

NACO Legislative Report



February 6, 2026

Joint Public Hearing Changes Adopted

Senators approved [LB384](#) this week, requiring one elected board member from every participating body and the county assessor from the host county to attend joint public hearings on potential property tax increases. Existing law requires one elected official from each county, city, and school district that exceeds their property tax request by more than an allowable growth percentage to participate in a joint public hearing. At the hearings, representatives must give a brief presentation on the political subdivision's intent to increase its property tax request and the effect on the subdivision's budget.

A second bill on joint public hearings, [LB575](#), remains in committee while work continues on an amendment that would overhaul the entire postcard process.

Other bills passed by the Legislature this week include measures to limit annual minimum wage increases to 1.75 percent ([LB258](#)) and lift restrictions on selling lottery tickets from vending machines ([LB60](#)).

Senators spent the first part of the week debating a bill to add screening questions about domestic violence for women seeking an abortion. [LB669](#) failed to receive enough votes to invoke cloture and debate ceased before a vote on advancement from the first round of debate.

Riparian Weed Control Transfer Advanced

Riparian weed control projects would be eligible for funding through the Water Resources Cash Fund under [LB807](#), which advanced from the first round of debate on Wednesday. Currently, riparian management grants are awarded as a subprogram within the Noxious Weed Act and administered by the Department of Agriculture. As introduced, the bill would have shifted the entire noxious weed program to the Department of Water, Energy and Environment (NDWEE). An [amendment](#) was offered at the Agriculture Committee hearing on the bill and adopted before it advanced from General File that would leave administration of the noxious weed program with the Department of Agriculture and shift only the grant funding process to NDWEE. The move is intended to make consistent funding available without the need for state General Fund appropriations.

The riparian program started in 2007 when the Legislature appropriated \$5 million to help control invasive vegetation in waterways, but funding has decreased to a \$353,000 appropriation last year. Some grant funding has also been provided to riparian weed control projects through the Nebraska Environmental Trust.

The projects have increased channel capacity, reduced flooding and infrastructure damage, and minimized the state's obligations to a water compact.

Counties, weed management areas, natural resources districts, and both state agencies support the move.

Committee Hearings Next Week

Judiciary Committee

Sheriffs in counties without a city over 5,000 could reside in an adjoining county while holding office as part of [LB784](#) that will be heard by the Judiciary Committee on February 11. This would mirror residency options for [county attorneys](#) in counties of similar sizes. The bill would reduce the hours of mandatory continuing education for law enforcement officers from 32 to 24 hours annually.

The committee will also take testimony on [LB859](#) that would allow counties to provide indigent defense through conflict counsel when the public defender is unavailable and [LB897](#) that would allow cities and fire districts to charge a fee for their costs in responding to and extinguishing a fire in violation of the statewide open burning ban.

On February 12, the committee will hear a bill that would expand counties' exposure under the Political Subdivisions Tort Claims Act. [LB1097](#) would create a cause of action for minors or individuals with developmental disabilities who experience sexual assault by an employee or a person under the supervision of a political subdivision.

Revenue Committee

County assessors could accept late homestead exemption applications for disabled veterans in limited circumstances under [LB826](#). The bill, which will be heard by the Revenue Committee on February 11, would allow applications to be accepted if the homeowner includes documentation that certification of their disability status by the U.S. Department of Veterans Affairs was delayed.

The committee will also hear [LB1253](#) which would state that tax sale certificates sold and issued between January 1, 2022 and May 7, 2025 would be governed by the laws in effect on May 7, 2025. Changes to fee and administrative tax sale laws that were adopted last year in [LB650](#) took effect on May 6, 2025.

[LB1193](#) would require battery storage centers to pay nameplate capacity taxes, rather than being treated as depreciable tangible personal property.

On February 12, the committee will hear [LR292CA](#), a proposed constitutional amendment that would establish a baseline taxable market value of property based upon the purchase price or 2026 valuation. This is similar to elements of Prop 13 in California. Increases would be based upon an inflationary factor and exceptions would be created for declared emergencies and property rebuilt after natural disasters.

The committee will also hear [LB1117](#) that would revise tuition benefits available to dependents of first responders. Dependents of veterans would be required to exhaust all survivors' benefits provided by the U.S. Department of Veterans Affairs in order to qualify for a tuition waiver.

Government, Military and Veterans Affairs Committee

Election bills will be heard by the Government, Military and Veterans Affairs Committee on February 11. [LB1075](#), the Secretary of State's annual cleanup bill, was introduced by committee chair Senator Rita Sanders. It includes provisions requested by NACO that would prohibit public inspection of personal information, such as drivers' license numbers and birth dates, that is provided on early voting or ballot applications.

[LB884](#) would make numerous changes to election procedures, including requiring ballots to be transported from polling places to the centralized counting location in ballot boxes and prohibiting the person delivering the ballots from making any stops between the polling place and counting location.

[LB765](#) would require school bond elections to have a turnout in excess of 50 percent for passage and prohibit public funds from being used to promote these elections.

Transportation and Telecommunications Committee

Certain telecommunications and broadband providers would be exempt from calling the One-Call locating services when they install underground lines at a depth of no more than 18 inches. [LB1093](#) would apply to excavations to connect a customer to the service provider's own network.

[LB1092](#) would create two new license plates. Funds from the Back the Blue plates would be used to support injured or fallen law enforcement officers and their families. Iconic-Design plates would be black and white designs inspired by retired license plates. Funds would support transportation fleets, infrastructure, and other structural benefits for persons with developmental disabilities.

These bills will be heard by the Transportation and Telecommunications Committee on February 10.

Natural Resources Committee

On February 12, the Natural Resources Committee will hear [LB1204](#), a bill to establish uniform statewide standards for renewable energy zoning. Like [LB1094](#) that applies to residential property land use decisions, the bill would impose a shot clock on zoning and permitting decisions by county boards. In LB1204, counties would have 45 days to approve or deny applications for renewable energy generation facilities with a nameplate capacity of less than 25 megawatts. For larger facilities, county boards would have 90 days to take action. In either case, failure to act on an application would constitute automatic approval of the application.

Urban Affairs Committee

Land bank and tax increment financing (TIF) bills will be heard by the Urban Affairs Committee on February 10. [LB811](#) would allow municipalities of all sizes to form land banks to accelerate the return of dilapidated property to tax rolls. [LB1135](#) would prohibit land banks from holding property for nonprofit corporations for a period of more than one year unless the entity has entered into a community benefits agreement with local community groups. [LB1114](#) would reduce the timeline for vacant and nonconforming lots and structures to become eligible for expedited review for TIF. Currently, these parcels must have been within the corporate limits of a city for at least 60 years. LB1114 would shorten that period to 25 years.

Banking, Commerce and Insurance Committee

On Monday, the Banking, Commerce and Insurance Committee will hear a bill to clarify estate planning and probate practices. [LB1160](#) would make technical clarifications to the definition of Class I beneficiaries for purposes of inheritance taxes.

Agriculture Committee

The state and political subdivisions would be prohibited from owning real estate in adversary nations by [LB1188](#) that will be heard by the Agriculture Committee on February 10. The bill is one of several that address interactions with adversary nations, including [LB1029](#), [LB1063](#), [LB1188](#), and [LB1262](#).

General Affairs Committee

The General Affairs Committee will hear bills on craft brewery ([LB1151](#)), entertainment district ([LB1128](#)), and other liquor licenses ([LB1085](#)) on Monday, February 9.

Committee Hearings Held This Week

Appropriations Committee

On Monday, the Appropriations Committee took testimony on the session's two main budget bills – [LB1071](#) and [LB1072](#). The hearing provided an opportunity for broad input on Governor Pillen's plans to balance the state's \$471 million budget deficit with transfers from cash funds and other accounts. The committee also began holding hearings on individual state agency budgets. The Governor's proposed mid-biennium budget adjustments are

[here](#). The Appropriations Committee's preliminary budget report is available [here](#). State agency budget requests are [here](#).

On Wednesday, the committee took testimony from the Department of Motor Vehicles (DMV) and Department of Transportation, among others. The Director of DMV spoke about plans to move to a print-on-demand license plate system beginning with the 2029 plate cycle.

The committee took testimony on [LB1218](#) that would provide \$4 million per year to the County Bridge Match Program. Senator Tom Brandt introduced the bill on NACO's behalf. County board members, highway superintendents, NACO, and contractors spoke in support of the program, outlining its success and the need for continued funding. The Director of the Department of Transportation spoke in opposition, suggesting that other options for funding exist, including an infrastructure bank proposed in [LB1126](#).

The committee also heard [LB982](#) that would appropriate \$10 million for the Broadband Bridge Program. County officials, NACO, and representatives of the Public Service Commission were among the speakers in support of the bill.

On February 9, the committee will hear about numerous shifts in funding within the Department of Health and Human Services, including funding for mental health and behavioral health. NACO supports sustaining and strengthening funding for these programs.

On February 11, the committee will take testimony on the Commission on Public Advocacy's budget. The Commission was created in 1995 to aid counties in providing legal defense for high-level crimes. NACO has historically supported the Commission and the property tax relief it provides.

The committee will also hear the Nebraska Commission on Law Enforcement and Criminal Justice's budget. NACO supports removing a 5 percent earmark for the Juvenile Justice Institute and instead centralizing evaluation of the community-based aid program within the Crime Commission.

On February 12, the committee will hold agency hearings for the Department of Agriculture and Department of Economic Development, as well as [LB1231](#) and other bills. LB1231 would transfer \$26,000 from the Panhandle Improvement Project Cash Fund to help fund animal damage control programs.

On February 17, the committee will take testimony on funding related to the Department of Veterans' Affairs. NACO opposes the proposed cuts to the Veterans' Aid Trust Fund.

Transportation and Telecommunications Committee

Rural road improvement district bonding procedures would be modernized by a bill heard by the Transportation and Telecommunications Committee this week. [LB1107](#), which was introduced on behalf of NACO by Senator Glen Meyer, would also allow district bonds to be issued for 20 years, rather than the current 10-year time frame.

Rural road improvement districts are used by county residents to generate funds for projects that are outside of the county budget. The districts are frequently near bedroom communities and residents opt to pay additional special assessments for road improvements.

The committee also heard a proposal by the Department of Transportation to create an infrastructure bank to help provide loans for local government infrastructure projects. Using economies of scale, the state would be able to access federal funds at a reduced interest rate and would make those savings available as loans to local governments. A similar process is used by the Department of Water, Energy and Environment to provide funding for wastewater projects.

[LB1126](#) would also increase fees for trucks hauling "superloads" to offset the damages caused by these loads. The state would be allowed to accept limited unsolicited bids and remove pre-qualifications for some routine maintenance projects.

Another bill heard by the committee would require motorists to exercise caution and yield the right of way when encountering animals being herded on county roads. [LB977](#) was modeled after Oregon law and would expand concepts proposed last year in [LB496](#).

Revenue Committee

Beginning January 1, 2027, property values would be reduced by half by [LB1183](#). All property except agricultural and horticultural land would be valued at 50 percent of its actual value. Ag land would be reduced to 37.5 percent of actual value. NACO testified in opposition, pointing out the impact on the 46 counties have levies in excess of 25 cents.

NACO also testified in opposition to measures that would limit the total amount of property taxes that can be levied by any political subdivision to two percent plus real growth. [LB1219](#) and [LR317CA](#) would define real growth as new construction, improvements, annexation, changes in use, and increases in personal property valuations.

NACO supported [LB1154](#) that would fix an error in the treatment of unused budget authority under the property tax cap.

Government, Military and Veterans Affairs Committee

Counties would be allowed provide meeting notices through a method designated in their minutes, rather than publication in a newspaper and posting on a statewide website under [LB1145](#). The bill, which was introduced by Senator Dan Lonowski and heard by the Government, Military and Veterans Affairs Committee, was the result of negotiations involving NACO, the League of Nebraska Municipalities, the Nebraska Association of School Boards, and the Nebraska Press Association.

The bill would return notice requirements to those in effect from 1975 until the passage of [LB148](#) in 2020. For 45 years, public bodies gave notice through reasonable advance publicized notice by a method designated by the body and recorded in its minutes. LB148 changed this long-standing law to require all political subdivisions to publish in a newspaper of general circulation in the jurisdiction and on the newspaper's website, if available. This requirement was later amended to include posting on a statewide repository of meeting notices and to give a safe harbor when a newspaper was unable to finalize a printing prior to the time and date of the meeting.

County officials, NACO, and representatives of other political subdivisions testified in support of the bill. The committee has not reported any action on the bill.

[LB596](#), a bill to allow digital publications to serve as legal newspapers under certain circumstances, also remains in committee. The amendment would remove the requirement to "post" a copy of open meetings laws in meeting rooms but a copy would still need to be available.

The committee also heard [LB898](#) that would expand the authority to hold virtual meetings to public bodies that are advisory in nature and [LB964](#) that would require governing bodies of political subdivisions to hold public hearings before the sale, lease, or purchase of real property. If the governing body decides to complete the sale, lease, or purchase and the transaction is not finished within two months after the hearing, a new hearing would be needed. Notice of the sale, including the legal description, assessed value, and proposed purchaser would need to be published.

An amendment was offered that would exempt parcels valued at less than \$20,000, property obtained for easements, and infrastructure projects regulated by the Federal Highway Administration or Nebraska Department of Transportation.

Judiciary Committee

Female inmates would no longer need to be supervised by matrons under [LB1195](#) that was heard by the Judiciary Committee. This statutory requirement was enacted in 1903 when there were no other requirements for supervision in Nebraska jails. In 1976, the Jail Standards Act was implemented to set minimum standards for

inmate safety and rights. Currently, jails are equipped with cameras and movement through facilities is generally documented, which reduces the risks that the 1903 law was enacted to address. NACO testified in support of the bill, noting that some small counties no longer hold female inmates because they cannot hire matrons to provide 24-hour supervision as required by Neb. Rev. Stat. § [47-111](#), the section that would be repealed.

The committee also heard [LB1123](#) that would create procedures for prosecuting agencies to provide written notice to law enforcement officers of placement or potential placement on Brady-Giglio lists. These lists are used to impeach the credibility of law enforcement officers. The bill would also restrict the public release of officers' official photographs without consent.

Urban Affairs Committee

[LB1041](#), a bill to impose statewide requirements for accessory dwelling units (ADUs), was heard by the Urban Affairs Committee on Tuesday. ADUs are second dwelling units placed on the same lot as a single-family residence. ADUs are typically less than 1,000 square feet and are often built as homes for aging parents or returning adult children. Proponents and opponents cited the need for affordable housing and discussed local control issues under the bill as drafted. NACO testified that one-size-fits-all requirements do not reflect local needs and existing zoning regulations. Senator Victor Rountree, the introducer, said the bill was based on Iowa law.

The committee also heard [LB1163](#) that would make technical changes to commercial tax collection processes for PACE (property assessed clean energy) projects. PACE is a financing tool used to support low-cost efficiency updates. Loans for new windows, efficient water heaters, and other projects are paid as assessments on property. Although existing law states that PACE assessments are collected in the same time and manner as property taxes, there isn't clear authority to enforce delinquent PACE assessments.

Selected Committee Hearings

Following are selected hearings that are of interest to counties. The full list of hearings is available [here](#).

Monday February 9, 2026

Appropriations Committee

Room 1524 - 1:30 PM

Agency 25 - Health and Human Services

[LB1229](#) (Strommen) Create the Rural Health Transformation Fund

Banking, Commerce and Insurance Committee

Room 1507 - 1:30 PM

[LB1160](#) (Hallstrom) Change provisions relating to civil procedure, decedents' estates, trusts, and inheritance taxes

General Affairs Committee

Room 1023 - 1:30 PM

[LB1151](#) (Clouse) Provide for a regional craft brewery license under the Nebraska Liquor Control Act

[LB1128](#) (Dover) Change provisions relating to entertainment district licenses under the Nebraska Liquor Control Act

[LB1004](#) (Clouse) Change the regulation of nonalcoholic beer under the Nebraska Liquor Control Act

[LB1085](#) (Clouse) Change provisions relating to retail, bottle club, craft brewery, and microdistillery licenses, Nebraska Liquor Control Commission powers and duties, and penalties for violations under the Nebraska Liquor Control Act

Transportation and Telecommunications Committee

Room 1510 - 1:30 PM

[LB1202](#) (Clouse) Change provisions relating to ignition interlock devices and ignition interlock permits

[LB1104](#) (Dover) Provide for certain determinations relating to the avoidance of motor vehicle taxes and fees under the Motor Vehicle Registration Act

Tuesday February 10, 2026

Agriculture Committee

Room 1023 - 1:30 PM

[LB1188](#) (DeKay) Update a federal reference in the Foreign-owned Real Estate National Security Act and prohibit ownership of real estate in adversary nations by the state and any political subdivision thereof

Banking, Commerce and Insurance Committee

Room 1507 - 1:30 PM

[LB1152](#) (Ballard) Adopt the New Taxpayer Recruitment Grant Act

[LB999](#) (Spivey) Adopt the Business Innovation and Startup Commission Act

Transportation and Telecommunications Committee

Room 1510 - 1:30 PM

[LB1092](#) (Bostar) Provide for Back the Blue License Plates and Iconic-Design License Plates

[LB1099](#) (Hansen) Provide for Husker Red License Plates

[LB1093](#) (Ballard) Redefine excavation under the One-Call Notification System Act

Urban Affairs Committee

Room 1200 - 1:30 PM

[LB811](#) (Dover) Change provisions relating to the municipalities that are authorized to form their own land banks under the Nebraska Municipal Land Bank Act

[LB1135](#) (Urban Affairs Committee) Change provisions of the Nebraska Municipal Land Bank Act

[LB1114](#) (Urban Affairs Committee) Change provisions related to eligibility of redevelopment plans for expedited review under the Community Development Law

Wednesday February 11, 2026

Appropriations Committee

Room 1003 - 1:30 PM

Agency 78 - Nebraska Commission on Law Enforcement and Criminal Justice

Government, Military and Veterans Affairs Committee

Room 1507 - 1:30 PM

[LB765](#) (Holdcroft) Change provisions relating to elections for school district bonds and bonds issued by a joint entity that includes a Nebraska school district or educational service unit

[LB884](#) (Andersen) Change provisions relating to voter registration, ballots, and poll watchers and observers

[LB1075](#) (Sanders) Provide requirements for certain village warrants, change various provisions of the Election Act, and change election provisions for exceeding a school district's property tax authority

Judiciary Committee

Room 1525 - 1:30 PM

[LB897](#) (Lonowski) Change a penalty and provide a fee for violating the open burning ban

[LB859](#) (Bostar) Provide for county conflict counsel to represent certain indigent persons when the public defender is unavailable

[LB1169](#) (Wordekemper) Prohibit assault on a court operations officer

[LB784](#) (Hallstrom) Change residency requirements for sheriffs in certain counties and continuing education requirements for law enforcement officers

Natural Resources Committee

Room 1023 - 1:30 PM

[LB1010](#) (Brandt) Provide for eminent domain of electrical energy storage property, storage of electric energy under the Electric Cooperative Corporation Act, and energy storage resources and change application, notice, filing, exemption, and violation provisions relating to electric suppliers

Revenue Committee

Room 1524 - 1:30 PM

[LB1253](#) (Bostar) Change provisions relating to the laws that apply to certain tax sale certificates

[LB1257](#) (Hansen) Eliminate certain sales tax exemptions, impose sales and use taxes on certain services, change school district levy limitations, eliminate the School District Property Tax Relief Act, change provisions of the School District Property Tax Limitation Act, and provide additional foundation aid under the Tax Equity and Educational Opportunities Support Act

[LB826](#) (DeKay) Change provisions relating to late applications for homestead exemptions

[LB1193](#) (Prokop) Provide regulation of and requirements for energy storage resources and change provisions relating to property tax exemptions and the nameplate capacity tax

Thursday February 12, 2026

Appropriations Committee

Room 1003 - 1:30 PM

[LB1231](#) (Strommen) Transfer money from the Panhandle Improvement Project Cash Fund to the Animal Damage Control Cash Fund and state legislative intent

Government, Military and Veterans Affairs Committee

Room 1507 - 1:30 PM

[LR293](#) (Kauth) Urge the United States Congress to swiftly enact legislation to provide for veterans' access to treatments for traumatic brain injury and post-traumatic stress disorder

Judiciary Committee

Room 1525 - 1:30 PM

[LB957](#) (Cavanaugh, J.) Provide a cause of action against certain adults for allowing a minor to possess a handgun and create an offense of leaving a loaded firearm in a location accessible to a minor

[LB1079](#) (von Gillern) Change provisions relating to the habitual criminal enhancement for theft offenses

[LB1097](#) (Conrad) Adopt the State and Political Subdivisions Sexual Abuse Liability Act

Natural Resources Committee

Room 1023 - 1:30 PM

[LB1111](#) (Cavanaugh, M.) Require an annual data center load report to the Nebraska Power Review Board, provide powers and duties for public power suppliers, allow and require regulation of data centers, and change provisions relating to regulation of cryptocurrency mining operations

[LB1064](#) (Bostar) Adopt the Large Load Customer Regulation Act

[LB1204](#) (Clouse) Adopt the Nameplate Capacity Tax Facility Standards Act and change provisions relating to property tax exemptions and the nameplate capacity tax

Revenue Committee

Room 1524 - 1:30 PM

[LB1117](#) (Ibach) Change provisions relating to tuition waivers and provide for reimbursement to postsecondary institutions

[LB890](#) (Clouse) Change provisions relating to fees and occupations taxes under the Mechanical Amusement Device Tax Act

[LR292CA](#) (Andersen) Constitutional amendment to provide a new method of valuing real property for property tax purposes, provide a limit on property tax increases, provide certain exceptions, provide requirements for declared emergencies, provide for emergency bond levies, and eliminate conflicting constitutional provisions

Friday February 13 – Recess Day

Monday February 16 – Presidents' Day Holiday

Tuesday February 17, 2026

Agriculture Committee

Room 1023 - 1:30 PM

[LB1187](#) (DeKay) Change certain fees and surcharges under the Livestock Brand Act

[LB1258](#) (Hansen) Rename the Livestock Brand Act as the Livestock Protection Act, eliminate the Nebraska Brand Committee, and change, provide, and eliminate provisions relating to livestock branding and livestock protection

Appropriations Committee

Room 1524 - 1:30 PM

Agency 28 - Veterans' Affairs, Department of

[LB968](#) (Prokop) Appropriate funds to the Military Department for grants for equipment for emergency events

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