

Existing public roads, streets, highways and their associated rights-of-way would be considered man-made structures, not critical habitat, under proposed amendments to the Nongame and Endangered Species Act under [LB1335](#) . The Act, which is funded in part through an income tax checkoff program, is intended to help enable

such wildlife to sustain itself successfully and ensure that projects do not jeopardize the continued existence of endangered species and their critical habitat. The Natural Resources Committee will hear the bill on February 21. Senator Mike Moser introduced and prioritized LB1335.

[LB1401](#) would appropriate \$15 million in ARPA funds for the East Beltway in Lincoln. Lancaster County and the City of Lincoln would contribute funds in amounts to total a 20 percent match. A separate bill, [LB1411](#), would appropriate \$5.1 million of ARPA funds for bridge construction projects in a county with 20,000 to 30,000 inhabitants. The Appropriations Committee will hear these bills on February 21.

Bills Advanced from Select File This Week

Senators advanced a number of bills from Select File by voice vote this week.

[LB147](#) would allow counties to notify political subdivisions electronically when a portion of their tax collections will be withheld to pay for a refund to the property owner. Existing law requires notice of refunds in excess of \$200 to be mailed to the political subdivision. LB147 would allow subdivisions to waive notice of refunds of \$1,000 or less and ask to receive such notice electronically. Senator Kathleen Kauth introduced the bill last year on behalf of NACO.

[LB218](#) would appropriate funding for riparian weed management. As introduced, the bill would have provided \$6 million. An amendment was adopted on Select File to reduce the appropriation to \$3 million. Two years ago, [LB805](#) expanded the area in which vegetation management activities could be conducted but additional funding was not adopted.

[LB317](#) would allow county assessors to determine how inspection of real property must be completed. A separate bill, [LB949](#), was introduced to require inspections every year, instead of every six years, and allow inspections to be conducted remotely. LB949 remains in committee.

[LB190](#) would allow counties to spread out payments on bridge projects beyond the completion date. The bill was modeled after a process used to build a beltway in Lancaster County.

[LB102](#) would revise land surveyor statutes. As amended, it would allow county surveyor's records to be stored in buildings owned by the county, rather than limiting the storage location to the county courthouse.

[LB307](#) would allow counties and cities to authorize a syringe services program to provide access to sterile syringes and safe disposal of used syringes and needles. The program would provide a needs assessment for program participants, referral information for substance abuse, mental health care and other services, and other information to reduce overdose risks.

[LB358](#) would increase reimbursement rates by 25 percent for dental services provided by Medicaid. [LB935](#) that would appropriate \$6 million for increased dental services provider reimbursement rates remains in committee.

Committee Hearings Scheduled

Every bill introduced by the Legislature is the subject of a public hearing. Following is a schedule of bills that are of interest to counties in the coming weeks. Other bills not shown here may be heard at the same hearing. A complete list of [hearings](#) is available on the Legislature's website. For tips about testifying at a hearing, click [here](#). For options for providing input, click [here](#).

Tuesday February 20, 2024

Appropriations Committee

Room 1524 - 1:30 PM

[LB931](#)(Fredrickson) Change appropriations of Federal Funds for behavioral health purposes

Transportation and Telecommunications Committee

Room 1113 - 1:30 PM

[LB1255](#) (Fredrickson) Change provisions relating to next-generation 911 service

[LB1256](#) (DeBoer) Require reports by communications service providers regarding 911 service outages and require a hearing

[LB1257](#) (DeBoer) Change provisions of the 911 Service System Act

Wednesday February 21, 2024

Appropriations Committee

Room 1003 - 1:30 PM

[LB1080](#) (Holdcroft) Appropriate Federal Funds to the Department of Natural Resources

[LB1401](#) (Ballard) Appropriate Federal Funds to the Department of Transportation

[LB1411](#) (Clements) Appropriate Federal Funds to the Department of Transportation

Government, Military and Veterans Affairs Committee

Room 1507 - 1:30 PM

[LB869](#) (Bostar) Change provisions relating to services of the county veterans service committees

[LB1037](#) (Brewer) Prohibit certain conduct relating to assistance or referrals in veterans benefits matters

Judiciary Committee

Room 1113 - 1:00 PM

[LB916](#) (Brewer) Adopt the Controlled Substance Offenses Forfeiture Act and change provisions relating to forfeiture

Natural Resources Committee

Room 1525 - 1:30 PM

[LB1335](#) (Moser) Change provisions of and provide duties and exemptions from the Nongame and Endangered Species Conservation Act

Thursday February 22, 2024

Government, Military and Veterans Affairs Committee

Room 1507 - 1:30 PM

[LB1243](#) (McDonnell) Adopt the Wildland Fire Response Act

[LB1076](#) (Cavanaugh, M.) Adopt the Public Contract Provider Open Meetings Act

Judiciary Committee

Room 1113 - 1:30 PM

[LB1360](#) (McDonnell) Create the Court Security and Service Reimbursement Program

[LB1021](#) (Cavanaugh, M.) Require programs for inmates related to compensation and employment and require minimum wage for inmates of jails and Department of Correctional Services facilities and state and political subdivision employees

[LB883](#) (Brewer) Eliminate a requirement to obtain a handgun purchase certificate and change provisions on criminal history record checks for firearms and explosives

Revenue Committee

Room 1524 - 1:30 PM

[LB1372](#) (Brandt) Change provisions relating to individual and corporate income tax rates and property tax credits

[LB853](#) (Jacobson) Change provisions relating to homestead exemptions

Friday February 23, 2024

Government, Military and Veterans Affairs Committee

Room 1507 - 1:30 PM

[LB1277](#) (Wayne) Change provisions relating to emergency proclamations for disasters, emergencies, and civil defense emergencies made by the Governor

Judiciary Committee

Room 1113 - 1:30 PM

[LB1281](#) (McDonnell) Change provisions relating to when a juvenile detained or placed in an alternative to detention must be released

[LB1282](#) (McDonnell) Provide for youth renewal centers for high-risk youth

[LB1208](#) (Bosn) Allow for detention of juveniles under the Nebraska Juvenile Code for their own protection

[LB1157](#) (McKinney) Require hearings regarding juveniles in detention in certain counties and require payment of certain costs by the Office of Probation Administration

[LB890](#) (Bosn) Provide for certified copies of sealed juvenile records for certain attorneys

[LB1057](#) (DeBoer) Change provisions relating to arraignments, filing of juvenile petitions, and jurisdiction of juvenile courts

Revenue Committee

Room 1524 - 1:30 PM

[LB1389](#) (Bostar) Provide for a personal property tax exemption for broadband equipment as prescribed

[LB1019](#) (Holdcroft) Change provisions relating to the correction of assessment and tax rolls

[LB1151](#) (Dover) Define the term occupy for purposes of homestead exemptions

[LB1041](#) (Fredrickson) Change provisions relating to homestead exemptions

[LB1362](#) (McDonnell) Change provisions relating to the valuation of residential property for property tax purposes

[LR285CA](#) (McDonnell) Constitutional amendment authorizing the Legislature to provide a different method of taxing residential property

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