

# NACO Legislative Report



**April 10, 2026**

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## 2026 Legislative Session Winds Down

One legislative [day](#) remains in the One Hundred Ninth Legislature, Second Session. Senators will return next Friday, April 17, to address any vetoes of the more than 100 bills that were passed this week. Governor Jim Pillen has five days, excluding Sundays, to sign, veto, or decline to take action on the bills.

Because the 60th day's [agenda](#) does not contain substantive items for debate except possible veto overrides, this will be the last weekly legislative report until the 2027 session begins. A summary of the bills passed during this session will be published in the near future.

On the 60th day, a dozen senators who will not be returning to the Legislature will offer parting remarks. Twenty-five legislative seats are up for re-election this year, including a special election to fill the final two years of the term vacated by former District 41 senator Dan McKeon. Among the senators who are not returning due to term limits are Speaker John Arch and five senators who are committee chairs.

The NACO team thanks all county officials who contacted legislators, testified at hearings, reviewed legislation and answered surveys during this year's session. Your direct involvement is essential to accomplish NACO's legislative goals. Please thank your senator for their support of counties during the session and maintain your relationship with them over the interim. Invite them to the courthouse and board meetings so they can see the crucial work that counties do.

If you have ideas for possible legislation for NACO to pursue in 2027, please share them with NACO staff or your representative on the NACO board. NACO's 2027 legislative priorities will be determined at the 20th Annual Legislative Conference in Burwell on October 16.

## Property Tax Caps Debated on Day 58

A late-session amendment to cap property taxes at two and a half percent generated discussion about the Legislature's \$1.6 billion financial commitment to property tax relief, unfunded mandates, fees, and local control during Final Reading on Thursday. The amendment to [LB834](#), [AM3142](#), was withdrawn after slightly more than an hour of debate.

Senator Ben Hansen, who had prioritized a hard two percent property tax cap in [LB1219](#), offered the amendment, saying that Thursday's discussion would help set the stage for a comprehensive property tax reform bill next year.

Revenue Committee Chair Brad von Gillern and Senators Jane Raybould, Kathleen Kauth, Rob Dover, Mike Moser, and Tanya Storer spoke against the timing of the amendment and the limitations of short-term fixes without underlying structural reforms. See Executive Director Jon Cannon's remarks in this week's *The Ninety-Three* newsletter for links to their comments.

The underlying bill, LB834, was introduced by Senator Kauth at NACO's request to modernize and clarify county practices by eliminating mobile home park permit fees and other issues. It would specifically authorize assessors to appoint deputies and request emergency assessors exams for deputies, harmonize population references for counties over 100,000, and clarify that only counties and cities must include the cost of public safety services on tax statements. The bill would remove an unnecessary column for unreimbursed recreational tax credits on tax lists and allow delinquent real estate taxes on mobile homes to be extinguished after 15 years like other real property. It was amended to include mobile homes within statutory processes available to landlords to dispose of abandoned property.

LB834 was on Final Reading when the cap amendment was offered. In order to amend a bill that is on Final Reading, a motion must be adopted to return the bill to Select File for an amendment. If the motion passes and the amendment is adopted, a vote is taken to advance it from Select File. Like all bills advanced from Select File, it must lay over for at least one legislative day before a vote can be taken on Final Reading. Because the amendment was withdrawn, the bill proceeded to a Final Reading vote and passed 46-0.

## **Bills Passed by the Legislature**

The Legislature passed more than 100 bills on Thursday and Friday. Some had been advanced from Select File, the second round of debate, earlier in the week. Following are some of the bills that affect counties.

### **County Operations**

[LB596](#) would change requirements for publication of meeting notices and would add provisions from several bills requested by NACO. It would clarify notice publication requirements for digital and e-editions of newspapers and remove requirements to post notices on a statewide repository of meeting notices. Public bodies would be required to designate the method of giving notice of the time and place of each meeting and publish a meeting schedule four times each year.

Provisions introduced on behalf of NACO would modernize records preservation laws by allowing the use of accessible durable mediums in addition to microfilm and increase marriage license fees from \$25 to \$50 to cover the cost of issuance. Counties would be given specific authority to combine warrants from multiple funds into one document, transfer dated military discharge records to the State Historical Society, discontinue preparing an annual estimate of supplies in counties over 150,000, and discontinue farm name registrations.

Other provisions of LB596 would reduce the number of required publications for adult name changes from four weeks to two weeks, give the state alternative methods to publicize unclaimed property, and allow Tom Osborne to be nominated for the Nebraska Hall of Fame.

[LB838](#) 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. Other provisions would synchronize trust and probate codes to increase homestead and exempt property allowances for decedent's estates. It would recognize a putative child for inheritance purposes as someone for whom the deceased has stood in the acknowledged role of a parent for at least ten years. Such an individual may be treated as a lineal descendant, or Class I beneficiary, for the calculation of inheritance taxes.

[LB1096](#) would prohibit governmental entities from entering into contracts related to critical infrastructure with foreign companies if the contract would allow direct or remote access to critical infrastructure. Critical infrastructure is defined to include 911 systems, communication infrastructure systems, cybersecurity systems, and other systems and facilities. Information relating to critical water infrastructure and critical

telecommunications and broadband infrastructure, including 911 systems, would not have to be disclosed as public records.

## Property Taxes

Beginning in 2027, [LB803](#) would replace the pink postcard and joint public hearing process to give notice of potential increased tax askings with information about when to file a valuation protest and when political subdivisions will hold their first budget meeting.

Instead of a postcard notice and a hearing in September, the change of valuation notice sent in June would also compare prior year taxes and potential current year taxes using the prior year's levy rate. The notice would inform taxpayers about how to protest their valuation and state that information on budget hearings will be made available. By June 25, the Department of Revenue would send a postcard containing information about county website addresses that list the time and place of the first budget hearing for counties, cities, and schools and the time and place of the joint public hearing.

The bill would require political subdivisions to hold a hearing and pass a resolution by a two-thirds majority vote in order to increase the amount of taxes levied from the prior year. For boards with seven members, a four-sevenths majority would be required.

Veterans who receive a homestead exemption due to a 100 percent permanent disability, their unremarried surviving spouses, or surviving spouses who marry after age 57 would not be required to recertify their applications. Currently these must be filed in years that are divisible by five.

Other provisions of LB803 would correct the treatment of unused budget authority under the property tax cap, authorize first time homebuyer savings accounts, and expand the time frame for cities to use sports arena funds.

An [amendment](#) was debated on Select File this week that would exempt county assessors who enter onto property in the performance of their duties from liability for trespass. The amendment was introduced in response to concerns raised by an Attorney General's opinion issued last summer. The amendment was withdrawn after a germaneness challenge.

[LB826](#) would allow late filing of homestead exemption applications when the delay is caused by late receipt of certification of disability status from the U.S. Department of Veterans Affairs. The application deadline would be June 30 of the year in which the real estate taxes levied on the property for the current year become delinquent. The process is modeled after provisions that allow a late filing due to a medical condition or death of a spouse.

## Tax Increment Financing

[LB1135](#) would revise tax increment financing (TIF) and land bank laws. Cities would be allowed to issue conduit revenue bonds on behalf of private investors for TIF projects. Municipalities of all sizes could form land banks. Residency and other requirements for land bank board membership would be revised.

[LB1114](#), an Urban Affairs Committee omnibus bill, would change laws related to tax increment financing, inland port authorities, housing agencies, and other development issues. The underlying bill would expand eligibility for expedited review to small tax increment financing projects, sometimes called micro-TIF projects, that have been within municipal boundaries for 25 years, rather than 60 years.

Other provisions would authorize the creation of community improvement districts to construct and repair public infrastructure and amenities within a municipality. These districts could levy property taxes at a rate up to a maximum amount set by city ordinance and issue bonds for up to 30 years. The number of inland port authorities that can be created in the state would increase from five to eight. Cities of the metropolitan class would be allowed to regulate code enforcement and complaint-based inspections of housing authorities.

An [amendment](#) adopted on Select File this week added the New Taxpayer Recruitment Grant Act that would make grants of up to \$250,000 available to cities, tribes, and nonprofits that incentivize households to relocate from outside of the state.

## Fees

Under [LB900](#), fees collected by sheriffs for serving distress warrants would increase from \$2 to \$20 to more accurately reflect the costs incurred by counties for collecting delinquent personal property taxes. LB900 is one of several proposals introduced to right-size fees collected by counties and other state and local entities.

[LB1067](#) would increase documentary stamp taxes by \$1.00 for each \$1,000 of value of transferred property until 2032. The new funds would be divided between the Rural Workforce Housing Fund and the Middle Income Workforce Housing Investment Fund. The amount retained by counties would remain unchanged at 50 cents.

[LB979](#) would increase fees for permits and licenses issued by the Game and Parks Commission, as well as registration fees for motorboats.

## Elections

[LB1075](#), the Secretary of State's annual election omnibus bill was advanced from Select File this week after the withdrawal of an amendment to allow persons residing in the extraterritorial zoning jurisdiction (ETJ) of primary class cities to vote in municipal elections. The original version of this concept was based on [LB951](#) and would have applied to cities of all sizes. Senators divided a pending [amendment](#) into three sections so that there would not be time for a vote on the ETJ amendment. Some suggested administrative methods for ETJ residents to have input in city zoning issues that affect them, such as a city policy requiring a member of the city planning commission to reside in the ETJ. Others questioned whether the city of Lincoln's home rule charter would render the amendment unlawful.

The first two divisions of [AM2995](#) would harmonize language regarding the use of post office box numbers in campaign reports and contributions of foreign money to ballot initiatives. The third division would clarify the creation of a database of financial information from counties, cities, and villages. When introduced as [LB969](#), the bill proposed requiring the State Auditor to create the database, including 10 years of information provided by counties. As adopted, the Department of Administrative Services would develop the database using information from annual audits.

The underlying bill is the Secretary of State's annual election cleanup bill with a committee amendment that includes language from another election bill ([LB884](#)), campaign reporting penalties ([LB1002](#)), and unclaimed property ([LB1074](#)). LB1075 passed on Friday, 49-0.

## Law Enforcement and Jails

[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.

[LB1195](#), as introduced, would outright repeal a requirement enacted in 1903 for county jails to have matrons to supervise female inmates 24 hours per day. The bill would instead require a female correctional officer to supervise female inmates in counties with a city of the metropolitan or primary class. All county and city jails would be required to comply with the rules and regulations of the Jail Standards Board regarding cross-gender supervision and cross-gender searches of inmates.

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

## Courts

[LB935](#) would enact a new \$10 state docket fee to help fund the Supreme Court's modernization of the JUSTICE case management system. The fee would be assessed in each civil cause of action and each traffic misdemeanor or infraction filed in district or county courts. Counties, cities and villages would be exempt from the

state docket fee, regardless of the in forma pauperis or Title IV-D status of any litigant. Other court fees would be increased as part of an effort to make the judicial branch a cash-funded agency that is supported by user fees, rather than through state general fund appropriations. Political subdivisions would be allowed to recover attorney fees and other litigation costs when subjected to frivolous lawsuits.

The bill would create three-day no-contact period following arrests for domestic assault or sexual assault. It would create offenses for swatting and prohibit placing a tracker on another person's personal property without consent.

[LB965](#) would address court and law enforcement issues. Counties would be allowed to hire or contract with a county conflict counsel to provide representation to indigent clients when the public defender is unable to do so. Due process procedures would be enacted for law enforcement officers before they are placed on Brady Giglio lists that affect their credibility as witnesses. Penalties would be increased for repeated violations of domestic abuse protection orders and domestic assault. Persons in authority, such as probation officers and foster parents, would be prohibited from engaging in sexual contact with persons in their care.

[LB753](#) would allow military protective orders to be admitted as evidence of an offender's past conduct and the need for a protection order.

### **Public Safety and Road Funding**

[LB1126](#) would harmonize 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 (PSAPs) 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 underlying bill would authorize the Department of Transportation to create an infrastructure bank to help provide loans for local government infrastructure projects. The state and political subdivisions would be allowed to accept limited unsolicited bids that are outside of the proposal process for design-build or construction manager at risk projects. Fees would be increased for "superload" and other oversize permits.

Rural road improvement district bonding requirements would be updated, including extending the bonding period from 10 to 20 years.

### **Motor Vehicles**

[LB972](#), a Department of Motor Vehicles (DMV) cleanup bill, would create several new types of license plates – Back the Blue, Scarlet and Cream, and solid black, red, blue, and green. Funds generated from the plates would be earmarked for several funds, including new funds for equipment to assist persons with developmental disabilities and injured law enforcement personnel. Funds generated from Military Honor plates would be reallocated as grants to needy members of the National Guard and Air Guard.

The bill would codify guidance about the registration of untitled trailers and change to one In Transit placard, rather than two, as part of the transition to a single license plate in the 2029 plate issuance cycle. DMV would be given authority to determine that a Nebraska resident is avoiding motor vehicle taxes and fees by registering their vehicle in another state. Cities would be given more authority to regulate the operation of all-terrain vehicles within municipal boundaries.

### **Data Centers**

[LB1010](#) would change the review process for energy storage resources, commonly called battery storage. Private developers would have to apply to the Nebraska Power Review Board before constructing or acquiring battery storage. Data centers would have to submit annual reports to the Department of Water, Energy, and Environment about the size and location of the data center, electrical and water usage, and other information. Data centers would be required to bear all costs of decommissioning the center and enter into community benefit agreements with affected communities.

[LB1261](#) would prohibit consumer-owned utilities from using eminent domain to acquire privately-owned electric generation facilities.

## State Operations

[LB1237](#) would enhance security in the Capitol by prohibiting the possession of firearms, certain knives, and explosive or other hazardous materials.

[LB1048](#) would streamline reports filed by state agencies. It 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, the reports are considered redundant. The bill was amended to require copies of state no-bid contracts to be filed with the State Auditor, in addition to the copies held by the Department of Administrative Services.

[LB952](#) would codify an internal administrative fund used by the Supreme Court into the named Supreme Court Operations Cash Fund. It would terminate the Court Appointed Special Advocate Fund that provides grants to recruit and train these volunteers. Since 2018, this appropriation has been made to the Foster Care Review Office and there has been no money in the fund.

[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.

[LB905](#) would clean up inconsistencies in last year's bill to combine boards and commissions, including harmonizing language moving the Board of Examiners for County Highway and City Street Superintendents to the Board of Public Roads Classifications and Standards.

[LB962](#) would require collaboration between state agencies and community entities to develop and supervise re-entry plans for youth as they transition from out-of-home placements or probation supervision.

## Other Issues

[LB977](#) would require drivers to exercise caution and yield the right of way when approaching or passing a person who is leading, herding, or driving livestock along a roadway. Drivers would be required to promptly stop if a distress signal is given.

[LB820](#), a cleanup of county and state retirement plans, would harmonize and consolidate language regarding identification documents used by the five state-administered retirement systems, including the county plan.

[LB852](#) would allow counties and cities to recapture certain funds appropriated through the Convention Center Facility Financing Assistance Act. Under this program, much of the sales tax revenue collected by hotels and retailers within a certain distance of a convention center is turned back to political subdivisions to pay off debt for the facilities. The bill would require fund recipients that are located in high-poverty areas to maintain their principal place of business or primary operations within the area for at least three years following receipt of the funding. If the entity fails to do so, counties could recapture a pro-rata amount of the funding and either return it to the fund or place it in a development fund administered by the county.

[LB921](#) would require employers to give notice to workers before a major layoff. It contains provisions from [LB1170](#) that would allow counties where Department of Corrections facilities are located to file more than one claim for state payment of prosecution costs that are related to a single incident. Currently counties must meet a threshold of expenditures of 2.5 cents of levy authority before a claim can be filed. Johnson County, which is the site of the Tecumseh State Correctional Institution, has only been allowed to file one claim for ongoing expenses related to a riot at the prison.

[LB937](#) is an Education Committee omnibus bill with provisions that would clarify when unexcused absences may be reported to the county attorney.

[LB758](#) would provide for the transfer of assets by affidavit to charitable organizations when the assets are not subject to probate. The affidavit could be used to transfer motor vehicle titles.

[LB1256](#) would add duties related to snow and ice removal and flood management to the definition of emergency management in the Nebraska Emergency Management Act. Recognizing employees in these areas as emergency management workers could facilitate usage of federal funds in catastrophic events.

[LB1187](#) would reconfigure membership on the Nebraska Brand Committee and change the inspection fee structure. The committee would be increased from five to seven members with representation from each of the five brand districts. Per head inspection fees, travel surcharges, and brand renewal fees would be increased. Recordkeeping requirements for registered feedlot operators would be modernized, with authority for the committee to conduct twice-yearly audits. Other provisions would address movement to such feedlots and registered dairy heifer development facilities.

## Bills Signed by Governor Pillen

Following are some of the bills Governor Pillen signed this week.

[LB1253](#) provides that foreclosed tax sale certificates, regardless of the date of issuance, would be governed by the laws in effect on May 7, 2025.

[LB759](#) requires counties, cities, and local public health departments to regulate mobile home parks, swimming pools, and recreation camps, including issuing licensing and imposing penalties for violations. The Department of Water, Energy and Environment will retain regulatory authority over drinking water, wastewater, minimum flood plain standards and other areas. The underlying bill makes technical corrections in last year's merger of the Department of Environment and Energy and the Department of Natural Resources and eliminates an annual meeting to determine the percentage distribution of grants from the Litter Reduction and Recycling Fund. Other sections exempt entry onto property for geotechnical work related to the Perkins County Canal project from consideration as trespassing.

[LB816](#) provides confidentiality for peer support services communications by public safety personnel.

[LB1071](#) and [LB1072](#) make mid-biennium adjustments to the state budget, sweep state agency cash funds, and make transfers from the state's cash reserves to cover a \$471 million budget shortfall. [LB1133](#), the annual state claims bill, appropriates funds for Workers' Compensation claims and write offs.

[LB901](#) generates an estimated \$26 million for the state through imposing a ten percent excise tax on kratom, eliminating sales tax exemptions and a personal property exemption on data centers, updating the Department of Revenue's collection procedures, and increasing taxes on skill games, which are gaming devices that resemble slot machines.

[LB1235](#) allows local governments to designate a consumption-only area within entertainment districts. The Liquor Control Commission will be required to consider whether bottle club license applicants have delinquent federal, state or local taxes. Other portions of the bill authorize the Nebraska Medical Cannabis Commission to establish application and renewal fees for registered cannabis establishments.

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