

NACO Legislative Report



March 14, 2025

[Video Report](#)

Inheritance Tax Repeal Heard by Revenue Committee

Nebraska voters would decide whether inheritance taxes should be eliminated under a proposed constitutional amendment heard by the Revenue Committee this week. [LR13CA](#), if passed by the Legislature, would place the question before voters at the November 2026 general election.

County officials from across the state testified in person, signed in at the hearing, and contacted committee members and senators to express opposition to LR13CA. They discussed the projects and services that are funded by inheritance taxes and the impacts of eliminating inheritance taxes without replacement revenue. Without replacement revenue, taxpayers will either have to pay more property taxes in order to maintain the current level of support for bridges, emergencies, levy buydowns, reserves, and other projects that are funded by inheritance taxes, or critical services will suffer cuts.

Proponents said eliminating inheritance taxes would make Nebraska more competitive, retain retirees, and allow family farms to be passed down to family members. They suggested that counties look for ways to keep spending down.

LB468 offers an alternative to LR13CA. [LB468](#) would reduce inheritance tax rates for extended family and unrelated beneficiaries and provide replacement revenue through fee increases and reallocations of existing funds. Senator Rob Clements, who introduced LB468, selected it as his personal priority bill. Both measures remain in committee.

Many thanks to the county officials who contacted senators about LR13CA and LB468.

Priority Bills Designated

Friday marked the deadline for senators and committees to designate their priority bills for the session. Each senator can select one priority bill and each committee can select two priority bills. Requests for Speaker priority bill designations were due on Thursday. Speaker Arch will announce his 25 Speaker priority bills on Monday. Debate on priority bills and the budget will dominate the second half of the session.

Following are some of the priority bills that affect counties. The first senator listed is the introducer; the second senator or committee designated the bill as a priority. The full list is available [here](#).

[LB468](#) (Clements/Clements) Change provisions relating to inheritance taxes, change certain fee and tax provisions, and eliminate a sales tax exemption relating to data centers

[LR12CA](#) (Kauth/Andersen) Constitutional amendment to impose a limit on ad valorem taxes for real property, provide a new method of valuing real property for tax purposes, provide certain exceptions, and eliminate conflicting constitutional provisions

[LB156](#) (Conrad/Conrad) Allow tort claims under the State Tort Claims Act and Political Subdivisions Tort Claims Act for sexual assaults of children in school settings

[LB272](#) (Dungan/Dungan) Change provisions relating to homestead exemptions for certain disabled veterans and surviving spouses

[LB693](#) (McKeon/McKeon) Prohibit as a deceptive trade practice certain conduct relating to assistance or referrals in veterans benefits matters

[LB521](#) (Sanders/Government, Military and Veterans Affairs Committee) Change and eliminate provisions relating to the Election Act

[LB36](#) (Brandt/Natural Resources Committee) Provide for notification of certain regulations and permits to controlling entities by counties, cities, and villages under the Wellhead Protection Area Act

[LB311](#) (DeBoer/Transportation and Telecommunications Committee) Change provisions relating to nonregulated activities under the Nebraska Telecommunications Regulation Act

Single License Plate Advanced from First Round

Beginning in 2029, vehicles would carry only one rear license plate under a bill given first-round approval on Thursday. The Department of Motor Vehicles (DMV) new print-on-demand system would allow the plates to be printed as needed and mailed to vehicle owners or county treasurers by DMV, rather than delivering an entire plate issuance to treasurers at the beginning of the plate cycle.

In addition, owners could choose to register their vehicles for one, two, or three years. According to testimony at the hearing on LB543, DMV would print the registration form and registration decals on a single sheet. The decals would include the license plate number to help prevent fraud. Owners who could show proof of registration would have a 30-day grace period to operate vehicles without the mailed plate. The underlying bill is [LB97](#), a DMV cleanup bill. The single-plate concept was adopted from [LB279](#) and the multi-year registration provisions came from [LB543](#).

The Legislature advanced several other bills from the first round of debate. [LB135](#), as introduced, would eliminate school bond special elections, instead limiting bond issues to regularly scheduled primary or general elections. As advanced from General File, school bond elections could also be held in May and November in odd-numbered years.

Counties and municipalities could not enact ordinances that have the effect of rent controls under a bill advanced from the first round of debate on Tuesday. [LB266](#) would not apply to ordinances adopted to increase the supply of affordable housing or if a private property owner voluntarily agrees to restrict rent increases.

[LB105](#) would allow public power districts to split precincts without regard to population if approved by the Power Review Board. These elections are not conducted under the Election Act.

Road Abandonment Bill Moved from Select File

On Tuesday the Legislature advanced more than a dozen bills from Select File, the second round of debate, including [LB373](#) that would allow county boards to abandon or vacate section line roads. A traffic study would not be required.

[LB294](#) would increase the maximum amounts of individual Visitors Improvement Fund grants. Grants could be awarded in amounts of the greater of one percent of the lodging tax collected in the county or \$5,000.

[LB123](#) would revise statutes on withholding state aid to governmental entities that fail to file an annual audit or meet budget limits. An amendment was adopted to extend these provisions to counties.

[LB34](#) and [LB302](#) would provide for year-round daylight saving time and eliminate daylight saving time, respectively. [LR33](#) that would recommend that the Nebraska Congressional delegation take affirmative action to reform the present approach to daylight saving time will be heard by the Government, Military and Veterans Affairs Committee on March 20.

Bills Signed into Law

On Tuesday Governor Pillen signed two dozen bills, including [LB98](#) that would remove weight restrictions on all-terrain (ATV) and utility-type vehicles (UTV) that prevent them from being titled. [LB240](#) would require notices to be given to county assessors to divide taxes for tax increment financing projects on or before July 1, rather than August 1. Because these bills have emergency clauses, they are now in effect.

[LB21](#) creates a process for landowner to remove unlawful restriction from their land records. [LB196](#) allows ATVs and UTVs to be operated between the hours of sunset and sunrise within the limits of a city, village, or unincorporated village for purposes of snow removal. [LB335](#) grants eligibility for educational benefits to stepchildren when a law enforcement officer or firefighter is killed in the line of duty. [LB362](#) updates 911 statutes and eliminates obsolete committees.

Hearings Held This Week

Government, Military and Veterans Affairs Committee

Political subdivisions that supply electricity, natural gas, water or sewer services could request an emergency proclamation directly from the governor without first requesting an emergency declaration from a county or other governmental entity under [LB546](#). The declaration would cover multiple counties for a disaster, emergency, or civil defense emergency. The Omaha Public Power District, the only testifier in support of the bill, said the proposal would allow quicker response times in the event of emergencies, such as the 2022 ice jams on the Missouri River. Emergency managers, the Nebraska Emergency Management Agency, the Adjutant General of the Nebraska National Guard and NACO testified in opposition, pointing out that utilities can already ask the governor to declare a vital resource emergency. Senator Victor Rountree, the introducer, asked the committee to hold the bill until stakeholders can work on amendments.

[LB693](#) would help protect veterans from unaccredited consultants who charge fees to help them apply for veterans benefits. The bill would add the fee-based arrangements to the list of actions that can be considered deceptive trade practices. County veterans service officers and other accredited individuals provide assistance in preparing these claims at no cost. They testified in support of the bill and gave examples of veterans who have been charged fees and sent to collection for nonpayment. Senator Dan McKeon designated LB693 as his personal priority bill.

[LB596](#) would update the requirements for publication of legal notices to reflect the availability of electronic publications. The bill would allow the publication of legal notices on a website or application of a digital newspaper to be considered legal publication if the digital entity does not have a print publication. Publication would also be placed on a statewide repository of public notices. NACO and schools testified in support of the bill. Proponents said that the closure of local newspapers has sometimes led to publication in regional papers in an effort to ensure public notice of governmental meetings and decisions, as well as to comply with statutory requirements. Legislation enacted last year allows publication on county and newspaper websites and the statewide repository in limited instances when print publication is not available.

Revenue Committee

In addition to the hearing on a constitutional amendment to repeal inheritance taxes, the Revenue Committee took testimony on bills to eliminate sales tax exemption on candy, soft drinks and services ([LB169](#) and [LB170](#)),

as well as exempting more disabled veterans from motor vehicle taxes and creating homestead exemptions for local property owners.

[LB547](#) would change the definition of disabled veteran for purposes of motor vehicle tax exemptions. The proposed definition, which would be tied to federal code, is more expansive than existing law. The U.S. Department of Veterans Affairs estimates that approximately 43,500 veterans would be eligible for the exemption but not all would claim it. Counties receive a one percent collection fee and one percent is allocated to the state's motor vehicle titling and registration system. Counties receive 22 percent of the remaining funds. Cities receive 18 percent and schools receive 60 percent.

[LB152](#) would exempt the first \$100,000 of actual value of each owner-occupied homestead. LB152 is similar to a bill introduced during the special session with the goal of providing targeted tax relief for Nebraska resident homeowners, rather than property owners from outside of Nebraska.

[LB582](#) would increase the amount of taxes imposed on certain mechanical gaming devices from 5 percent to 15 percent. The funds would be reallocated away from counties, cities, tourism, the Property Tax Credit Cash Fund and the Charitable Gaming Operations Fund and directed instead to education and the state's general fund. Counties and cities currently receive 25 percent. The bill would reduce this allocation to 7.5 percent, an estimated loss of \$69,000 in FY29. The tax was [enacted](#) in 2024.

Transportation and Telecommunications Committee

Railroad safety bills were heard by the Transportation and Telecommunications Committee this week. The Railroad Safety Act, introduced by Senator Mike Jacobson, would require wayside detectors to report hot bearings and dragging equipment. [LB37](#) would prohibit blocking a public crossing for more than 10 minutes or obstructing a public crossing in a way that delays emergency vehicles. Railroads would have to offer training on hazardous substances to fire departments along the tracks every three years. County officials, rail workers, emergency responders, Public Service Commission members, and others testified in support of the bill.

[LB485](#) would keep personal information of train crew members confidential when they have been involved in an accident resulting in fatalities. The information would be redacted from public reports but made accessible to the employing railroad, law enforcement and courts. Train crew members would not be required to display their driver's license to law enforcement officers in connection with the operation of a locomotive or train. Rail workers and union representatives testified in support of the bill and shared examples of accident victims' families harassing engineers and conductors.

The committee heard other bills to allow Public Service Commission inspectors to work with Federal Railroad Administration inspector on accidents ([LB128](#)) and reinstate Nebraska as a member of the Midwest Interstate Passenger Rail Compact ([LB256](#)).

Judiciary Committee

NACO testified in opposition to [LB578](#) that would require inmates to be paid at least the statutory minimum wage when they are employed by a county, city or other person. The sheriff or city jail administrator would have to open deposit accounts for such inmates. Jails would have to operate under OSHA (Occupational Safety and Health Act) standards but they would not be subject to the Act itself. County jails are already subject to the Jail Standards Board's oversight. The bill is similar to a measure introduced [last year](#).

The committee also heard bills that would lower the minimum age to charge juveniles as adults for serious felonies ([LB556](#)) and revise penalties for youth who are charged as adults ([LB584](#)). Senator Merv Riepe prioritized LB556.

Business and Labor Committee

Employees who file civil actions for discrimination would be entitled to a jury trial under [LB361](#). This would include cases brought against the state and governmental agencies. In addition, retaliation or discrimination against employees who file claims or seek remedies for work-related injuries would be prohibited. NACO

testified in opposition because courts have held that there is already a legal cause of action for employees who are terminated because they exercised their rights under workers' compensation laws. In addition, the federal Civil Rights Act of 1991 gives every claimant in an employment discrimination case the right to request a jury trial.

Hearings Scheduled For Next Week

Eight days of committee [hearings](#) remain in this session. After hearings conclude on March 28, full days of floor debate will begin.

Revenue Committee

The pink postcard joint public hearing process would be replaced with an earlier notice directing property owners to local government budget hearings under [LB683](#). The notice would provide information about how to protest valuations.

[LB484](#) would clarify legislation adopted last year stating that land used for commercial purposes, such as solar and wind farms, does not meet the definition of agricultural or horticultural property.

The Revenue Committee will hear LB683 and LB4854 on March 20.

Government, Military and Veterans Affairs Committee

On March 19, the Government, Military and Veterans Affairs Committee will hear [LB237](#) to allow counties of all sizes to conduct all-mail elections with permission from the Secretary of State. Currently only counties under 10,000 are authorized to conduct all-mail elections. The committee will also hear [LB218](#) that would require the Department of Motor Vehicles to automatically transmit voter registration information from driver's license applicants to the county clerk or election commissioner unless the applicant opts out.

On March 20, the committee will hear [LB243](#), a shell bill about sidewalk assessments. LB243 would be replaced with substantive provisions if needed by the committee later in the session.

Banking, Commerce and Insurance Committee

Counties and other governmental entities would be prohibited from keeping lists of privately-owned firearms, except as required by law or as necessary for criminal investigations. The Attorney General would investigate alleged violations of [LB686](#).

[LB687](#) would prohibit governmental entities from entering into contracts for the purchase of goods or services unless the contract contains written verification that the company does not discriminate against a firearm entity or firearm trade association. The restriction would apply to contracts with companies with at least 10 full-time employees and a value of at least \$100,000 paid from public funds.

[LB204](#) would prohibit private and public entities, including counties, from possessing biometric data without the prior written consent of the individual from whom it was collected. Legitimate law enforcement uses would be excepted. The Banking, Commerce and Insurance Committee will hear these three bills on March 17.

Judiciary Committee

On March 19, the Judiciary Committee will hear [LB620](#) to require residential property owners to maintain properties to community standards. Failure to do so could result in a declaration from the district court that the property is a public nuisance and subject to a receiver's lien that would compel the owner to make repairs.

[LB56](#) would require mortuaries and medical facilities to comply with requests from law enforcement officers to draw blood from drivers or pedestrians who are killed in motor vehicle accidents.

On March 20, the committee will hear bills on law enforcement officer training and oversight. [LB73](#) would reduce the number of annual continuing education hours required for law enforcement officers in counties of less than 40,000. Officers in larger counties would continue to need 32 hours of training and smaller counties would need 20 hours.

[LB301](#) would allow aliens who have been granted work authorization in the U.S. to become certified law enforcement officers.

[LB277](#) would require the appointment of an experienced special prosecutor when a grand jury is called to investigate a death that occurs when an individual is being apprehended or in custody.

[LB276](#) would require county attorneys to maintain Brady and Giglio lists of officers whose credibility has been placed in question. It would also prohibit the use of no-knock warrants.

[LB222](#) would prohibit law enforcement officers from stopping drivers when an equipment failure is the primary offense unless there is an immediate safety issue.

See a schedule of [selected hearings of interest to counties](#). The full hearing schedule is available [here](#).

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