

NACO Legislative Report



January 12, 2024

[Video Report](#)

Inheritance Tax Repeal and County Office Proposals

Major funding and structural changes for counties have been proposed during the first eight days of the legislative session. New legislation would [eliminate inheritance taxes](#), [shift county jails to the state](#), [replace county attorneys with district attorneys](#), and [require the appointment, rather than election, of county assessors](#). Bills are expected to be introduced on behalf of Governor Pillen to cap property tax requests at up to two percent.

NACO will be asking for your input and data on these bills, as well as your help in [contacting senators](#) and [providing testimony](#). Watch your email and NACO's newsletters for more information about how you can help.

Repeal Inheritance Tax

County inheritance taxes would be phased out by 2028 under a bill introduced and prioritized by Senator Robert Clements. [LB1067](#) would reduce the tax rate for each class of beneficiary beginning with Class II and III decedents dying after January 1, 2024 and Class I decedents dying in 2025.

The bill would reinstate a jail reimbursement plan that was repealed in 2009. Counties would receive \$35 per day for holding prisoners who have been convicted and sentenced to a Department of Correctional Services (DCS) facility, have been placed on probation for the offense, or are parolees held on behalf of the state. This rate is the same as when the program was enacted in 1998. Clements has offered an [amendment](#) that would increase the rate to \$40.

In addition, counties with a Visitors Promotion Fund or Visitors Improvement Fund could use the proceeds for other purposes if deemed necessary. Currently, these funds can only be used to attract visitors and improve visitor attractions.

Shift County Jails to the State

The operation of county jails would be shifted to DCS under [LB996](#). The bill would require the Legislature's Judiciary Committee to prepare an amendment to harmonize the concept with existing laws. The bill would take effect on July 1, 2025.

Institute a District Attorney System

Beginning January 1, 2025, the powers and duties of county attorneys and deputy county attorneys would be performed by district attorneys and deputy district attorneys appointed by the Attorney General. Under [LB963](#), these attorneys would be full-time and prohibited from private practice. While the bill would shift many criminal prosecution responsibilities, it does not address functions performed for the county board, such as contract review, litigating Tax Equalization and Review Commission (TERC) appeals, and advising on open meetings.

Provide for Appointment of County Assessors

County assessors would be appointed by the county board, rather than elected, under [LB1183](#). In addition, assessment of real property would be considered as an offer by the county board to purchase the property at the assessed value.

Cap Property Tax Requests

Governor Pillen convened a tax reform working group this summer to address his concerns about property taxes. The group discussed counties' reliance on property taxes and the historical depletion of state aid to fund the essential services that are mandated from the state. Although legislation has not been introduced yet, the Governor has said he will propose up to a two percent cap on county property tax requests. The state would provide direct aid to local political subdivisions, likely from a sales tax increase.

Shift Ex Officio Clerks of the District Court to the State

In addition to these new proposals, legislation carried over from last year would transfer the duties of ex officio clerks of the district court to the state. Currently, in counties without an elected office of clerk of the district court, the elected county clerk serves in an ex officio capacity. Some counties have entered into an agreement with the state for the county court clerk magistrate to perform the ex officio's responsibilities. [LB 363](#) would transfer all of the ex officio offices of the clerk of the district court to the clerk magistrate. In counties with an agreement with the state, the transfer of duties would become permanent. LB363 remains in committee and has not been prioritized.

Priority Bills Designated

Starting on the first day of the session, senators, committees, and Speaker Arch have designated [priority bills](#). A priority designation generally means that the bills are debated early in the session. Last year, priority bills served as the basis for "Christmas trees" that were amended to contain many other bills.

As noted above, [LB1067](#), a bill to repeal inheritance taxes, has been designated as a priority bill.

Among the priority bills designated during the first eight days of the session is [LB43](#), a Government, Military and Veterans Affairs Committee priority bill that was reported on General File on Tuesday. A [committee amendment](#) contains provisions from five bills heard last year. Among these are [LB366](#), which would extend the "free" search for public records from four hours to eight hours for Nebraska residents. By definition, news media would be considered residents, regardless of their location. Nonresidents would be charged for the actual added cost of fulfilling the request. Cost estimates would have to be in writing and attested to under oath. NACO opposed this bill when introduced.

The committee amendment also include language from [LB650](#) that would add cybersecurity records to the list of documents that can be exempt from disclosure as public records. NACO supported this bill.

Some other bills that have been prioritized include:

[LB61](#) - Authorize leasing of dark fiber and eliminate certain powers of the Public Service Commission

[LB126](#) - Change provisions relating to homestead exemptions

[LB184](#) - Provide for inadmissibility of statements of juveniles during transfer proceedings

New Bill Introductions

Among the bills [introduced](#) this week were measures to provide a grace period on interest charges related to TERC decisions ([LB1134](#)), give counties flexibility in the call period for bonds ([LB1175](#)), and clarify mileage reimbursement provisions for sheriffs ([LB1162](#)). Here are some of the bills that could affect counties.

County Operations

[LB1090](#) (Ballard) Appropriate funds to the Department of Administrative Services for the Nebraska Public Safety Communication System

[LB1111](#) (Clements) Require city-county health departments to obtain approval for directed health measures

[LB1112](#) (Clements) Provide restrictions and requirements relating to permits for communications infrastructure placed on poles or towers

[LB1120](#) (Hardin) Require affidavits for certain purchases of real property near military installations

[LB1143](#) (Health and Human Services Committee) Eliminate provisions relating to certain health districts

[LB1175](#) (Holdcroft) Change provisions relating to redemption of bonds of political subdivisions

[LB1176](#) (Dungan) Adopt the Public Entities Pooled Investment Act

[LB1183](#) (Bostar) Change provisions relating to county assessors and require counties to offer to purchase certain property at the assessed value

[LB1192](#) (Conrad) Change provisions of Political Subdivisions Tort Claims Act and State Tort Claims Act to allow certain claims by prisoners, detainees, and children in the custody, care, or control of a government entity

[LB1195](#) (Conrad) Change provisions relating to county attorneys, public defenders, and loan repayments for attorneys practicing in certain rural areas

Inheritance Taxes

[LB1067](#) (Clements) Eliminate the inheritance tax, adopt the State Prisoner Reimbursement Act, and change the authorized uses of certain county funds

Property Tax

[LB1043](#) (McKinney) Require the development of certain real property and provide for the revocation of property tax exemptions

[LB1113](#) (Meyer) Change provisions relating to the types of property receiving a property tax exemption under the ImagiNE Nebraska Act

[LB1134](#) (von Gillern) Change provisions relating to the accrual of interest on taxes due after an order by the Tax Equalization and Review Commission

Homestead Exemptions

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

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

Law Enforcement and Courts

[LB1089](#) (DeBoer) Exempt individuals under nineteen years of age from payment of certain court costs and fees and change provisions of the Nebraska Juvenile Code

[LB1093](#) (Bostar) Provide for limited law enforcement officer certificates and change provisions relating to tuition waivers under the First Responder Recruitment and Retention Act

[LB1097](#) (DeKay) Change provisions relating to commitment of mentally incompetent defendants

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

[LB1162](#) (Lowe) Change provisions relating to reimbursement for mileage for sheriffs and constables

Elections

[LB1042](#) (Fredrickson) Change provisions relating to registering to vote

[LB1152](#) (Brewer) Change provisions relating to elections, motor vehicle operators' licenses, and state identification cards

Roads

[LB1174](#) (Hansen) Change provisions relating to section lines and vacation or abandonment of public roads

Motor Vehicles

[LB1105](#) (DeKay) Name the Branded Certificate of Title Act and provide for the issuance of destroyed-vehicle branded certificates of title

[LB1108](#) (Dorn) Change a fee under the Motor Vehicle Registration Act

[LB1149](#) (Day) Provide an exemption from the motor vehicle tax for motor vehicles with Gold Star Family plates

NACO Legislative Committee Meeting Set for January 19

NACO's Legislative Committee will meet at 8:30 a.m. (CST) on Friday, January 19 to review and take positions on bills that have been introduced through the first eight days of the 2024 legislative session. The meeting will be conducted through Zoom. Each affiliate group has been asked to review the bills pertinent to their office prior to the meeting and select one of their members to speak to their recommended positions on bills. Register for the meeting [here](#). After registering, you will receive a confirmation email containing information about joining the webinar.

The Committee will meet again on January 25 to take positions on bills introduced during the final two days of introductions. A webinar will not be held so comments on those bills should be provided to your NACO Board representative to share at the meeting.

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