

NACO Legislative Report



March 20, 2026

Late Night Debate Begins

With [12 days](#) remaining in the 2026 session, the Legislature began late nights of debate this week and will shorten their lunch break starting next week to provide additional time for discussion.

On Monday, the Legislature will use a consent calendar process to facilitate the advancement of bills from the first and second round of debate. These include bills regarding matrons in county jails ([LB1195](#)), tax sale certificates ([LB1253](#)), and law enforcement continuing education ([LB784](#)).

Motor Vehicle Tax Changes Advanced by Committee

[LB714](#), a bill to increase and redistribute motor vehicle taxes and fees as replacement revenue for inheritance taxes, was advanced with an [amendment](#) by the Transportation and Telecommunications Committee this week.

The amendment would make small increases to base motor vehicle fees. For example, the current base fee on an automobile with a value when new of \$40,000 is \$30. The new fee would be \$33. County treasurers would retain a one percent commission for collecting these fees and remit the rest to the state, along with registration fees. The State Treasurer would distribute these funds quarterly with 72 percent going to counties and 28 percent to municipalities. Currently these are divided equally between counties and cities.

The base tax on motor vehicles would not be changed but vehicles that are 14 years or older would be subject to a two percent tax on the base amount. These vehicles are currently exempt from the tax. Rates for other ages of vehicles would be adjusted and additional tiers would be added for base taxes on vehicles with values over \$100,000, based on the MSRP at the time of purchase. County treasurers would receive a two percent commission on collections and remit 1.2 percent to the State Treasurer for the vehicle titling and registration system.

The remaining proceeds would be distributed to counties and cities based upon the tax district and whether the situs is located within a city or village. Existing law provides for 60 percent to local schools and 40 percent to counties and cities based upon the location. Under the amendment, if the tax district is located outside of a city or village, the county would receive 52 percent and the local school system would receive 48 percent. If the tax district is within a city of the metropolitan class, 26 percent would go to the county, 48 percent to the local school district, and 26 percent to the city. If the district is located in any other city or village, 31.5 percent would go to the county, 48 percent to the local school, and 21.5 percent to the city or village. Schools would receive a motor vehicle tax supplement from the state general fund to offset reduced tax receipts.

These changes would be subject to an economic forecasting review by the Appropriations and Transportation and Telecommunications Committees in the year 2028. With consultation from the Department of Motor Vehicles, the committees would analyze whether there is money available to implement the proposed changes.

Amendments to [LB468](#), the inheritance tax bill, are expected to be filed next week. The bill had advanced to Select File last year but a cloture vote failed. If it is scheduled for debate, two hours would be allotted before a cloture vote could be taken. Senator Rob Clements prioritized LB468 in 2025 and 2026.

Budget Bills Debated

One bill in the mid-biennium budget package advanced from second-round debate on Thursday but the other bill failed to generate enough votes for cloture to end debate. The bills had advanced from the first round last week with the expectation that second-round amendments would fill the remaining \$125 million gap in the budget. The [amendment](#) to [LB1071](#), the main-line budget bill, generated opposition because it did not include \$3.5 million for school vouchers. After four hours of debate, a cloture vote failed 19-10, with 19 senators present and not voting. Two more hours of second round debate on the mainline budget are expected on Monday. The budget must be adopted no later than the 50th day, which is March 25.

[LB1072](#), the bill to make transfers from agency cash funds, the state's cash reserves, and the tobacco settlement cash fund, was [amended](#) and advanced from Select File following a cloture vote.

Additional funds were applied to the shortfall by [LB901](#), a Revenue Committee priority bill. LB901 would generate an estimated \$25 million in FY2026-27 and \$28 million the following year.

During the first round of debate, a committee [amendment](#) was adopted to eliminate sales tax exemptions ([LB1109](#)), update the Department of Revenue's collection procedures ([LB1110](#)), increase taxes on skill games ([LB890](#)), and grant income tax credits for programs supporting victims of domestic violence and human trafficking ([LB1131](#)).

Amendments were adopted during second round debate to further revise the tax on skill games by allocating funds earmarked for behavioral health based upon the location of the games. Automatic increases to annual licensing fees were eliminated. An [amendment](#) was offered and withdrawn to increase cigarette taxes and delay implementation of income tax cuts that were adopted several years ago. LB901 was advanced from Select File following a cloture vote.

Infrastructure Bill Advanced from First Round

[LB1126](#), a proposal by the Department of Transportation to create an infrastructure bank to help provide revolving loans for local government infrastructure projects was amended and advanced from General File, the first round of debate. A similar process is used by the Department of Water, Energy and Environment to provide funding for wastewater projects.

The bill would allow state and political subdivisions to accept limited unsolicited bids that are outside of the proposal process for design-building or construction manager at risk projects.

LB1126 would also increase permit fees for trucks hauling "superloads" and other oversize loads to offset the damages caused by these loads. A Transportation and Telecommunications Committee [amendment](#) to prohibit issuing permits to operate these loads on county roads or city streets was adopted before the bill advanced.

Several other bills were included in the committee amendment to LB1126, including [LB1107](#) that was introduced by Senator Glen Meyer on behalf of NACO to modernize rural road improvement district bonding procedures. 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 are willing to pay additional special assessments for road improvements. As amended into LB1126, district bonds could be issued for 20 years, rather than the current 10-year time frame.

An [amendment](#) has been offered for second round debate that would equalize 911 cell phone surcharge rates across the state and require the funds to be used to maximize operational support for all public safety answering points in the state. Currently the cap is 70 cents per line in all areas of the state except Douglas County, which is limited to 50 cents. The amendment is based on [LB576](#), which Senator Myron Dorn introduced last year on behalf of NACO.

Tax Increment Financing Bills Advanced

The Legislature advanced two bills revising tax increment financing (TIF) laws from General File, the first round of debate, this week.

[LB1135](#), as amended by an Urban Affairs Committee [amendment](#), would allow cities to issue conduit revenue bonds on behalf of private investors for TIF projects. Cities could pledge less than the full amount of excess tax revenues toward the project and allow the rest to flow to the other taxing entities. Other provisions of the underlying bill and amendment would revise membership on land bank boards, clarify the priority of property assessed clean energy (PACE) loans, and require counties over 500,000 and certain cities to report contracts for services in areas of high poverty and unemployment.

A [amendment](#) has been offered to LB1135 for second round debate that would incorporate provisions from [LB811](#), a bill to allow municipalities of all sizes to form land banks. Land banks in first- and second-class cities and villages would be required to advertise the availability of properties for sale.

A second TIF bill advanced from General File, [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. A committee [amendment](#) was adopted to increase the number of inland port authorities that can be created in the state from five to eight ([LB915](#)). Language from [LB976](#) would change the balance of resident and non-resident property owners on sanitary and improvement district boards of trustees. [LB850](#) would allow metropolitan and primary class cities to use economic development programs to construct or rehabilitate housing. [LB981](#) would require housing agencies in metropolitan class cities to inspect for and treat bedbugs. A separate [amendment](#) was adopted to allow, but not require, the City of Omaha to regulate the housing authority.

An [amendment](#) was offered but not adopted that would have stricken the increased number of inland port authorities. Another [amendment](#) was adopted that contains language from [LB1129](#) to allow TIF to be used in the extraterritorial jurisdiction of municipalities and expand the definition of extreme blight to allow other data to be used for the determination when federal census data is not available or inaccurate.

Bills Advanced by Committees

Committees continue to advance bills to General File and, in many cases, senators offer them as amendments to other bills. Following are some of the bills that came out of committee this week that would impact counties.

Government, Military and Veterans Affairs Committee

[LB1019](#) would exempt county assessors who enter onto property in the performance of their duties from liability for trespass. Assessors could not enter enclosed buildings without express permission of the property owner or occupant. A Government, Military and Veterans Affairs Committee [amendment](#) would require the assessor to provide advance written notice of the inspection to the owner of the property or publish notice of the inspection in a legal newspaper of general circulation in the county. Senator Myron Dorn introduced the bill on behalf of NACO.

[LB1075](#), the Secretary of State's annual election cleanup bill, was prioritized by the Government, Military and Veterans Affairs Committee. 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. Other sections would change time frames to cure provisionally cast ballots and send ballots for special elections conducted by mail.

A committee [amendment](#) includes provisions from five other bills. [LB884](#) would prohibit any indication of the voter's political party affiliation on ballot envelopes for general or special elections and prohibit extra stops by election workers dropping off or making a midday collection of ballots. The introduced bill's requirement for closed-circuit televisions with audio and video capabilities as an alternative for election watchers was not included in the committee amendment.

Concepts from [LB969](#) would require the Department of Administrative Services to maintain a database of financial information from all counties and cities in the state. Counties and cities would be required to provide historical information dating back to 2016.

Language in the committee amendment taken from [LB927](#) would prohibit the involvement of foreign nationals in ballot initiatives. [LB1002](#) would increase fees for failure to file campaign finance reports. [LB1074](#) would revise tolling periods for certain unclaimed property filings and create a fund to hold liquidated proceeds from unclaimed property.

LB1075 appears on Monday's [agenda](#) for General File debate.

[LB830](#) would repeal a requirement for the Department of Administrative Services to annually report to counties the amounts that are due to the Department of Health and Human Services (DHHS) for patient care at DHHS institutions. Because counties are billed monthly for these amounts, these reports are considered redundant by the agency. Other provisions of the bill would eliminate monthly payroll requirements for some state employees.

[LB1256](#) would add snow and ice removal and flood management to the definition of emergency management so that workers in these areas would be recognized as emergency management workers that are part of integrated emergency responses.

Revenue Committee

[LB803](#) was introduced as a shell bill by the Revenue Committee. A committee [amendment](#) has been proposed that would strike the shell language and insert language from four other bills. Language from [LB1154](#) would fix an error in the treatment of unused budget authority under the property tax cap. [LB575](#) would rewrite the pink postcard/joint public hearing process, starting with additional information on the notice of valuation change that is sent in June to property owners whose valuation has gone up or down. The new notice would have columns comparing prior year and current year data on valuation and amounts levied for cities, counties, and schools. The notice would contain information about how to protest the valuation of property and how to find out when budget hearings will be held. On or before June 15, the Department of Revenue would send a postcard with the county's website address that lists the time and place of the first budget hearing for the county and each city and school district authorized to levy a tax within the county.

The amendment would outright repeal the existing sections of law requiring the pink postcard and joint public hearing, including requirements adopted earlier this year for one elected board member and the county assessor of the host county to attend the joint public hearing ([LB384](#)). However, those officials would be required to attend the hearing under the new language proposed in LB803.

Judiciary Committee

[LB1100](#), as introduced, proposed a modest technical change to a civil procedure statute. A Judiciary Committee [amendment](#) would replace that change with language from [LB205](#) that would cap non-economic damages at \$1 million for personal injury or death actions involving a commercial motor vehicle and increase the burden of proof for certain chemical exposures. Numerous amendments and motions have been filed, including amendments to increase the exposure of local governments through amendments to the Political Subdivisions Tort Claims Act that were originally proposed as [LB1097](#) ([AM2485](#)) and [LB236](#) ([AM2484](#)).

Bills Advanced from General File

Five bills were advanced from General File through a consent calendar process and appear on Monday's agenda for a Select File consent calendar. [LB784](#) would allow elected county sheriffs to reside in an adjoining county. Existing law allows sheriffs who are appointed to fill a vacancy to reside in an adjoining county. The new provisions would be limited to counties without a city of the metropolitan, primary or first class. The bill would change law enforcement continuing education requirements from 32 hours per year for officers in all counties, to 24 hours for agencies with less than 25 full-time officers. In addition, sheriffs would be granted flexibility in selecting patrol and dress uniforms for deputies.

[LB977](#) would require drivers to exercise caution and yield the right of way when approaching or passing a person who is herding livestock along a roadway. The bill is modeled after Oregon law.

[LB1055](#), as advanced, would require new employees of the Department of Health and Human Services who develop and implement adult protective services to complete at least one hour of Alzheimer's disease and dementia-related training.

[LB913](#) would require the Department of Health and Human Services to appoint a dementia services coordinator.

[LB788](#) would move administration of the Financial Fraud Victims' Reimbursement Fund from the Attorney General to the Nebraska State Patrol. This was an oversight from [LB559](#) last year.

Bills Advanced from Select File

[LB838](#), as advanced from the second round of debate on Wednesday, would allow cash transactions to be rounded up or down to accommodate the declining number of pennies in circulation. Rounding would be considered an administrative settlement of the physical payment and not an unconstitutional commutation of taxes. This concept was introduced as [LB837](#). Among the [amendments](#) adopted during second round debate were measures to define a new deceptive trade practice for social media platforms that accept paid advertising ([LB1118](#)) and enact a [severability clause](#) if these provisions violate constitutional rights.

[LB1067](#) would increase documentary stamp taxes by \$1.00 for each \$1,000 of value of transferred property. The new funds would be divided between the Rural Workforce Housing Fund and the Middle Income Workforce Housing Investment Fund. Both provide matching grants to nonprofits for housing construction and renovation. The increased rate would sunset in 2032. The amount retained by counties would remain unchanged at 50 cents. During the budget debate, some senators questioned the appropriateness of increasing documentary stamp taxes when these funds have been subject to cash sweeps to help fill the state's budget shortfall.

[LB835](#) would update and streamline the fee structure and filing procedures for federal liens and effective financing statements that are filed with the Secretary of State.

[LB1181](#) would broaden victims' rights and certain notifications.

[LB727](#) would allow law enforcement agencies to obtain epinephrine for use by trained officers in emergency situations.

[LB1240](#) would revise the recovery of funds in ABLE (Achieving a Better Life Experience) accounts following the death of a designated beneficiary.

Bills Signed by Governor Pillen

Governor Pillen signed bills that were presented to him last week.

[LB948](#) would update regulatory language related to fertilizers and increase several fees, including pesticide registration fees that are allocated to the Noxious Weed Cash Fund.

[LB771](#) would prohibit rideshare companies from using dynamic pricing for seven days after a state of emergency declared by the Governor when the emergency impacts the transportation of persons, suppliers, goods, or equipment. The prohibition must be confined to the areas included within the emergency proclamation.

[LB720](#) would allow the Department of Health and Human Services to issue temporary, nonrenewable event licenses for individuals who are attending body art events.

[LB1001](#) would modernize racetrack and related gaming laws.

[LB956](#) requires the Coordinating Commission for Postsecondary Education to aggregate and report salary and benefit data for instructors and administrators at post-secondary institutions.

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