



Probation: Fiscal Impact to Counties

Overview

Counties are statutorily required to provide office space and necessary facilities for probation.

Probation means a sentence under which a person found guilty of a crime upon verdict or plea (or adjudicated delinquent or in need of special supervision) is released by a court subject to conditions imposed by the court and subject to supervision (Neb. Rev. Stat. § 29-2246(4)). Probation includes post-release supervision and supervision ordered by a court pursuant to a deferred judgment.

Nebraska's Probation System is operated under the direction of the Nebraska Supreme Court, (§ 29-2249). Probation performs several functions in its service to the Court:

- presentence investigations
- case management/supervision of probationers, persons subject to deferred judgments, those under post-release supervision, and problem-solving court participants

Primary Stakeholders

- County residents
- Persons found guilty of a crime; adjudicated juveniles
- Nebraska Judicial Branch
- Office of Probation Administration

Probation Background & Expansion

In 1913, the Nebraska Legislature enacted the first state statute authorizing probation for criminal defendants; the statute also created a system of county probation officers. During the same period, the use of plea bargains began to expand rapidly throughout the United States, with guilty pleas rising sharply in federal criminal trial outcomes. Both of these trends led to an increase in probation services (and cost) at the county level. By the 1960's, the Nebraska Supreme Court acknowledged the significance of plea bargaining in the judicial system, and from the 1970's onward, the Nebraska Supreme Court strengthened the protections of criminal defendants in the plea bargaining process.

In 1957, Nebraska enacted **LB568**, which mandated:

- Each judicial district (which functioned as a probation district) was required to designate a principal office for the chief probation officer, to be located (if reasonably possible) within a county courthouse
- The host county bore the initial costs of conducting and maintaining the office (excluding salaries and travel expenses) but was to be reimbursed by other counties in the district through reimbursement formulas determined by district judges based on population, number of cases, or other criteria
- All counties were required to provide office space and facilities for probation officers while they performed official duties within their jurisdiction

Probation: Fiscal Impact to Counties

The enactment of **LB605** (2015), known as “The Justice Reinvestment Act,” **expanded the use of probation** in lieu of incarceration by providing community supervision for individuals who are released from prison on lower-level felony offenses, leading to an increase in the number of individuals under probation jurisdiction.

Policies in this bill addressed **three major challenges** facing the state's criminal justice system:

- Overcrowded prisons housed a large number of people convicted of nonviolent, low-level offenses
- The felony sentencing system failed to ensure that people sentenced to prison received post-release supervision or pay victim restitution
- The parole supervision system lacked the resources necessary to handle a growing parole population, has not fully adopted evidence-based practices, and is not positioned to respond effectively to parole violations

The legislation employed **three main strategies** to address these challenges:

- Probation services for people convicted of low-level offenses
- Post-release supervision; victim restitution
- Improved parole supervision to reduce recidivism among individuals released from prison

“Admissions to probation since the implementation of LB605 have increased significantly—compared to 2011, probation admissions in 2020 grew by 70 percent. Since 2016, an average of over 1,000 individuals were released to PRS [Post-Release Supervision] annually, overwhelmingly from Lancaster and Douglas counties.”

-Nebraska Criminal Justice Reinvestment Working Group, 2022

Current Probation System

The Probation System is divided into districts each having a principal office with some having satellite offices.

- There are 12 Probation Districts which match the District Court Judicial Districts
 - There are 51 probation offices scattered throughout these Probation Districts
- Probation staff are state employees, and include Probation Officers, Juvenile Probation Officers, Juvenile Intake Probation Officers, and Chief Probation Officers (§ 29-2246).
- In Lancaster County and Douglas County, there are two Chief Probation Officers, one that is responsible for adult probation and the other for juvenile probation.

“Nebraska's probation system currently supervises approximately 14,000 adults and 2,700 juveniles on any given day across the state.”

-State of the Judiciary (2025)

Probation: Fiscal Impact to Counties

Historical Legislation & Appropriations

- An interim study report for LR582 (2014) examined unfunded and underfunded mandates to counties and their impact on property taxes. The report, issued by the Government, Military, and Veterans Affairs Committee, proposed that probation and other state offices pay for their own office space and maintenance costs as a possible state action item for a future Legislature to address.
- In 2015, LB427 proposed provisions that would have required the State of Nebraska to cover facilities and administrative costs associated with operating state probation offices.
- In 2019, the Legislature enacted LB686, which expanded the role of probation by allowing courts to place eligible defendants under supervision during a deferred judgment period with successful completion leading to dismissal of charges.
- LB 612 (2023) would have appropriated \$4 million from the General Fund for FY2023-24 and FY2024-25 to the Department of Administrative Services, State Building Division, for reimbursement to counties for lease of office space to the Department of Health and Human Services and the Office of Probation Administration.
- In 2025, LB327 was introduced but not adopted. The bill aimed to shift the responsibility of certain expenses related to probation services from counties to the State, with money appropriated to the Supreme Court for such purposes, including:
 - Expenses incident to the conduct and maintenance of the principal office within each probation district
 - Expenses for providing office space and necessary facilities for probation staff performing their official duties
 - Expenses for the procurement, provision, management, security, and support for comprehensive information technology services including: includes technical support, hardware management, printers, scanners, telephones, mobile devices, software licensing, network management, and Internet services.

“A couple of years ago...we had to address that our probation office expanded by about a third...The existing offices were no longer adequate for the number of people served, probation officers we had...We bought and renovated an existing building...A year later, we were told that they needed additional probation officers, so we leased another building right next to that.”

-Joe Hewgley
Lincoln County Commissioner
2015 Government, Military and Veterans Affairs Committee Hearing

Probation: Fiscal Impact to Counties

Data

In 2022, NACO surveyed Nebraska counties about the costs associated with providing office space for probation. Forty-one counties responded. The median annual cost for providing office space in a small county (< 5,000 residents) was \$1,850. For a medium county (5,000-50,000 residents), the median annual cost was \$13,971. For a large county (> 50,000 residents), the median annual cost was \$245,674. Based on the 41 responses, the total annual cost for providing office space for probation was \$2,700,057. The actual cost is likely much higher since we do not have data for 52 counties (we received data from the five largest counties, and most of the missing data was from small counties).

Recommendations

- Assess whether the number of probation offices in each district could be reduced/consolidated through the use of technology (e.g., digital check-ins and other communication)
- Given the expansion and use of probation over the last several decades, pursue legislation that would fund costs associated with probation
- Evaluate possible cost-sharing agreements/models between counties and the State based on probation usage and caseload volume

Nebraska Statutes

- Neb. Rev. Stat. § 29-2246
- Neb. Rev. Stat. § 29-2249
- Neb. Rev. Stat. § 29-2259
- Neb. Rev. Stat. § 29-2257
- Neb. Rev. Stat. § 29-2202
- Neb. Rev. Stat. § 29-2268
- Neb. Rev. Stat. § 28-105
- Neb. Rev. Stat. § 29-3523
- Neb. Rev. Stat. § 83-173.03
- Neb. Rev. Stat. § 83-4,114

Additional References

[Probation Semi-Annual Report \(2025\)](#)

[Post-Release Supervision Quarterly Report \(Q4/2024\)](#)

[The Impact of Justice Reinvestment & LB605 \(2018\)](#)

[Nebraska Judicial Branch: Reporting Centers \(2024\)](#)

[Community Corrections Division Annual Report \(2024\)](#)

[State of the Judiciary \(2025\)](#)

[Nebraska Criminal Justice Reinvestment Working Group \(2022\)](#)



LB216: Clerks of the District Courts

Overview of LB216

LB216, as introduced, would eliminate the office of the clerk of the district court as an elected position and make current office-holders employees of the Judicial Branch of state government. The Judicial Branch claims this is necessary to uphold their constitutional and statutory mandate to place general administrative authority over all courts with the Nebraska Supreme Court, as exercised by the Chief Justice.

Effective date: January 1, 2026

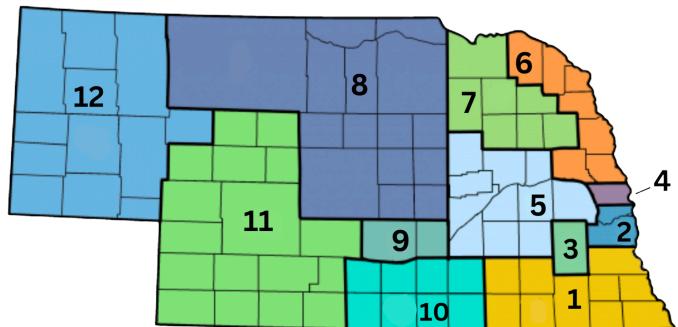
- If passed, in January 2026, 28 counties where the duties are currently performed by the County Clerk as an ex officio Clerk of the District Court will transition. Also, in January 2026, 10 counties, where the county currently contracts with the Judicial Branch to perform District Court duties will no longer be required to reimburse the State for a portion of the cost. In January 2027, LB216 transitions all remaining counties where the duties are currently performed by an elected Clerk of the District Court.

Clerk of the District Court: Duties

Clerks of the District Courts, aside from being the administrative officer of the court, are responsible for providing imperative services, including:

- Filing and preserving all papers delivered to him or her.
- Endorsing papers filed with him or her.
- Make entry of return of every summons, subpoena and order served.
- Keep the records, books and papers pertaining to the court and record its proceedings.
- Prepare and file the annual inventory statement of all county personal property in his or her custody and possession.
- Provide and process protection order applications.
- Track all court costs, fees, fines and restitution ordered on each case filed.

Each Clerk of the District Court is familiar with their own District Court's Local Rules. This is important because each of Nebraska's twelve District Courts has adopted a different set of Local Rules which supplements the Supreme Court's statewide rules for the District Courts set forth in Supreme Court Rules Chapter 6, Article 15 (Uniform District Court Rules of Practice and Procedure).



Nebraska's Twelve District Courts

LB216: Clerks of the District Courts

Specifically, the District Courts' sets of Local Rules frequently covers pleadings, exhibits, court interpreters, child custody, child support, division of marital assets, mediation and parenting classes, adoptions, problem-solving courts, media access, hearing schedules, summary judgment, discovery, and presentation of evidence. The Local Rules also frequently cover the appointment of counsel for indigent criminal defendants and the appointment of guardians ad litem (GAL) for children, as well as the payment of those court-appointed individuals.

Notably, the Local Rules adopted by the 12th Judicial District (the Panhandle and Grant County) include three different subsets of certain rules based upon the case's county: Rule 12-10 covers Box Butte, Dawes, Grant, Morrill, Sheridan, and Sioux Counties, Rule 12-11 covers Scotts Bluff County, and Rule 12-12 covers Banner, Cheyenne, Deuel, Garden, and Kimball Counties.

Anticipated Impacts

- **Reduced access to local points of contact**

Specifically, the District Courts, with respect to local rules, offer services on a local level. The contact points provided by the Clerk of the District Court include court interpreters, child custody, child support, division of marital assets, adoptions, problem-solving courts, and media access, among many others.

LB216 would reduce local access points for county residents in critical moments of their lives, forcing some county residents to travel to other counties to file paperwork.

During a hearing on LB46 during the 2024 1st Special Session, Amber Mulbery, the Saline County Clerk of the District Court, stated:

"I'm dealing with people in some of the most critical times in their life...when they seek a protection order...file paperwork to get custody of their child...when they call to ask questions about filing for divorce.

- **Reduced Accountability**

LB216 would reduce local levels of control and decision-making, notably moving decision-making authority away from the citizens. In Nebraska's legislative history, there have been several attempts to reduce local control by consolidating the position of CDC. Forty years ago, LB527 was the Legislature's first bill to remove the elected position of Clerk of the District court. Numerous subsequent bills have been introduced, debated, and ultimately voted down by senators, in part because of the issue of removing local control and decision-making.

LB216: Clerks of the District Courts

As noted in a hearing in 1985 on LB527 by Daniel Hook, then-Clerk of the District Court in Butler County, (Butler County CDC):

“I see this bill as the bill to start eliminating elected officials for county government...the county assessor, the county treasurer, the county clerk.”

In a hearing on LB348, introduced in 2001, then-Clerk of the District Court Rudy Tesar stated:

“I'm here in opposition of LB 348 basically because I think I have always been an advocate of local control.”

- **Ongoing Unfunded Mandate**

Neb. Rev. Stat. § 23-120(1) requires counties to provide suitable rooms and offices for clerks of the district court, which may include the furnishing, equipping, renovating, and remodeling of spaces, among other accommodations. All such courts which desire such accommodation shall be suitably housed in the courthouse.

Daunitta Buoy, Rock County ex-officio CDC offered testimony on LB363 in 2024:

“My office has been providing most of the public access services for the county court. ...if our district court records are transferred to county court and the office is not open, the public will not be able to receive a certified copy of a decree... [and] the district court records housed in my office take up 15 and a half feet of wall space.”

In 2022, NACO surveyed a sample of 37 counties (Madison, Pierce, Hooker, Thomas, Frontier, Nance, Valley, Dundy, Otoe, Stanton, Box Butte, Dakota, Richardson, Johnson, Hall, Holt, Kearney, Cheyenne, Wheeler, Clay, Pawnee, Jefferson, Burt, Cuming, Fillmore, Dodge, Nuckolls, Merrick, Adams, Scotts Bluff, Dixon, Saline, Dawson, Buffalo, Sarpy, Lancaster, Douglas) and found that these 37 counties alone spent approximately \$3.2 million dollars in district court office space. Extrapolating based on these counties' percentage share of valuation, this translates to a total figure of \$4.8 million for all counties.

Conclusion

LB216 would significantly diminish critical points of local contact and reduce public accountability, while still requiring counties to spend millions of dollars on office space.



Security for the Courts

Overview

Court security in Nebraska falls under the administrative authority of the Nebraska Supreme Court which establishes the security standards for courtrooms throughout the state. These standards help ensure the safety of persons and property within the courthouse, as well as on the courthouse grounds. Standards may be established by class of county based on population, caseload, and other pertinent factors (Neb. Rev. Stat. § 24-515).

Counties are required to construct, furnish, and maintain courthouses and office facilities (Neb. Rev. Stat. § 23-120(1)). The County Sheriff's Office is statutorily responsible for providing court security: sheriffs are required to attend district court sessions and shall attend county court sessions when required by the judge (§ 23-1705). The number of personnel needed can vary based on the size and complexity of the court, and the requirements of the judge.

Primary Stakeholders

- County residents
- Inmates and defendants
- Visitors to the courthouse & users of the court system
- County government officials & employees
- Nebraska Judicial Branch

Sheriff's Office

Sheriffs are statutorily responsible for court security. Their duties include (but are not limited to):

- Ensuring the safety of persons (including judges, jurors, court personnel, and the public) and property within the courthouse & on courthouse grounds
- Transporting inmates and detained persons, including to and from court hearings
- Maintaining order during court proceedings and handling disturbances
- Performing searches on defendants in criminal cases prior to entering the courtroom
- Investigating threats against the courts, elected officials, and other employees

**"We are essentially the U.S. Marshals of the state of Nebraska.
Douglas County Courthouse is the crossroads of...virtually
everyone in the county: rich, poor, law-abiding citizen(s)."**

-Douglas County Sheriff Aaron Hanson
Hearing for LB1360 (2024)

Security for the Courts

Types of Courts

Security needs and facility requirements vary across Nebraska's courts, as each jurisdiction faces unique challenges based on differences in population, caseload, and case types (Nebraska Courts Facility Planning Guidelines & Standards, 2016).

District Courts

- Handle matters including felony-level crimes and civil cases exceeding \$57,000
- District court proceedings are typically longer, draw greater public and media attention, and often attract larger audiences
- Much of the district court's caseload involves sensitive domestic relations matters such as divorce, child custody, and child support. District courts also oversee protection orders and appeals of county mental health board orders, which may require added safety measures

County Courts

- Experience the highest volume of public interaction among all court levels
- Handle misdemeanor and traffic cases, small claims, probate matters, and civil cases
- Conduct preliminary hearings in felony cases before referral to district court
- High caseload results in significant pedestrian traffic throughout the courthouse

Juvenile Courts

- Nebraska has separate juvenile courts in Douglas, Lancaster, and Sarpy counties; in all other counties, juvenile cases are handled by county courts
- These juvenile courts are courts of record and deal with cases involving neglected, dependent, or delinquent children, as well as domestic relations cases involving minors

Problem-Solving Courts

- Court models include Adult Drug and DUI Courts, Veterans Treatment Courts, Reentry Courts, Juvenile Drug Courts, Young Adult Courts, Mental Health Courts, and Family Treatment Courts
- These courts function within district, county, or juvenile courts in all 12 judicial districts, with most administered by the Administrative Office of the Courts and Probation
- Problem-solving court teams include judges, prosecutors, defense attorneys, probation officers, law enforcement, and treatment providers

Guidelines and Standards

Judicial needs, federal and municipal laws, evolving security threats, and updates to national best practices all impact how counties manage their court security responsibilities. The Nebraska Judicial Branch continues to require more specific and standardized security planning, technology infrastructure, and operational coordination from counties.

- **1987:** In 1987, the first version of a guidelines and standards document was produced. It emphasized basic facility requirements, with focus on courtroom dignity, public access, and functional design. Security was considered primarily a physical design concern.
- **1999:** By 1999, guidelines and standards reflected growing concerns about accessibility and safety. Counties began to assess courthouse problems more systematically, using formal planning committees and data collection. Security grew to include building-wide threats, pedestrian traffic management, and ADA compliance.

Security for the Courts

- **2016:** The most current version introduced comprehensive security and technology mandates. Counties are now required to implement entry screening (e.g., magnetometers), CCTV, duress alarms, secure judicial and prisoner paths, and central command centers. Courthouses must also have broadband internet, dedicated network rooms, and infrastructure to support video streaming and digital court systems.

Standards and Legislation

- In 2008, LB772 proposed a provision that would have required the State of Nebraska, through funds appropriated to the Supreme Court, to pay for all costs associated with providing security for county and district court courtrooms
- Legislative Bill 1360, introduced in 2024, proposed the establishment of the Court Security and Service Reimbursement Program, which would have been administered by the Nebraska Commission on Law Enforcement and Criminal Justice. This program aimed to reimburse counties, through payments from the State General Fund, for certain expenses related to courtroom security.

Costs to Counties

Courtroom Security in larger counties requires more personnel. In Lancaster County, deputies provide security for the eight district courtrooms, one district court referee, four juvenile courtrooms, and seven county courtrooms. Deputies assigned to the court services division are called upon to plan security for "high profile" trials and sequestered juries. During special trials and impaneled juries, certain sworn deputies act as special bailiffs. In smaller counties, only one or two deputies may provide courtroom security in high profile cases (e.g., Cedar County's quadruple homicide in 2022).

In 2022, NACO surveyed Nebraska's counties on a variety of topics related to unfunded mandates, including costs for courtroom security. Of Nebraska's 93 counties, 56 counties of varying population sizes responded. Due to extreme outliers in the data, we present the total annual cost for the categories of large (>50,000 residents) and combined small (5,000-50,000 residents) and medium counties (< 5,000 residents).



Annual Costs for Courtroom Security (2022)		
County Size	Total Annual Cost	Median Total Annual Cost
Large	\$7,062,028	\$305,912
Small & Medium	\$937,897	\$14,983

Counties pay for courtroom security costs using revenue from property taxes, inheritance taxes, and other revenues not dedicated to other purposes. Additionally, while the cost for less populated counties is smaller compared to more populated counties, the impact is larger due to the smaller size of their budgets.

Security for the Courts

Surrounding State Analysis

State	Court Security & Funding Authority	State Reimbursement?
Nebraska	County	No
Kansas	County	Potentially (IT Services)
Iowa	County	No
Colorado	County	Potentially (Prioritized Grant Program)
Wyoming	County	Potentially (Prioritized Grant Program & High-Profile Cases)
South Dakota	County	Potentially (Prioritized Grant Program)

Recommendations

To address the ongoing burden of this unfunded mandate while ensuring the safety and security of courtrooms, personnel, and the public, NACO makes the following recommendations:

- Fully analyze the actual cost to counties concerning court security, including personnel, equipment, and technology
- Pursue legislation that would more fully fund costs associated with court security
- Evaluate possible cost-sharing agreements/models between counties and the state judiciary based on court usage or caseload volume
- For rural counties (< 20,000 residents), explore applying to the USDA Community Facilities Direct Loan & Grant Program to finance upgrades to court security.

Nebraska Statutes

- Neb. Rev. Stat. §§ 23-1705, 23-120, 24-515, 25-1709, 25-2156

Additional References

[Nebraska Courts: Facility Planning Guidelines and Standards, 1987](#)

[Nebraska Courts: Facility Planning Guidelines and Standards, 1999](#)

[Nebraska Courts: Facility Planning Guidelines and Standards, 2016](#)

[Standards for Court Security Adopted by the Nebraska Supreme Court](#)

[State of Nebraska Judicial Branch, Information Systems and Security Rule](#)

[State of Nebraska Supreme Court, Problem Solving Courts](#)

[Lancaster County Court Services Division](#)

[NSA Courtroom Security History](#)

[Douglas County Sheriff's Office](#)



Court-Appointed Attorneys

Overview (Emphasis on Indigent Defense)

Nebraska's counties provide defense for indigent persons accused in criminal proceedings through elected, appointed, and court-appointed public defenders in order to fulfill the state's obligations under the U.S. Constitution's Sixth Amendment. Counties also provide for representation in certain juvenile cases, guardianships, commitments, and other matters. This primer focuses on indigent defense in criminal matters, with an emphasis on court-appointed public defenders.

Other Court Appointments

In Nebraska, court-appointed attorneys are used in a range of legal proceedings. The following is a non-exhaustive list of scenarios where the court may appoint an attorney:

Criminal Proceedings

Felony Cases: Individuals charged with felonies are entitled to an attorney, and courts must appoint one if the defendant is indigent.

Misdemeanor Cases: If a misdemeanor charge could result in jail time, and the defendant cannot afford a lawyer, a court-appointed attorney is provided.

Juvenile Cases

Delinquency: Minors accused of violating the law are entitled to an attorney. Courts typically appoint attorneys for juveniles and may also appoint guardians ad litem (GALs) when necessary.

Abuse/Neglect Proceedings: Parents or guardians in child welfare cases may receive an appointed attorney, particularly when facing removal or termination of parental rights.

Appeals

If an indigent person appeals a criminal conviction or sentence, and has a plausible basis for doing so, he or she may be represented by a court-appointed attorney.

Adult Guardianship/Conservatorship

In some cases involving adult guardianships, especially where the rights of the individual may be restricted, a guardian ad litem (GAL) is appointed by the court to act in the best interests of an adult who may be unable to make informed decisions due to factors such as age, mental illness, cognitive impairment, or disability, among others.

Petitions for Commitment

Under Nebraska's Mental Health Commitment Act, individuals subject to involuntary commitment proceedings have the right to legal representation. Courts appoint an attorney to protect the individual's due process rights.

Other

Extradition (criminal prosecution or mental health commitment), child support contempt hearings, revocation of probation, post-conviction habeas corpus petitions.

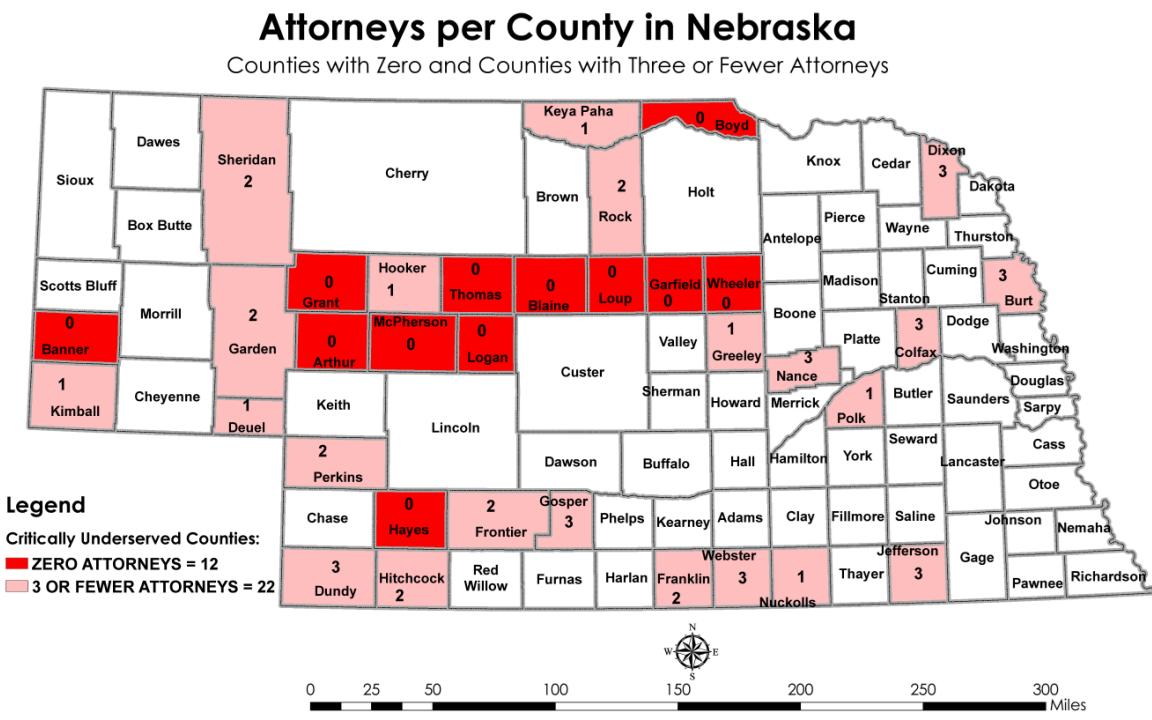
Stakeholders

- County boards and residents
- County officials (public defenders and county attorneys)
- Nebraska Judicial Branch

Court-Appointed Attorneys

Attorneys in Nebraska

Of Nebraska's 93 counties, there are 12 counties with no lawyers and an additional 22 counties with three or fewer lawyers (NSBA, 2025).



Public Defenders: Public defenders must be elected in counties over 100,000 and can be elected in other counties. In counties of less than 35,000, the county board may appoint a qualified attorney to serve as the public defender if one is not elected. To assist in the appointment process, a policy board appointed by the county board reviews applications and make recommendations to the county board about compensation and other contractual provisions. In counties over 170,000, the elective office is full-time and the public defender cannot engage in private practice.

Court-Appointed Attorneys: When the public defender is unable to represent an indigent defendant, the court must appoint an attorney. This can occur when there is more than one defendant or caseloads are too high. In areas with fewer attorneys available, conflicts of interest may necessitate the appointment of an alternate public defender or special prosecutor.

The rate of compensation for court-appointed attorneys varies considerably. According to a 2025 Nebraska State Bar Association study, compensation rates in district court vary from \$95 to \$125 per hour. In county and juvenile court, rates vary from \$70 to \$125 per hour.

Court-Appointed Attorneys

Commission on Public Advocacy

The Nebraska Commission on Public Advocacy provides no-cost legal services and resources to counties in serious criminal cases. More than 70 counties have received assistance from the Commission for representation of more than 1,500 defendants in major felony cases. (LR396 – 2022) The Commission's representation in these cases has relieved counties of financial hardships and provided criminal defense when there might not otherwise be a public defender or court-appointed attorney with experience in this type of felony defense.

The Commission was created by the Nebraska Legislature in 1995 "to provide legal resources to assist counties in fulfilling their obligation to provide for effective assistance of counsel for indigent persons." (§ 29-3923) As part of the County Revenue Assistance Act, the Commission is intended to provide property tax relief, particularly by lessening the impact of high-profile death penalty cases. Initially, counties paid for one-third of the costs. Currently the Commission is funded through a \$3 indigent defense fee that is charged in all court cases except small claims, as well as a supplemental state appropriation.

County Cost Data

In 2022, NACO surveyed Nebraska's counties on a variety of topics related to unfunded mandates, including costs for court-appointed attorneys. Of Nebraska's 93 counties, 56 counties of varying population sizes responded.

Due to extreme outliers in the data, we present the total annual cost (and median) for the categories of large (>50,000 residents), medium (5,000-50,000 residents), and small counties (< 5,000 residents).

Costs to Counties for Court-Appointed Attorneys (2022)

County Size	Total Annual Cost	Median Total Annual Cost
Large (>50,000)	\$21,424,362	\$3,118,273
Medium (5,000-50,000)	\$5,904,505	\$129,586
Small (<5,000)	\$571,576	\$26,039

Court-Appointed Attorneys

The median annual cost of court-appointed attorneys for a large county is approximately \$3.1 million, while the median annual costs for a medium and small county are approximately \$130,000 and \$26,000, respectively.

The total annual cost of court-appointed attorneys for all Nebraska counties is approximately \$27.9 million (2022).

Recommendations

- Fully fund the Commission on Public Advocacy
- Provide for tuition reimbursement and/or loan forgiveness for attorneys serving in areas of need; expand mentorship opportunities for new attorneys in areas of need
- Examine existing statutory authority (interlocal agreements and judicial district public defenders) to help provide legal services

Nebraska Statutes

- Neb. Rev. Stat. § 23-3401
- Neb. Rev. Stat. § 23-3402
- Neb. Rev. Stat. § 29-3901 to § 29-3908
- Neb. Rev. Stat. § 43-272
- Neb. Rev. Stat. § 71-901 to 71-949
- Neb. Rev. Stat. § 23-3405
- Neb. Rev. Stat. § 29-3920

Additional References

[Annual Report Of The Nebraska Commission on Public Advocacy, 2023](#)

[Nebraska Court Appointed Counsel Rates by County, Nebraska Bar Association, July 2025](#)

[LR396 Interim Study Hearing, Oct. 7, 2022](#)



Grand Juries

Overview

A grand jury consists of 16 members and 3 alternates whose functions are conducted in secrecy. The grand jury investigates charges of crimes and, if the investigation warrants, makes an accusation against an individual by returning an indictment against that person.

Nebraska law requires grand juries to be convened whenever:

- at least 10% of a county's voters petition for a grand jury
- someone dies while being apprehended by, or in the custody of, law enforcement or detention personnel
- the District Court calls for a grand jury

District Courts have the power and the duty to call those grand juries, and counties must support the process: paying juror per-diems and mileage, covering jury-administration expenses, and bearing ancillary costs such as court reporting and (where applicable) special prosecutor participation.

Primary Stakeholders

- County residents
- County Attorneys
- Individuals under investigation
- Nebraska Judicial Branch
- County Sheriffs
- County Boards

Key Statute Information

- District Courts may call grand juries generally; however, a grand jury must be called when the District Court of a county receives a qualifying petition (signatures $\geq 10\%$ of the prior gubernatorial vote, signed within 90 days, and stating the suspected statute violation); District Courts must also call one upon if a person dies while being apprehended by, or in the custody of, law enforcement or detention personnel (Neb. Rev. Stat. § 29-1401; § 29-1401.02)
- A judge swears in the grand jury and provides instructions (Neb. Rev. Stat. § 29-1406); a court reporter transcribes the proceedings (Neb. Rev. Stat. § 29-1407.01)
- The county attorney advises and examines witnesses before the grand jury; if county officials are the subject, the Governor appoints a special prosecutor and the county attorney is excluded for that subject matter (Neb. Rev. Stat. § 29-1408)
- Jurors are compensated for each day (plus mileage), and the jury commissioner is paid for "necessary expenses" (Neb. Rev. Stat. § 33-138; Neb. Rev. Stat. § 25-1647)

Grand Juries

Recent Legislative Activity

- In 2014, LR582 (an interim study that examined how unfunded or underfunded mandates affect counties and county governments) recommended that the state of Nebraska, rather than the county, be responsible for paying the costs associated with an autopsy and grand jury if a prisoner dies while in state custody.

"Just from a fairness sense, these are state inmates. If you look at the list of the 28 inmates, there is not a single one who is from Johnson County, who committed his crime in Johnson County. They've all committed their crimes elsewhere. And then they were serving their sentence in Johnson County when they happened to die...from a fairness standpoint, it seems like this would be a cost better spread out across the entire state, rather than the citizens of Johnson County footing the entire bill."

-Julie Smith, former Johnson County Attorney
Government, Military, and Veterans Affairs Committee Hearing on LB105 (2015)

- In 2016, LB1000 strengthened the mandatory convening of grand juries for deaths in custody and increased transparency around those proceedings; this resulted in increased local costs due to prosecutor requirements and transcript/report obligations
- LB861, enacted in 2018, allowed counties to file claims with the state to recover the costs of prosecution related to incidents in state correctional facilities in which crimes are allegedly committed by one or more inmates confined in state correctional institutions; this could be expanded to include reimbursing counties for grand jury costs
- Legislation was introduced in 2019 (LB232) which would have made it easier for counties to qualify for state reimbursement of extraordinary prosecution-related costs; however, it did not pass

Since 2016, the Legislature has expanded transparency and convening of grand juries, but these measures have not been paired with mandates for dedicated state reimbursement to counties.

Grand Juries

Summary of Costs to Counties

Counties must pay for juror per diem (\$35/day), mileage (state rate), jury commissioner administrative costs, and other practical supports (summoning, facilities, security); court-reporting and transcription work for in-custody deaths is borne by the county without a state appropriation. In-custody deaths trigger a mandatory grand jury in the county where the death occurred, meaning that counties with jails (and more inmates) may bear a higher financial burden for grand juries than counties without jails (Neb. Rev. Stat. § 29-1401(4)). A single high-profile case can require extended grand jury time, outside investigators, and additional courthouse security, stressing small-county budgets.

By law, the county where an in-custody death occurs must convene the grand jury. This means counties operating jails bear a disproportionate financial burden, while counties without detention facilities rarely incur these costs.

Surrounding State Analysis

In 2025, NACO conducted a surrounding state analysis on which grand jury costs to counties are reimbursed by the state. We note there are exceptions to these generalizations.

State	County reimbursed by the State for juror per diem?	County reimbursed by the State for mileage costs?	County reimbursed by the State for jury commissioner costs?	County reimbursed by the State for administrative costs?
Nebraska	No	No	No	No
Colorado	Yes	Generally no (some exceptions)	Yes (state employees)	Generally no (some exceptions)
Iowa	No	No	No	No
Kansas	No	No	No	No
Missouri	Yes, partially	No	Yes (state employees)	Generally no (some exceptions)
South Dakota	No	Generally no (some exceptions)	Yes (state employees)	No
Wyoming	No	No	No	Yes (state employees)

Grand Juries

Recommendations

- Consider legislation that would permit reimbursement for grand jury costs to include juror per diems, mileage, court reporting/transcripts, security, and facility costs for mandatory grand juries
- Streamline claims using existing/Previously proposed mechanisms
 - Counties would submit invoices through the State Miscellaneous Claims Act process (already familiar under LB861)
 - Threshold adjustments similar to those proposed under LB232 may ensure smaller counties aren't excluded from reimbursement opportunities
- Incorporate a lower claims threshold so that smaller counties or counties with fewer resources can more easily submit claims for grand jury costs
- Evaluate the possibility of a two-track reimbursement system for grand jury costs for deaths that occur in jails and detention facilities:
 - Track A: For deaths in state correctional institutions, the state should fully reimburse grand jury costs
 - Track B: For deaths in county jails, create a supplemental aid fund to offset county expenses and prevent disproportionate burdens on jail-hosting counties

Nebraska Statutes

- Neb. Rev. Stat. § 25-1647
- Neb. Rev. Stat. § 29-1401
- Neb. Rev. Stat. § 29-1401.02
- Neb. Rev. Stat. § 29-1404
- Neb. Rev. Stat. § 29-1406
- Neb. Rev. Stat. § 29-1407.01
- Neb. Rev. Stat. § 29-1408
- Neb. Rev. Stat. § 29-1420
- Neb. Rev. Stat. § 33-138
- Neb. Rev. Stat. § 81-8,236

Additional References

[Nebraska Legislature, Unicameral Update: State funds sought for jail death costs, 2015](#)

[Government, Military, and Veterans Affairs Committee Hearing \(LB105\), 2015](#)

[Government, Military, and Veterans Affairs Committee, LR582 Interim Study Report, 2014](#) 4



Autopsies

Overview

In Nebraska, the medical death investigation system is county-based, and counties are legally required to fund many autopsies—such as for deaths of minors, suspicious deaths, and deaths involving law enforcement.

However, counties receive limited state reimbursement. Costs can be substantial, and rural counties often face additional transport fees. As a result, autopsies represent an unfunded or underfunded mandate to counties.

Rural Challenges

"Lower autopsy rates in rural areas may reflect a lack of resources, like staff and funding, and distance from morgues."

-Robert Anderson,
Chief of Mortality Statistics, CDC
Flatwater Free Press, 2025

Primary Stakeholders

- Decedents and their families
- Funeral Directors & Embalmers
- County Sheriffs
- County Attorneys
- Physicians & Physician's Assistants

Conditions for Autopsy

The county coroner is required to order an autopsy whenever:

- any minor dies suddenly and unexpectedly between the ages of one week and three years,
- any minor under the age of 19 dies suddenly and the death is either suspicious or without explanation, and
- any person of any age dies and the observing medical professional believes that a possible cause of death was neglect, violence, or any unlawful means

If a person dies either while being apprehended, while detained, or while in the custody of a detention or correctional facility, the coroner or coroner's physician must determine the cause of death by conducting either a physical examination, medical tests, or an autopsy.

In all other cases including unattended deaths, the coroner may—but is not required to—order an autopsy. In making that decision, the coroner may rely upon guidance such as the Nebraska Coroner Standard Operating Procedure and Policy Guidelines.

Summary of Relevant Statutes & Legislation

- **County attorneys** are ex officio county coroners. Some coroner's duties may be performed by the county sheriff or another peace officer. A county attorney does not receive additional fees for performing the duties of county coroner but is reimbursed for actual expenses and mileage. (Neb. Rev. Stat. § 23-1210; § 23-1817)

Autopsies

- County coroners appoint a **coroner's physician** to perform autopsies when requested by the coroner; coroner's physicians are paid based upon a salary or schedule of fees or both, as set and paid by the county board, and reimbursed for mileage (§ 23-1820)
- The county coroner must certify the cause of death of every person who dies either while being apprehended or while in the custody of law enforcement or a detention facility officer; this includes apprehensions by state, local, or federal law enforcement, and officers of state, local, or federal detention facilities" (Neb. Rev. Stat. § 23-1822)
- Counties may request reimbursement of up to fifty percent of the cost of an autopsy from the Attorney General; reimbursement requests may include, but not be limited to, costs for expert witnesses and complete autopsies, including toxicology screens and tissue sample tests (Neb. Rev. Stat. § 23-1824(3))
- The Nebraska Attorney General is required to establish guidelines for autopsies of persons under 19 years of age (Neb. Rev. Stat. § 23-1824(1))
- Every person who is elected or appointed as a coroner or deputy coroner in or for the State of Nebraska shall satisfactorily complete initial death investigation training within one year after the date of election or appointment and thereafter annually complete continuing education as determined by the Nebraska County Attorney Standards Advisory Council. (Neb. Rev. Stat. § 23-1213.03)

Costs to Counties

Using data (2021-2023) gathered from county budgets and interviews with county officials, NACO built a dataset containing the annual average combined costs to counties for coroner and autopsy expenses in Nebraska. Using this data, NACO found that:

Small Counties
(<5,000 residents)
spend an annual average of \$2,918 on coroner and autopsy costs

Medium Counties
(5,000- 50,000 residents)
spend an annual average of \$13,588 on coroner and autopsy costs

Large Counties
(5,000- 50,000 residents)
spend an annual average of \$421,313 on coroner and autopsy costs

**Nebraska's 93 counties spend an annual total of \$2.9 million on coroner and autopsy costs
(gross total prior to possible reimbursement)**

Autopsies

Counties may apply through the Attorney General for reimbursement of up to 50 percent of the cost of autopsies of minors, including but not limited to costs for expert witnesses, toxicology screens, and tissue sample tests. (§ 23-1824). An emphasis is placed on autopsies of children under five years of age. In FY24, counties received \$8,580 in reimbursement. Autopsies of adults are not eligible for state reimbursement through this program. The number of autopsies conducted each year varies. A small county may go for many years without an autopsy but a larger county may conduct a more consistent number of autopsies annually.

Recommendations

- Establish a fully dedicated state or DHHS-administered autopsy fund
- Increase state reimbursement for autopsies beyond 50% for child autopsies (and/or mandate full coverage for certain types of cases)
- Reimburse counties for completion of initial death investigation training by county attorneys and all subsequent annual coroner continuing education
- Require reimbursement from whichever state agency or political subdivision was in the process of apprehending, detaining, or imprisoning the deceased person whom the coroner or coroner's physician is required to examine, test, or autopsy
- Pool resources to negotiate regional contracts and/or cost-sharing agreements
- Provide additional funding via state grants or appropriations to offset transport costs and pathology shortages
- Explore establishing a state medical examiner's office in place of decentralized contractual models, potentially reducing overhead and improving consistency

Nebraska Statutes

• Neb. Rev. Stat. § 23-1210	• Neb. Rev. Stat. § 23-1821	• Neb. Rev. Stat. § 23-1824
• Neb. Rev. Stat. § 23-1213	• Neb. Rev. Stat. § 23-1822	• Neb. Rev. Stat. § 71-605
• Neb. Rev. Stat. § 23-1820	• Neb. Rev. Stat. § 23-1823	• Neb. Rev. Stat. § 81-1176

Additional References

Nebraska Coroner Standard Operating Procedure and Policy Guidelines, 2025

[LR 276 Interim Study Report \(2009\)](#)

["No Autopsy, No Answer." Flatwater Free Press, January, 2025](#)



Sex Offender Registry List

Overview

The Nebraska Sex Offender Registry is a system established under the Nebraska Sex Offender Registration Act (SORA; the Act) (Neb. Rev. Stat. §§ 29-4001 to 29-4014) designed to track individuals convicted of certain sexual offenses. The Act became effective January 1, 1997. The primary goal of the registry is to promote public safety by ensuring that law enforcement and communities have access to information about offenders in the State. Every person convicted of a qualifying sex offense in Nebraska must register as a sex offender. Any person who has been convicted of a sex offense as a result of a federal or tribal prosecution must also register as a sex offender with each sheriff in every Nebraska county where they live, work, or attend school (and continue to do so for the duration of their sex offender registration period). The Nebraska State Patrol's Sex Offender Registry Division is responsible for the central repository of all the registered sex offender (RSO) files. Local law enforcement agencies play a critical role in compliance enforcement to ensure that registrants comply with reporting requirements.

Stakeholders

- Residents, victims, and their families
- Registered Sex Offenders (RSOs)
- County Sheriff's Office
- County Attorneys
- Nebraska State Patrol
- Nebraska Judicial Branch

Registration & Verification

Once an offender is initially registered by a city jail, county jail, state correctional facility or public/private institution, the offender must register and report any subsequent changes, updates and complete verifications with the respective sheriff's office(s) of where they live, work and/or go to school. RSOs who are transient must complete monthly check-ins. Offenders are required to appear in person for verification at the office of the sheriff of the county in which he or she resides, has a temporary domicile, or is habitually living for purposes of accepting verifications and shall have his or her photograph and fingerprints taken upon request of verification personnel. The length of time a person must remain on the sex offender registry depends on the seriousness of the offense. During this required registration period, the offender must regularly verify their information according to a schedule that matches their registration duration. For those offenders who do not live in Nebraska but are registered due to employment or school, the offender must report to the sheriff of the county in which he or she is employed or goes to school.

Sex Offender Registry List

Sex Offender Registry Periods

15 Years

Required to report for verification **annually** in the month of the offender's date of birth.

25 Years

Required to report for verification **bi-annually** in the month of the offender's date of birth **and six months following.**

Lifetime

Required to report for verification **quarterly** in the month of the offender's date of birth **and every three months thereafter.**

Duties of the Sheriff

County sheriffs play a central role in the enforcement of Nebraska's Sex Offender Registration Act. Local law enforcement agencies, including the sheriff's office, are statutorily responsible for investigating and enforcing violations of the registration law within their jurisdiction. Individuals who are required to register must report in person to the sheriff's office in the county where they reside, work, or attend school to complete scheduled verification check-ins based on their assigned registration tier. Law enforcement agencies are encouraged to check registrants' addresses periodically.

At the time of verification, the sheriff must collect updated information, such as current address, employment, school, and vehicle data, and is required by law to submit this verification and any address changes to the Nebraska State Patrol's Sex Offender Registration and Community Notification Division on the same day it is received, in the format prescribed by the Patrol.

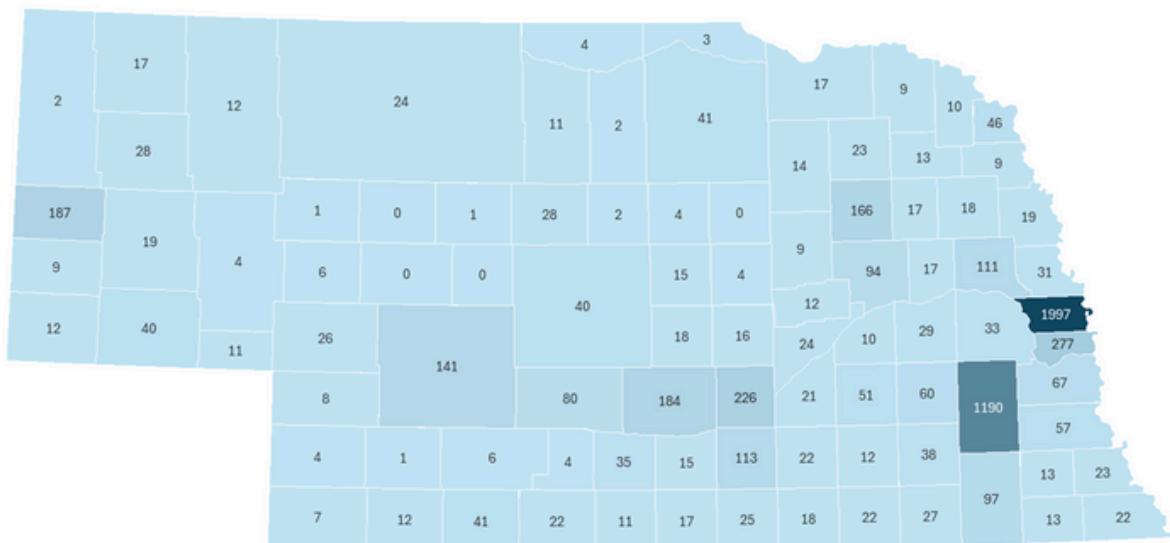
"The offender is ultimately responsible for scheduling an appointment with the Sheriff's Office to come in for the required in-person verifications. On our end, we have a calendar to track each offender in the county so that we are aware of when they should be coming in. We don't call to remind them to come in; it is their responsibility to know."

-Sheriff Chad McCumbers, Sioux County

If an offender fails to appear for verification and cannot be located, the registry must reflect that the individual has absconded, a warrant must be sought for their arrest, and the United States Marshals Service must be notified, per Neb. Rev. Stat. § 29-4006(12).

Sex Offender Registry List

Costs to Counties



Number of Registered Sex Offenders in Nebraska By County (as of 2025)

Each governmental entity having responsibilities under the Act shall be responsible for the costs incurred in performing their required duties (272 Neb. Admin. Code ch. 19, § 009.02). As of January 2013, registering agencies must submit registration data online. The designated registration form may be used for registration, changes, and verifications if the Sex Offender Registry (SOR) portal is not available. All registrations, changes, and verifications must be completed in a manner prescribed by the Nebraska State Patrol and submitted on the same day the offender reported in person at the sheriff's office.

In-person sex offender verification requires significant administrative effort within the sheriff's office. Buffalo County Sergeant Ted Huber reported that on average, the sheriff's office handles more than 4 visits per business day from offenders who must report for verification or report changes in employment, residence, and other required information. Each visit typically involves a five-minute face-to-face interaction conducted by a sworn deputy, followed by an additional five minutes of clerical processing handled by support staff. Paper copies of information reported to the SOR Portal are retained by the sheriff's department.

The information collected by deputies during compliance checks is entered into the SOR Portal by clerical staff, requiring an additional 1 to 3 hours of administrative work per compliance check. When an offender fails to report and is considered absconded, deputies conduct criminal investigations that may involve several hours of work per case, including locating individuals, obtaining and serving warrants, and coordinating arrests.

“This is my 15th year as Scotts Bluff County Sheriff, and the number of registered sex offenders in our county has grown exponentially.”

-Sheriff Mark Overman,
Scotts Bluff County

Sex Offender Registry List

The number of RSOs has grown from 5,062 in 2015 to 7,670 in 2025. While county sheriffs are not mandated (though encouraged) to conduct compliance checks, doing so enhances public safety. NACO created a dataset of current RSOs and their addresses from the Nebraska State Patrol's website. Using publicly available geographic systems, we estimated the drive-time from each county's sheriff's office to the offender's address, then added an additional ten minutes to estimate the total time for a RSO compliance check. We then multiplied that amount of time by the average deputy sheriff hourly rate using data from NACO's 2024 Salary Study. We estimate that it would cost Nebraska county sheriffs \$6,237,973 annually to conduct one round of compliance checks on every RSO in Nebraska. In many cases, the municipal police department and sheriff's office collaborate to conduct compliance checks. If sheriff's offices conducted a compliance check for every offender not served by a municipal police department, the total estimated annual cost would be \$789,758. These estimates do not include RSOs who are transient or otherwise unable to be located. In reality, the actual cost for conducting compliance checks on every RSO is likely much higher due to repeat contacts (i.e., an RSO isn't home) and searches (i.e., RSOs who are transient).

Recommendations

- Allocate funding to counties/county sheriff's offices based on the number of RSOs in the county
- Fund training/education about RSO compliance checks; any law enforcement officer in the State of Nebraska has the authority to conduct a home check, but some may lack sufficient training
- Municipal Collaboration: city police departments could assist with home checks on offenders within city limits, alleviating some of the burden on the sheriff's office

Nebraska Statutes

- Neb. Rev. Stat. §§ 29-4001 to 29-4014

Additional References

[Nebraska Sex Offender Registry](#)

[Nebraska Administrative Code, Nebraska State Patrol](#)

[U.S. Department of Justice, SMART, 2010](#)

[U.S. Department of Justice, SMART, 2025](#)



Mental Illnesses in Jails

Overview

In 2024, the U.S. Department of Justice released the findings from its investigation into the State of Nebraska's provision of behavioral health services to adults with serious mental illnesses (SMIs). The report stated that in Nebraska, people with SMIs who leave jails and other segregated settings remain at serious risk of unnecessary admission to day programs* because the State does not make community-based alternatives available and readily accessible.

Only 9% of jails in Nebraska reported providing mental health services or psychiatric care for incarcerated individuals (2019 DOJ Census of Jails). Jails spend more money caring for inmates with SMIs compared to other inmates—which can drastically impact county budgets—yet mental health services in jails lack adequate and sustained funding.

*Day programs are facility-based and offer services to clients for a minimum of five hours a day, five days a week; these programs do not provide job training skills or offer assistance in obtaining employment positions.

Stakeholders

- Incarcerated individuals (and their families) who live with a mental illness and are:
 - awaiting trial or serving a sentence
 - awaiting entry into the Lincoln Regional Center
- County residents, including crime victims and their families
- County attorneys, public defenders, county law enforcement

Definition and Prevalence of Mental Illness

As defined by the Diagnostic and Statistical Manual of Mental Disorders (DSM), 5th Edition, the term "mental illness" means "a syndrome characterized by clinically significant disturbance in an individual's cognition, emotion regulation, or behavior that reflects dysfunction in the psychological, biological, or developmental processes underlying mental functioning."

Studies find that most people with mental illnesses are not violent, and most violent crimes are not committed by people with mental illnesses. People with psychiatric disabilities are far more likely to be victims of crime than perpetrators of crime.

The National Institute of Mental Health estimates that 4% of the U.S. population will face a SMI in their lifetime, and 10% of all police contacts involve a person with an SMI.

Mental Illnesses in Jails

Key Mental Health Legislation

U. S. Supreme Court

In 1999, the U.S. Supreme Court's **Olmstead v. L.C.** decision held that the unjustified segregation of people with disabilities (including SMIs) in institutions constitutes discrimination under the Americans with Disabilities Act (ADA). The Court ruled that individuals with mental disabilities have the right to receive care in the least restrictive, most integrated setting appropriate.

The U.S. Department of Justice enforces Olmstead, and the ADA generally, in state and local jails and prisons through federal regulations.

Key Federal Legislation

- Title II of the Americans With Disabilities Act (ADA) (1990) bans state and local governments from discriminating against people with disabilities, which includes people with mental disabilities who are housed in state or local institutions (*Olmstead v. L.C.* 527 U.S. 581 (1999))
- Section 504 of the Rehabilitation Act of 1973 ("Section 504") prohibits discrimination against people with disabilities within programs or activities receiving federal funding, including county jails and juvenile justice facilities; the Individuals with Disabilities Education Act (IDEA) (1990) requires that children with disabilities be educated in the least restrictive environment possible (including all youth through age 21 in juvenile justice facilities and county jails)
- The Civil Rights of Institutionalized Persons Act (CRIPA) (1980) grants the federal Department of Justice (DOJ) the power to investigate and prosecute state and local governments for violating the civil rights of people housed in institutions such as jails and juvenile justice facilities

Key Nebraska Legislation

- In 2004, the **Nebraska Behavioral Health Services Act (NBHSA)** was enacted; the NBHSA restructured the state's mental health system by shifting focus from institutional care to community-based services and transferring oversight to regional authorities; it aimed to promote recovery, consumer choice, and local coordination while closing state psychiatric hospitals and expanding support for individuals in their communities
- In 2016, LB1033 established the framework for the State of Nebraska's "Olmstead Plan" and required DHHS to "develop a comprehensive, effective working plan for placing qualified persons with disabilities in the most integrated community-based service settings"; **however, LB1033 did not provide adequate funding to support the state's plan.**

Mental Illnesses in Jails

Lack of Access to Mental Health Services

On average, defendants who are deemed not competent and are held in county jails and cared for using county funds wait an average of **52 days** before entry into the Lincoln Regional Center, more than any other type of admission category (LRC Capacity Data).

Average Wait Times for Entry into the Lincoln Regional Center (May, 2025)	
Type of Admission (Neb. Rev. Stat. §83-338)	Average Wait Days
Defendants who are determined by a court to be incompetent and waiting in jail	52
Equally Meritorious Who Are Indigent	45
Patients whose care in the state hospital is necessary to protect public health and safety	2
Mental Health Board Commitment Act and Sex Offender Commitment Act	0

Lack of Funding for Mental Health Services

Treating people with SMIs in incarcerated settings is costly and challenging. Jails design, implement, and update housing strategies, screenings and assessments, observation protocols, interventions, and training, among other factors. A 2014 Interim Study Report for LR582 (Examination of Unfunded and Underfunded Mandates to Counties and Their Impact on Property Taxes) reported that:

“County jails...incur significant costs for housing persons with mental or behavioral health or substance abuse issues who are unable to obtain services elsewhere. These individuals often require more supervision and incur higher pharmaceutical costs than a typical inmate.”

Moreover, individuals with SMIs and concurrent behavioral health issues face many barriers to successful reentry into the community, including lacking health care and connections with community behavioral health providers. **These challenges jeopardize their recovery and increase the chances of relapse and re-arrest, in turn increasing the cost for counties to detain, house, feed, provide medical care for, and either prosecute or civilly commit them.**

Historically, the federal government has offered funding opportunities for mental health services and programming. However, the availability of these funds fluctuates according to federal budget priorities. **Instead, consistent state funding would help create lasting mental health infrastructure and services for counties of all sizes and locations.**

Due to a lack of sufficient funds to build and maintain a jail, one Nebraska county pays hundreds of thousands of dollars each year to house prisoners in a neighboring county.

Mental Illnesses in Jails

Mental Health Programming Options

Outpatient Competency Restoration (OCR)

In 2019, the Nebraska Legislature amended Neb. Rev. Stat § 29-1823(1). This change authorized DHHS to redirect defendants whom the court has deemed both 1) not competent to stand trial, and 2) not a danger to the public, away from the Lincoln Regional Center and instead into treatment to restore their competency at “a contract facility or provider pursuant to an alternative treatment plan proposed by [DHHS] and approved by the court.” Such DHHS referrals are commonly referred to as Outpatient Competency Restoration (OCR).

LB386

LB386, introduced in the 2025 Nebraska Legislative session, would establish the Regional Mental Health Expansion Pilot Program to improve access to mental health services, especially in rural areas. The bill would permit videoconferencing for mental health evaluations and authorize the Nebraska Crime Commission to select an existing jail as a pilot site in which to add beds designated for people experiencing a mental crisis, including those placed in Emergency Protective Custody (EPC). These beds would provide a safe, temporary setting for individuals until long-term placement could be arranged, reducing the need for immediate long-distance transports.

Stepping Up Initiative

In 2015, the **Stepping Up Initiative**, a national effort to reduce the number of people with mental health and substance abuse issues in jails and prisons, was launched. The National Association of Counties (NACo), the Council of State Governments (CSG) Justice Center, and the American Psychiatric Association (APA) Foundation have come together to lead this national initiative to help advance counties' efforts to reduce the number of adults with mental illnesses and co-occurring substance use disorders in jails. With support from the U.S. Justice Department's Bureau of Justice Assistance and other sponsors, the initiative works to build on the many innovative and proven practices being implemented across the country.

The Stepping Up Initiative promotes diversion strategies and community-based treatment alternatives, while encouraging collaborations between agencies and organizations.

The Stepping Up Initiative also aims to improve outcomes for juvenile offenders and reduce the strain on the justice system. Collaborating partners include sheriffs, jail administrators, judges, community corrections professionals, treatment providers, people with mental illnesses and their families, mental health and substance use program directors, and other stakeholders.

Since the initial launch of the program, over 500 counties nationwide have signed on to the Stepping Up Initiative.

Mental Illnesses in Jails

Stepping Up Counties in Nebraska

As of 2025, 14 of Nebraska's 93 counties have signed resolutions in support of the Stepping Up Initiative:

- Banner
- Cuming
- Morrill
- Sarpy
- Boone
- Douglas
- Otoe
- Saunders
- Sheridan
- Cass
- Lancaster
- Platte
- Scotts Bluff
- Washington

Douglas County and Sarpy County, two of the first counties in Nebraska to form a Stepping Up team, began utilizing a behavioral health screening tool, worked to reduce barriers to behavioral health services, and began collecting data on individuals to reduce recidivism and improve their life outcomes. Sarpy County's efforts included a new behavioral health ward in their jail, sequential intercept modeling, and a mental health leadership team.

Douglas and Sarpy County have each been designated as a Stepping Up Innovator.

Ways to Improve Access to Mental Health Services

To reduce the human and financial cost of repeated arrests and incarceration for people with SMIs, counties must improve access to behavioral health and other support services, including:

- Diverting individuals from the justice system into home- and community-based treatment
- Conducting pre- and post-adjudication using evidence-based screening and assessment to ensure comprehensive treatment, support, and services
- Enhancing training and technical assistance for law enforcement officers, juvenile and family court judges, probation officers, and other judicial decision-makers
- Ensuring equal opportunities for diversion, community services, and supports for all populations in order to decrease racial disparities within the criminal justice system
- Using evidence-based and/or best practices known to be less costly and more successful than treatment provided in confinement settings



Mental Illnesses in Jails

Conclusion and Recommendations

According to the National Institute on Drug Abuse (NIDA):

- every dollar invested in substance abuse disorder treatment leads to an estimated \$4-\$7 in future savings for communities
- every dollar spent on behavioral health services leads to an estimated \$18-\$30 in future savings for communities

Recommendations:

- Increase the use of Outpatient Competency Restoration (OCR) for defendants whom the court deems to be both 1) not competent to stand trial and 2) not a danger to the public
- Expand authorization and funding for Mental Health Courts
- Provide funding for Sequential Intercept Modeling & Mental Health Leadership Teams
- Participate and collaborate in the Stepping Up Initiative
- Identify federal, state, and private funding sources for mental health services and programs
- Expand telehealth services for residents, especially in rural areas

Nebraska Statutes

- Neb. Rev. Stat. § 71-404; § 81-6,121; § 83-180

Additional References

[Justice Center, Council of State Governments, 2024](#)

[Substance Abuse and Mental Health Services Administration, 2024](#)

[Stepping Up Initiative, 2024](#)

[Nebraska Department of Health and Human Services, Nebraska's Olmstead Plan, 2019](#)

Diagnostic and Statistical Manual of Mental Disorders: DSM-5. Washington, D.C.: American Psychiatric Association, 2013

[Douglas County, Stepping Up Initiative, 2024](#)

[U.S. Department of Justice Civil Rights Division, Letter of Findings-State of Nebraska, 2024](#)

[Bureau of Justice Assistance](#)

[National Alliance on Mental Illness, Mental Health By The Numbers, 2024](#)

[Lincoln Regional Center Bed Capacity and Average Wait Times](#)



Jail Reimbursement for Counties

Overview

The county sheriff or the county board of corrections has full charge and control of jail services, and the county board shall provide for all washing, fuel, lights, and clothing for prisoners, subject to the right of the county to be paid by the city or federal government for city or federal prisoners at actual cost to the county (Neb. Rev. Stat. § 47-120). This primer provides an overview of the most common issues related to reimbursing counties for jail expenses, acknowledging that there are many other but less common situations related to the cost of housing individuals in county jails.

Primary County Jail Detainees

- Pretrial detainees
- Felony offenders serving short sentences or awaiting transfer to Nebraska Department of Corrections (NDOC)
- Misdemeanor offenders
- Probation/parole violators pending revocation or re-sentencing
- Mentally ill individuals who are often detained due to lack of mental health placement options
- Federal or ICE detainees under contractual arrangements
- Detainees held under interstate compacts

The sheriff has a statutory duty to receive all lawfully arrested prisoners and maintain them in the county jail until they are released, transported elsewhere, or post bail; the prisoner posts bail in accordance with the county bond schedule; or convicted defendants serve their fines via incarceration.

Sheriffs must provide medical care to all detainees, including mental health evaluations, hospitalizations, and pharmacy needs.

Primary Stakeholders

- County Residents
- County Boards
- County Attorneys
- County Sheriffs
- Jail Administrators
- Incarcerated Individuals
- Nebraska Jail Standards Board and Crime Commission
- Nebraska Department of Correctional Services

Jail Reimbursement for Counties

Legislative Background

In 1980, the Nebraska Legislature enacted Neb. Rev. Stat. §47-120, which, among other things, transferred the financial responsibility for jail operations from the county sheriff to the county board.

In 1998, the Nebraska Legislature passed LB695, which established the county jail reimbursement fund and appropriated \$6.9 million to reimburse counties for expenditures they incurred while housing state prisoners and defendants who were charged and later found guilty of a state crime.

- State prisoner was defined as a person who has been convicted and sentenced as an adult to a Department of Correctional Services facility, has been placed on probation for such offense, or is a parolee held on behalf of the Department
- LB695 set the reimbursement rate at \$35 a day, though at the time, the cost to counties for housing these individuals ranged between \$50-100 per day
- During the 2002 budget special session, the Nebraska Legislature passed LB11, which reduced the County Jail Reimbursement fund to \$3.9 million each year
- **In 2011, the passage of LB383 ended the county jail reimbursement fund entirely**

In 2014, the Nebraska Government, Military, and Veterans Affairs Committee published the LR582 Interim Study Report, which recommended that the state compensate counties for costs associated with housing state prisoners in county jail facilities, including the pre-trial detention of defendants who are later convicted of state crimes.

The following year, the Nebraska Legislature passed LB657, which appropriated \$5 million to the Nebraska Department of Correctional Services (NDCS) to be used to contract with county jail facilities to house a limited number of state inmates on a temporary basis, generally non-violent offenders nearing the end of their incarceration.

- **Funding for this effort ended in 2017**
 - In 2018, LB853 proposed provisions that would have given NDCS specific authority to continue to contract with county jails to hold inmates with sentences of less than one year duration, nonviolent offenders, and inmates requiring only community-based or minimum-security supervision; the bill did not pass

In 2015, Nebraska passed LB605, requiring that felony sentences for Class IIA-IV offenses include both imprisonment and post-release supervision (PRS), regardless of whether time is served in county jail or state prison. If someone violates PRS, a judge resents them, and they only return to state prison if more than a year of PRS remains; otherwise, they serve the remainder in county jail. Similar processes apply to probation violators, parole violators awaiting hearings, and registered sex offenders facing resentencing for violations.

“Three-quarters of revoked people—1,368 cases in FY 2024—are sent to county jails, with 20 percent sent to prison, and the remainder offered another resolution.”

-Nebraska Sentencing Reform Task Force Report (2024)

Jail Reimbursement for Counties

In 2019, an internal NACO study reported, “County jails also incur significant costs for housing persons with mental or behavioral health or substance abuse issues who are unable to obtain services elsewhere...For example, when Lincoln County houses persons who have been deemed not competent to stand trial in the county jail until beds are available at the Lincoln Regional Center, their time in jail averages four to six months. These individuals often require more supervision and incur higher pharmaceutical costs than a typical inmate.”

According to the Nebraska Crime Commission, the current cost to house a prisoner is \$150 per day (2025). This amount was established by the court and is used to calculate the number of days that prisoners must remain incarcerated to serve their fine.

LB 1067, introduced in 2024, would have established reimbursement for counties maintaining state prisoners at a rate of \$35 per day for each state prisoner until transfer, probation, or release, with funds prorated if state appropriations are insufficient; it did not pass.

Surrounding State Analysis

In 2025, NACO conducted a surrounding state analysis on what costs the states reimburses counties for, including housing and community corrections.

State	County Reimbursed by the State for Housing State Prisoners?	County Pays the Medicaid Rate for Inmate Healthcare?	County Reimbursed by the State for Community Corrections?
Colorado	Yes	Yes	By contract
Iowa	Yes	Yes	N/A
Kansas	Yes	Yes	Yes
Missouri	Yes	No	By contract
South Dakota	Yes	No	N/A
Wyoming	Yes	No	By contract

Note: State statutes in Iowa and South Dakota do not authorize counties to provide community corrections services.

Jail Reimbursement for Counties

Recommendations

- Evaluate limiting county jail housing to temporary detention for state prisoners pending transport to the NDCS
- Review sentencing structure for non-incarceration pathways
- Assess the possibility of multi-county regional jail compacts
- Authorize counties to pay medical providers the Medicaid rate for treating county jail prisoners
- Consider legislation that requires the state to fully reimburse counties for any state mandate that compels counties to house:
 - State prisoners
 - Probation or parole violators
 - Pre-trial detainees held without bond (i.e. defendants accused of murder or defendants held after violating release conditions)
 - Defendants awaiting competency restoration treatment
 - Registered sex offenders awaiting resentencing
 - Defendants held under an extradition request, federal detainer, or the Nebraska Uniform Act on Fresh Pursuit

Nebraska Statutes

- Neb. Rev. Stat. § 23-1703
- Neb. Rev. Stat. § 24-519
- Neb. Rev. Stat. § 25-2730
- Neb. Rev. Stat. § 28-105
- Neb. Rev. Stat. § 28-106
- Neb. Rev. Stat. § 29-410
- Neb. Rev. Stat. § 29-901
- Neb. Rev. Stat. § 29-901.05
- Neb. Rev. Stat. § 29-1007
- Neb. Rev. Stat. § 29-2412
- Neb. Rev. Stat. § 29-2810
- Neb. Rev. Stat. § 29-3806
- Neb. Rev. Stat. § 47-105
- Neb. Rev. Stat. § 47-120
- Neb. Rev. Stat. § 71-919

Additional References

[Office Of Inspector General Of The Nebraska Correctional System Annual Report \(2021\)](#)

[Office of Inspector General Of The Nebraska Correctional System Annual Report \(2024\)](#)

[Nebraska Sentencing Reform Task Force Report \(2024\)](#)

2019 NACO Update of LR582 Interim Study Report



Public Safety Answering Points (PSAPs)

Overview

Introduction

Public Safety Answering Points (PSAPs) are critical infrastructure for emergency response, providing a centralized system for receiving and dispatching 911 calls. These facilities are part of a state-coordinated effort under the Nebraska Public Service Commission (PSC), which has overseen significant technological and operational advancements to ensure comprehensive coverage for the state's population.

Brief History

PSAPs emerged to meet the need for a faster and more organized response to emergencies. By 2018, Nebraska took a significant step with LB993, which authorized the implementation of a Next Generation 911 (NG911) system. NG911 is a more advanced, internet-protocol-based infrastructure that supports not only voice calls but also multimedia communications like text messages, videos, and images. This modernization aimed to ensure faster and more accurate emergency response in both urban and rural areas. As of 2024, nearly all of Nebraska's 67 PSAPs have been integrated into the NG911 system, connecting state patrol communication centers and covering over 99% of the state's population and geography.

Purpose & Functions

PSAPs serve four primary functions to assist people experiencing emergencies:

- Receive Emergency Communications
 - PSAPs handle 911 calls, including traditional voice calls and digital communications in the NG911 framework
- Dispatch Emergency Services
 - Operators coordinate with police, fire departments, and emergency medical services to ensure timely assistance
- Enhance Public Safety
 - By providing a unified system, PSAPs help reduce response times and improve outcomes in emergencies
- Support Interagency Collaboration
 - PSAPs facilitate communication among various agencies, particularly during large-scale or multi-jurisdictional incidents

Example: Garfield County is located in central Nebraska and home to around 1,800 residents. A funding formula based on population and/or number of calls would not sufficiently fund PSAP infrastructure for Garfield County residents. A funding surcharge distributed statewide would ensure that every county resident enjoys a reliable connection to emergency services. Equitable funding would also benefit people traveling to and through all of Nebraska's underserved counties.

Public Safety Answering Points

Key Features of Nebraska's System

- Geographic Information System (GIS) Integration
 - NG911 uses GIS data for precise location identification, ensuring calls are routed to the appropriate PSAP
- Digital Media Handling
 - Beyond voice, PSAPs now process text, video, and other media, broadening access for individuals with disabilities or in situations where speaking is not feasible
- Resilience and Redundancy
 - Nebraska's system includes safeguards to maintain service during technical failures, ensuring continuous operation

Recommendations

- Fund Next Generation 911 (NG911) Completion
 - Finalize the integration of the last PSAP into the NG911 system for statewide coverage and continue enhancing multimedia and GIS integration
- Fund Training Improvements
 - Allocate resources for better training programs and consistent funding mechanisms for PSAPs
- Fund Technology Upgrades
 - Further develop digital capabilities to handle texts, videos, and photos efficiently in emergency responses
- Prioritize Rural Connectivity
 - Prioritize equitable service expansion to underserved rural areas
- Increase Public Engagement
 - Enhance public awareness and accessibility to emergency services through outreach and education



Riparian Management Funding Overview

Introduction

Riparian Management is the practice of managing land which borders rivers, lakes, and streams. These efforts help preserve and enhance a county's water quality, ecological health, economic well-being, and overall community health.

Purpose of Riparian Areas

Riparian areas serve several critical purposes, including:

- Filtering out sediments and pollutants before they enter water bodies
- Stabilizing soil and reducing erosion
- Absorbing runoff and preventing floods (and flood intensity), in turn minimizing damage to farmland, property, and homes
- Supporting biodiversity, especially species native to Nebraska
- Preserving the health of waterways used for recreational activities, such as fishing and boating
- Enhancing property values and improving county residents' quality of life
- Reducing future costs for:
 - flood control
 - water treatment
 - litigation related to riparian management and compliance (see next page)

Riparian Management Funding

Example: The Republican River

In the early 2000's, invasive vegetation began impeding the Republican River

- The streamflow declined to the point where Nebraska could not meet its obligation to the 3-state compact
- **Kansas sued Nebraska for \$72 million for violating the compact**

In 2007, legislation allocated \$4 million over two years for riparian management of the Republican River

- These efforts removed invasive vegetation and increased streamflow from <300 cubic feet per second to over 1,110 cubic feet per second
- As a result, the lawsuit was eventually reduced to \$5 million
- **Bottom line: a \$4 million riparian investment saved Nebraskans \$67 million!**

History of Legislation & Funding

2016-LB1038: Provided \$1 million for managing invasive vegetation along ALL creeks, rivers, streams, and floodplains

- Bipartisan support (passed 48-0-1)
- Created Riparian Vegetation Management Task Force to oversee the funds

2023-24-LB218: Would have increased funding to \$3 million annually

- Pulled on final reading
- Legislature appropriated \$706,000 to the Nebraska Department of Agriculture (NDA) to be used for riparian funding
- Instead, NDA used this funding to meet the governor's request for budget reductions

Recommendations

- Voice support for riparian funding
- Support legislation that ensures funding cannot be taken away after appropriated
- Speak with senators and educate them about the importance of funding riparian management
- Emphasize the bipartisanship of riparian funding--funding that benefits ALL Nebraskans



Predatory Animal Control

Overview

Purpose

Predatory Animal Control programs are designed to assist counties and residents in the management and mitigation of predatory animal populations. Predatory animals and other nuisance wildlife can pose threats to human health and safety, and those that are injurious or damaging to livestock, poultry, and property pose detrimental threats to Nebraska's agricultural industries.

Pursuant to Neb. Rev. Stat. § 23-358, county boards may cooperate with the Animal and Plant Health Inspection Service (APHIS), state agencies, private associations, and individuals to mitigate populations of predatory animals including coyotes, bobcats, foxes, badgers, opossums, raccoons, skunks, and other predatory animals that are injurious to livestock, poultry, game animals, and the public health.

Additionally, county boards may also undertake the control nuisance wildlife if such wildlife cause or are about to cause property damage or represent a human health threat. All control efforts must be in accordance with the plans of the U.S.

Department of Agriculture and state agencies.

Individuals desiring to control such animals on their property may request the county to match funds supplied by the person. The county match shall not exceed \$1,000 annually for any specific animal damage control program per Neb. Rev. Stat. § 23-358.01.

Pursuant to Neb. Rev. Stat. § 23-361, the county may also expend funds for the protection of sheep and cattle by levying a tax not to exceed 20 cents per head on the following conditions:

- That a petition to the board requesting the levy and signed by 67 percent of the sheep and cattle owners in the county as of January 1 of each year be filed with the board by July 1; and
- That a planned program for the management and control of predatory animals be approved by the board each year in which a levy is to be made.

Stakeholders

- Citizens
- Livestock and Agriculture Producers
- Counties

Financial Analysis

Predatory Animal Control

Nebraska Cost Data

NACO analyzed budget data for all 93 counties (FY2022 & 2023). NACO located data for Predatory Animal Control for 31 counties and data for County Animal Control for 9 counties, and built a dataset showing the two-year average for the sum, mean, and median values for small (<5,000 residents), medium (5,000-50,000 residents), and large (>50,000 residents) counties.

The 31 counties analyzed for Predatory Animal Control data include:

Small (less than 5,000 residents): Banner, Hooker, Sioux, Dundy, Garfield, Garden, Pawnee, Perkins, Franklin, Harlan, Webster, Kimball, Chase, Morrill, Furnas, Thayer

Medium (5,000-50,000 residents): Sheridan, Clay, Kearney, Dawes, Keith, Cheyenne, Custer, Box Butte, Dakota, Dawson, Adams, Lincoln, Scotts Bluff

Large (more than 50,000 residents): Buffalo, Sarpy

The 9 counties analyzed for County Animal Control data include:

Small (less than 5,000 residents): Thomas, Boone

Medium (5,000-50,000 residents): Custer, Dodge, Seward, Washington, Wayne, York

Large (more than 50,000 residents): Sarpy

Predatory Animal Control

County Size	Averages	Medians	Totals
Small (<5,000)	\$9,851	\$8,125	\$147,764
Medium (5,000- 50,000)	\$18,024	\$12,013	\$234,315
Large (>50,000)	\$139,016	\$139,016	\$278,031
Statewide	\$45,943	\$9,817	\$660,110

County Animal Control

County Size	Averages	Medians	Totals
Small (<5,000)	\$254	\$254	\$254
Medium (5,000-50,000)	\$6,353	\$593	\$44,468
Large (>50,000)	\$368,769	\$368,769	\$368,769
Statewide	\$45,943	\$593	\$413,490

Recommendations

Predatory Animal Control

NACO Analysis

Harlan County Supervisor Cynthia Boehler provided NACO with an analysis on Predatory Animal Control in Harlan County:

"I will let you know that we feel that Predator Control is very important in our county and when we were presented with an opportunity to award the contract with a local company as opposed to an outside government agency, we, as a board, decided to do so in a 4-3 vote to allow the local company the opportunity to provide us with Predator Control.

Our farmers, ranchers and citizens rely on us to provide them with fast, dependable coverage against predator populations in our county and we feel it is a much-needed service."

LB1071, introduced in 2020 proposed the establishment of the Wildlife Damage Recovery Act. This Act would have compensated agricultural producers for damage caused by wildlife activity.

LB468 (2021), proposed compensation to landowners by the Game and Parks Commission for damages to farm crops, livestock, structures, fencing, and other property caused by game animals and game birds.

Counties should retain the authority to manage immediate threats to public safety caused by wildlife, while emphasizing the importance of expertise in this area. With concerns regarding animals that may be federally protected, and county personnel may not always have the necessary training or knowledge to handle them properly, counties often rely on outside agencies which does come at an expense to the taxpayers.

To address this gap in expertise, NACO recommends that the Nebraska Game and Parks Commission take a more significant role in overseeing Predatory Animal Control programs. This would help ensure that both state and federal regulations are followed, while counties maintain the ability to respond quickly to local threats.

By having the Game and Parks Commission as partners, counties would benefit from the Commission's expertise in handling wildlife, understanding liability issues, and ensuring compliance with state and federal laws. Counties would continue to have the option to contract with qualified vendors based on local needs, but with greater oversight and guidance from the Commission, potentially leading to more effective and legally sound management of wildlife threats.

Nebraska Statutes

- Neb. Rev. Stat. § 23-358
- Neb. Rev. Stat. § 23-358.01
- Neb. Rev. Stat. § 23-359
- Neb. Rev. Stat. § 23-361
- Neb. Rev. Stat. § 81-2,236

Additional References

NACO County Board Handbook, 2023

APHIS, 2024:

<https://www.aphis.usda.gov/operational-wildlife-activities/protect-livestock-from-predators>

LB1071 Committee Statement, 2020

<https://nebraskalegislature.gov/FloorDocs/106/PDF/CS/LB1071.pdf>

LB468 Committee Statement, 2021

<https://nebraskalegislature.gov/FloorDocs/107/PDF/CS/LB468.pdf>



Signature Verification on Initiative and Referendum Petitions

Overview

Purpose

The signature verification process, as it relates to initiative and referendum efforts, ensures that enough Nebraska voters have signed a given petition to meet constitutional requirements, and prevents potential fraud. The verification process is performed after the collected signatures are submitted to the Secretary of State.

Background

Either the county clerk or election commissioner conducts elections pursuant to the Election Act. The county board is responsible for providing and furnishing office space, equipment, materials, and supplies for elections, per Neb. Rev. Stat. § 32-216. In counties over 100,000, the election commissioner is appointed by the governor. In counties between 20,000 and 100,000, the county board can create the office of election commissioner by resolution. In other counties, the county clerk serves as ex officio election commissioner, per Neb. Rev. Stat. § 32-218.

Process

The Nebraska Secretary of State's Office provides information on the initiative and referendum process. Local officials receive petitions from the Secretary of State to begin the verification process, and must return verified petitions within 40 days after receiving them, with limited exceptions. Upon receipt of the petitions, local officials compare information on the petition with voter registration records.

The circulator of the petition is the first to undergo verification. Local officials must ensure the circulator's oath is complete. Next, the official reviews the information of those who signed the petition. They must ensure that the voter is registered and that they have not signed the petition more than once. The local official will compare the printed name, address, birthdate, and signature with the information on file.

If the signer is found to be a registered voter, the petition sheet is marked and the signature counted. If the signer had signed more than once, only the first signature is counted. If the signer is not found to be a registered voter or for other reason invalidated, the reason for the invalidation (by page and line number) is noted. The local official's decision may be changed if additional evidence is provided to the local election official.

Stakeholders

- Citizens
- Counties
- Petition Circulators

Recommendations

Signature Verification on Initiative and Referendum Petitions

NACO Analysis

According to data provided by a NACO subcommittee of election commissioners, it takes approximately \$.50-\$.66 per signature to verify petitioners' signatures. For example, if a petition amassed 100,000 signatures, it would take approximately \$50,000-\$60,000 statewide to verify the signatures.

Additional information from the election commissioners suggested that it might take as long as one minute per signature to verify petition signatures. Some are "quick" verifications (if the printed name can be easily read and there's no question about the signature, address, and birthdate).

However, in some instances, only part of the printed name can be made out, so personnel must spend time verifying (or rejecting) signatures with only partial information. Therefore, reviewing signatures and processing petitions is often a lengthy process because of the requisite due diligence.

The extensive verification process places large administrative and financial burdens on counties. NACO recommends potentially making changes to the methods of verification. This could be done by identifying new technologies to automate or expedite the process. An additional solution could be allowing for the Secretary of State to reimburse counties for the costs incurred through a fund.

Another alternative solution could be allowing for random sampling based on processes implemented by states such as South Dakota or Missouri.

Nebraska Statutes

- Neb. Rev. Stat. § 32-207
- Neb. Rev. Stat. § 32-211
- Neb. Rev. Stat. § 32-216
- Neb. Rev. Stat. § 32-218
- Neb. Rev. Stat. § 32-308
- Neb. Rev. Stat. § 32-318
- Neb. Rev. Stat. § 32-631
- Neb. Rev. Stat. § 32-717
- Neb. Rev. Stat. § 32-957
- Neb. Rev. Stat. § 32-1305
- Neb. Rev. Stat. § 32-1409

Additional References



A (Brief) History of State Aid to Counties in Nebraska

Aid To Counties

- The Legislature also assumed counties' share of Medicaid costs and set forth in statute the authorized amount of funding for the Personal Property Tax Replacement Aid (Neb. Rev. Stat. §§ 77-27,136 – 77,27,139)
- However, in practice the Legislature appropriated lower payments to counties than the amount authorized in the statute and continued to do so even after the Legislature reduced the statute's authorized amount in 1992
- According to State of Nebraska Biennial Budgets available online dating from FY1997, legislative appropriations of state aid to counties never met the \$13,500,000 statutory authorization of state aid to counties in Neb. Rev. Stat. § 77-27,136
- Specifically, legislative appropriations gradually declined from \$13,297,500 in FY1997 to \$4,623,222 in FY2011; in 2011, the enactment of LB383 eliminated state aid to counties

County Property Tax Relief

- Between 1972 and 1982, the Legislature passed a series of bills to compensate counties, municipalities, and natural resource districts for exempting business and farm inventories from taxation and authorizing depreciation of businesses' personal property
- The Legislature enacted LB 695 in 1998 to provide equalization payments to counties; the bill's County Property Tax Relief Program ("County Equalization") (Neb. Rev. Stat. § 77-3618) provided equalization payments to those counties which demonstrated less "county capacity" than the statewide average
- The County Property Tax Relief Program was reformed in 2003 by LB 622, which required equalized counties to make a minimum levy adjustment; the bill also eliminated equalization payments until 2005 and then resumed them again in 2005 at a lower level

Jail Reimbursement

- LB695 also authorized reimbursement to counties for housing state prisoners at the rate of \$35 per day for each day a state prisoner was maintained in a criminal detention facility until the day the prisoner was transferred to a state correctional facility
- State prisoner was defined as a person who has been convicted and sentenced as an adult to a Department of Correctional Services facility, has been placed on probation for such offense, or is a parolee held on behalf of the Department

Nebraska's History of State Aid to Counties

LB218

- In 2009, The Legislature appropriated funds as aid to counties in an amount equal to a percentage of the total real and personal property valuation of all counties, such percent to be not less than .0075 percent nor more than .0125 percent.
- Each county received \$30,000 and the remaining amount was distributed to each county on the basis of the ratio of the total real and personal property valuation in the county to the total real and personal property valuation in the state
- **Notably, LB 218 eliminated:**
 - The County Property Tax Relief Program
 - The reimbursement to counties for housing state prisoners
 - The State Treasurer's general aid to counties
- In 2011, the county aid program enacted by LB 218 was repealed; since 2011, only the state's Highway Trust Fund has provided counties with regularly increasing direct payments



Documentary Stamp Tax

Overview

Purpose

Documentary stamp taxes are collected on transfers of beneficial interests in or legal title to real property based upon the value of the real property transferred. Transfers between family members, cemetery, easements, and other transfers are exempt.

The Documentary Stamp Tax is collected by the Register of Deeds when a deed is presented for recording. The rate of the tax is currently \$2.32 for each \$1,000 value of property being transferred. The Register of Deeds retains 50 cents from each \$2.32 collected and deposits the amount into the County General Fund. The remainder of the funds are remitted to the State Treasurer for dispersal into the following funds:

- Affordable Housing Trust Fund- 95 cents
- Site and Building Development Fund- 25 cents
- Homeless Shelter Assistance Trust Fund- 25 cents
- Behavioral Health Services Fund- 30 cents
- Domestic Violence and Sex Trafficking Survivor Housing Assistance Fund- 7 cents

Stakeholders

- Counties
- Citizens
- Affordable Housing Trust Fund
- Site and Building Development Fund
- Homeless Shelter Assistance Trust Fund
- Behavior Health Services Fund
- Domestic Violence and Sex Trafficking Survivor Housing Assistance Fund

Financial Analysis

Documentary Stamp Tax

Nebraska Revenue Data

NACO analyzed Documentary Stamp Tax Revenue data for all of Nebraska's 93 counties (FY2022 & 2023). Below is a dataset showing the two-year average for the sum and mean values for small (<5,000), medium (5,000-50,000 residents), and large (>50,000 residents) counties.

	Collection Fee Retained by County	Net Amount Remitted to State	Tax Collected
Totals	Small counties: \$494,800 Medium counties: \$2,661,911 Large counties: \$5,126,703 Overall: \$8,283,414	Small counties: \$1,732,023 Medium counties: \$9,317,886 Large counties: \$17,945,769 Overall: \$28,995,678	Small counties: \$2,226,823 Medium counties: \$11,979,797 Large counties: \$23,072,472 Overall: \$37,279,092
Averages	Small counties: \$13,021 Medium counties: \$53,238 Large counties: \$1,025,341 Overall: \$89,069	Small counties: \$45,580 Medium counties: \$186,358 Large counties: \$3,589,154 Overall: \$311,781	Small counties: \$58,601 Medium counties: \$239,596 Large counties: \$4,614,494 Overall: \$400,850

Surrounding State Comparison

State	Tax	Amount Retained by County	Amount Retained by State	*Approximate Median Tax
Nebraska	0.23%	22.2%	77.8%	\$402
Colorado	0.01%	100%	0%	\$18
Iowa	0.16%	17.25%	82.75%	\$280
Kansas	0	0%	0	\$0
Missouri**	0	0%	0	\$0
South Dakota	0.10%	100%	0	\$175
Wyoming	0	0%	0	\$0

*Projections based on a \$175,000 home and do not account for equity, closing costs, and other minor variables.

**The State of Missouri collects Housing funds from additional recording fees for deeds and other instruments.

Recommendations

Documentary Stamp Tax

NACO Analysis

The current structure of the Documentary Stamp Tax in Nebraska places the responsibility of collecting and processing the tax on individual counties. In return, counties receive a small portion of the total revenues collected. The majority of the funds are dispersed by the State into funds, as mandated by Neb. Rev. Stat. § 76-901. However, small counties see less of these benefits returning to their localities. If the Documentary Stamp Tax rate were to increase, smaller counties would not see a significant change in revenue.

An Interim Study Report on LR 582, issued by the Government, Military, and Veterans Affairs Committee in 2014, recommended an increase in the amount of revenue retained by counties for Documentary Stamp Tax collection.

An amendment to LB1067 (2024), introduced by Senator Rob Clements, proposed a 50 cent increase on the amount retained by the counties to offset a reduction in inheritance taxes. This would have increased the total amount retained by the counties from 50 cents to \$1.00 for each \$1,000 value of property being transferred. LB 468, introduced by Senator Clements in 2025, proposed a 50 cent increase in the amount collected and a reallocation of funds so that counties would retain \$1.35. Neither bill passed.

Nebraska Statutes

- Neb. Rev. Stat. § 76-901
- Neb. Rev. Stat. § 76-903

Additional References

National Data Sources:
Respective State's Department of Revenue and County Clerk websites

Government, Military, and Veteran's Affairs Committee, LR 582 Interim Study Report, 2014:
https://nebraskalegislature.gov/pdf/reports/committee/government/lr582report_2014.pdf

Nebraska Department of Revenue, Reg-52-001:
<https://revenue.nebraska.gov/about/legal-information/regulations/chapter-52-documentary-stamp-tax-regulations>



Civil Fees

Overview

Purpose

It is the duty of the sheriff to serve or otherwise execute, according to law, and return writs or other legal process issued by lawful authority and directed or committed to the sheriff and to perform such other duties as may be required by law, as provided by Neb. Rev. Stat. § 23-1701.

Sheriff Civil Fees are listed in Neb. Rev. Stat. § 33-117. The fees for each duty are as follows:

- Serving a capias with commitment or bail bond and return- \$2
- Serving a search warrant- \$2
 - arresting under a search warrant- \$2 for each person arrested
- Service not described in other subsections-\$12
- Service of second and additional persons at same time and location- \$3
- Return of service, whether served or not- \$6
- Taking and filing a replevin bond or other indemnification- \$1
- Making a copy of any process, bond or other paper- 25 cents per page
- Levying a writ or court order and return thereof- \$18
- Summoning a grand jury- \$10
- Summoning a petit jury- \$12
- Summoning a special jury- 50 cents per each person impaneled
- Calling an inquest to appraise lands- \$1
- Calling an inquest to appraise goods and chattels- \$1
- Advertising a sale in a newspaper in addition to the price of printing- \$1
- Advertising in writing for a sale- \$5
- Making deeds for land sold on execution or order of sale- \$5

Mileage is charged at the state mileage rate, plus three cents, with a minimum of fifty cents when service is made within one mile of the courthouse.

Stakeholders

- Citizens
- Counties
- Sheriff's Departments

Financial Analysis

Civil Fees

Nebraska Revenue Projections

NACO surveyed 21 counties of different sizes from across the state about several services performed by the sheriff's office, including the number of times deputies served civil lawsuit paperwork, protection orders, and distress warrants, and the number of vehicle inspections deputies performed. We also calculated the average number of annual hours for each service based upon estimates provided by the sheriff's offices.

The sample included counties with less than 5,000 residents (Thayer, Morrill, Chase, Nance, Franklin, Garfield, Sioux, Hayes, Wheeler, and Thomas), counties with 5,000-50,000 residents (Lincoln, Gage, Phelps, Burt, Dixon, Cherry, and Polk), and counties with more than 50,000 residents (Lancaster, Sarpy, Hall, Buffalo). NACO acknowledges the potential shortcomings of convenience sampling and encourages future data collection on this topic.

The findings based on these projections suggest that the \$2 fees do not adequately cover the costs incurred by county sheriffs to serve civil paperwork. We projected possible revenue based on increasing the fee to \$10 and \$20. Such an increase would enable counties to absorb minimal inflationary costs more easily in the future.

Civil Lawsuit Paper Service (Annual Averages)

County Size	Annual # of Civil Paperwork Services	Annual # of Hours Spent on Serving Civil Paperwork	Projected Revenue \$2/Service	Projected Revenue \$10/Service	Projected Revenue \$20/Service	Estimated Cost To Counties*
Small (<5,000)	154	77	\$308	\$1,542	\$3,084	\$1,761
Medium (5,000-50,000)	1,089	545	\$2,178	\$10,891	\$21,783	\$15,313
Large (>50,000)	7,896	3,948	\$15,793	\$78,963	\$157,925	\$123,379

*Based on average deputy hourly rate

Recommendations

Civil Fees

NACO Analysis

In 2003, LB465 proposed fee increases for the duties of sheriffs. The bill stated that the rates had not been changed in at least 20 years, and were no longer reflective of the actual costs of these duties.

LB483 (2005) proposed increases in the various fees and expenses charged and collected by sheriffs for services the sheriffs are required to make by state law.

LB65 (2013) proposed an amendment to Neb. Rev. Stat. § 33-117 that would have provided county boards with the authority to set the rates for fees charged and commissions collected.

More recently, LB636 (2025) would revise the fee schedule for sheriffs and require the state to reimburse counties for medical services provided to inmates in county jails.

NACO recommends increasing the fees for the services listed in Neb. Rev. Stat. § 33-117. The current fee rates do not accurately reflect the costs the sheriff's departments incur to perform these duties. An increase to a \$20 fee for service may cover inflationary costs over the next several years, as well as more accurately reimburse counties for the costs associated with performing this service.

Nebraska Statutes

- Neb. Rev. Stat. § 33-117
- Neb. Rev. Stat. § 23-1704
- Neb. Rev. Stat. § 25-2235
- Neb. Rev. Stat. § 23-1701
- Neb. Rev. Stat. § 81-1176

Additional References

NACO County Sheriffs Handbook, 2023

LB465 Statement of Intent, 2003
<https://www.nebraskalegislature.gov/FloorDocs/98/PDF/SI/LB465.pdf>

LB483 Statement of Intent, 2005
<https://www.nebraskalegislature.gov/FloorDocs/99/PDF/SI/LB483.pdf>

LB65 Statement of Intent, 2013
<https://www.nebraskalegislature.gov/FloorDocs/103/PDF/SI/LB65.pdf>



Motor Vehicle Inspections

Overview

Purpose

Motor vehicle inspections are required for most vehicles, motorboats, all-terrain vehicles, and minibikes that are brought into the state of Nebraska, with some exceptions. Per Neb. Rev. Stat. § 60-146, inspections are conducted by county sheriffs or officials who hold valid certificates of training, and include a comparison of the vehicle identification number (VIN) on the vehicle with the title presented, an inspection of the manufacturer's federal sticker, and an examination of the odometer reading.

Pursuant to Neb. Rev. Stat. § 60-146(4)(a), the inspector must also check the VIN for entry in the National Crime Information Center and the Nebraska Crime Information Service or the National Motor Vehicle Title Information System, and provide a statement attesting to this.

Neb. Rev. Stat. § 60-146(4)(b) permits sheriffs and motor vehicle dealers to enter into agreements for off-site inspections at motor vehicle dealerships. The dealership pays the inspection fee and provides the required documentation.

The fee for inspections is currently \$10, as provided by Neb. Rev. Stat. § 60-158. These fees are paid to the county treasurer and credited to the county sheriff's vehicle inspection account within the county general fund.

Legislative Background

For more than 25 years, counties and the Department of Motor Vehicles have been developing methods to increase motor vehicle sales tax collections, prevent uninsured and underinsured motorists, decrease the number of unlicensed drivers, and prevent title jumping. In 1983, the Nebraska Legislature passed LB234, which required physical inspections of all vehicles with out-of-state titles brought into Nebraska. This bill was part of an effort to address ongoing issues related to title laundering, vehicle theft, and odometer tampering. In 2025, LB468 would have increased the motor vehicle out of state inspection fees from \$10 to \$20. However, the bill failed to garner enough votes to invoke cloture and will carry over to 2026.

Stakeholders

- Citizens
- Counties
- County Sheriff Departments
- Motor Vehicle Dealerships

Financial Analysis

Motor Vehicle Inspections

Nebraska Revenue

NACO surveyed 21 counties of different sizes from across the state about several services performed by the sheriff's office, including the number of times deputies served civil lawsuit paperwork, protection orders, and distress warrants, and the number of vehicle inspections deputies performed. The sample included counties with less than 5,000 residents (Thayer, Morrill, Chase, Nance, Franklin, Garfield, Sioux, Hayes, Wheeler, and Thomas), counties with 5,000-50,000 residents (Lincoln, Gage, Phelps, Burt, Dixon, Cherry, and Polk), and counties with more than 50,000 residents (Lancaster, Sarpy, Hall, Buffalo).

NACO also calculated the average number of annual hours for each service based upon estimates provided by the sheriff's offices. An approximate cost was estimated by multiplying the number of inspections by the time necessary to complete an inspection by the average deputy sheriff's hourly rate for each size county. NACO acknowledges the potential shortcomings of convenience sampling and subsequent extrapolation, and encourages future data collection on this topic.

The following table shows the estimated annual number of average vehicle inspections (and cost) by county size. The projections show that on average, a small county performs 168 inspections annually, with an average total cost of \$959; a medium county performs 917 vehicle inspections annually, with an average total cost of \$6,448; a large county performs 10,737 vehicle inspections annually, with an average total cost of \$83,885. It's important to note that some counties may significantly diverge from the average; for example, although Thomas County is in the small county category, its annual average vehicle inspections is 43, fairly far below the county size average of 168.

Motor Vehicle Inspections			
County Size	Estimated Annual # of Vehicle Inspections	Estimated Annual # of Hours Spent on Vehicle Inspections	Estimated Cost To Counties*
Small (<5,000)	168	42	\$959
Medium (5,000-50,000)	917	229	\$6,448
Large (>50,000)	10,737	2,684	\$83,885

*Based on average deputy hourly rate (2024 NACO Salary Study)

Recommendations

Motor Vehicle Inspections

NACO Analysis

Platte County Sheriff Edward Wemhoff provided NACO with an analysis of motor vehicle inspections as they relate to Platte County:

"The \$10 cost per inspection doesn't really offset our costs here at the office considering the increased costs since the \$10 fee was applied back in the 80's. If we travel off-site for the inspection, we do not recoup any costs such as mileage or deputy wages, as well as other staff expenses and costs that still need to be conducted back in the office.

The simple fact is, regardless of if the inspection is being completed at the Sheriff's Office or offsite (up to 45 miles away, to the NW corner of Platte County from the Sheriff's Office), the value of the dollar has obviously changed/increased since this fee was originally established. I would say the same for all fees that we charge for any service that the Sheriffs of Nebraska must provide, which are services that we have been required to provide through statutory language and without financial aid from the state (unfunded mandates)."

NACO recommends increasing the current fee of \$10 to a rate of \$20 per inspection. The administrative burden associated with providing inspections, as well as inflationary factors, are not adequately covered by the current fee. This fee increase would more accurately reimburse counties, and help to offset the economic impacts associated with inflation.

As currently structured, sheriff deputies are not permitted to receive mileage reimbursement for traveling off-site to perform inspections. NACO recommends allowing sheriffs departments to potentially charge for mileage based on the current statutory formulas outlined in Neb. Rev. Stat. § 33-117(1)(h). Allowing added administrative fees or an additional fee for inspections off-site would better reimburse counties for costs associated with providing this service.

Nebraska Statutes

- Neb. Rev. Stat. § 33-117
- Neb. Rev. Stat. § 60-123
- Neb. Rev. Stat. § 60-146
- Neb. Rev. Stat. § 60-158

Additional References

NE Department of Motor Vehicles, 2024
<https://dmv.nebraska.gov/dvr/title/vehicle-inspection>

LB234 Statement of Intent, 88th Legislative Session, 1983
<https://www.nebraskalegislature.gov/FloorDocs/88/PDF/SI/LB234.pdf>

NACO County Sheriffs Handbook, 2023

NACO Legislative Platform, 2024



Motor Vehicle Fees

Overview

Purpose

Motor Vehicle Fees are imposed on all motor vehicles registered for operation in the state of Nebraska. This fee is collected by county treasurers prior to the registration of a vehicle, is assessed based upon factors including the value, weight, and use of the vehicle, and is adjusted as the vehicle ages. Neb. Rev. Stat. § 60-3,190 outlines a fee schedule that implements a base fee and formula to be used in the calculation of fees, accounting for vehicle depreciation.

Distribution

The county treasurer retains 1% of the collected fees to cover costs associated with collection. The remaining amount is remitted to the State Treasurer to be credited to the Motor Vehicle Fee Fund. The State Treasurer then disburses the funds as follows:

- 50% is distributed to the County Treasurer of each county, amounts in the same proportion as the most recent allocation received by each county from the Highway Allocation Fund
- 50% is distributed to the Treasurer of each municipality, amounts in the same proportion as the most recent allocation received by each municipality from the Highway Allocation Fund.

The amount that is redistributed to counties must be used toward road, bridge, and street purposes, per Neb. Rev. Stat. § 60-3,190(6)(c).

Stakeholders

- Citizens
- Counties and Municipalities
- Agriculture and Transportation Businesses
- Highway Allocation Fund
- Motor Vehicle Fee Fund

Financial Analysis

Motor Vehicle Fees

Nebraska Revenue

As mandated by Neb. Rev. Stat. § 60-3,190(4), the fee amounts for motor vehicles varies based upon the vehicle type, and other factors including weight and cost. NACO analyzed data (2023) provided by the Nebraska Department of Motor Vehicles to estimate the current collection totals for different vehicle types. NACO estimates the 2023 statewide collection total to be \$27,294,520.

Vehicle Type	Current Fee	Estimated Current Total
Automobiles (< \$20k)	\$5	\$1,000,000
Automobiles (\$20-39k)	\$20	\$5,600,000
Automobiles (>\$40k)	\$30	\$6,000,000
Motorcycles	\$10	\$500,000
Recreation Vehicles	\$10	\$100,000
Trucks Over 7 Tons	\$30	\$9,000,000
Trailers	\$10	\$4,250,000
Semitrailers	\$30	\$840,000
Minitrucks	\$10	\$2,520
Low-Speed Vehicles	\$10	\$2,000
Estimated Statewide Collection Total		\$27,294,520

Recommendations

Motor Vehicle Fees

NACO Analysis

For more than 25 years, counties and the Department of Motor Vehicles have been developing methods to increase motor vehicle sales tax collections, prevent uninsured and underinsured motorists, decrease the number of unlicensed drivers, and prevent title jumping. Counties support continued enforcement efforts toward legal documentation of motor vehicles. NACO recommends reviewing the structure of the Motor Vehicle Fee and Motor Vehicle Tax distributions to identify potential solutions that could help to lower the administrative burden on counties, as well as reduce the costs of the Motor Vehicle Tax for citizens. A potential solution could be lowering Motor Vehicle Tax rates and increasing Motor Vehicle Fees to an adequate funding level for administrative and infrastructure costs. This solution would require a study to determine the long term sustainability of a shift from Motor Vehicle Tax to Motor Vehicle Fee structure. In 2025, LB468 would have increased counties' administrative fees for motor vehicle tax collection. However, the bill failed to garner enough votes to invoke cloture and will carry over to 2026.

Nebraska Statutes

- Neb. Rev. Stat. § 60-3,190

Additional References

NE Department of Motor Vehicles, 2024

https://dmv.nebraska.gov/sites/dmv.nebraska.gov/files/doc/dvr/MV_Tax_Fee_Chart.pdf

NE Department of Motor Vehicles, 2024

<https://dmv.nebraska.gov/dvr/reg/registration-fees-and-taxes>

NACO 2024 Legislative Platform



Motor Vehicle Sales Tax

Overview

Purpose

Motor Vehicle Sales Tax, at a rate of 5.5% plus local sales tax rates that can vary up to 2.5%, is applied to the purchase price of motor vehicles, semitrailers, and trailers. Sales tax is calculated using the MSRP, and is paid in addition to the full price of the vehicle. This tax is collected by the county treasurer, Department of Motor Vehicles, or by an approved licensed dealer at the time the purchaser applies for motor vehicle registration. Sales tax must be paid on new or used vehicles within the first 30 days following the purchase.

The county treasurer or Department of Motor Vehicles remits the taxes collected to the Tax Commissioner by the 15th day following collection. The county reserves a collection fee of 2.5% of the first \$3,000 collected, in addition to .5% of all amounts in excess of \$6,000 remitted each month.

Distribution

Prior to January 1, 2023, the amount collected was divided equally between the county general fund and the county road fund. After January 1, 2023, the amounts are divided to disperse 75% to the county general fund, and 25% to the county road fund. In counties with a population exceeding 150,000, the county treasurer is to remit \$1 of the collection fee for the first 5,000 vehicles registered on or after January 1, 2020 to the state treasurer. This amount is credited to the Department of Revenue Enforcement Fund.

Stakeholders

- Cities
- Citizens
- Counties
- Agriculture and Transportation Businesses
- State Highway Allocation Fund
- Department of Revenue Enforcement Fund

Financial Analysis

Motor Vehicle Sales Tax

Nebraska Revenue Data

NACO analyzed two years of motor vehicle sales tax data (calendar year 2022 and 2023). Specifically, NACO analyzed the sum and average for annual taxable motor vehicle sales, motor vehicle sales tax, and motor vehicle sales tax county revenue.

Totals

County Size	Annual Taxable MV Sales	Annual MV Sales Tax	Annual County Total
Small (<5,000)	\$353,978,052	\$19,433,883	\$151,780
Medium (5,000-50,000)	\$2,357,742,394	\$129,827,106	\$721,136
Large (>50,000)	\$3,405,781,425	\$188,151,363	\$947,957

Averages

County Size	Annual Taxable MV Sales	Annual MV Sales Tax	Annual County Total
Small (<5,000)	\$9,315,212	\$511,418	\$3,994
Medium (5,000-50,000)	\$47,154,848	\$2,596,542	\$14,423
Large (>50,000)	\$681,156,285	\$37,630,273	\$189,591

Summary of Findings

On average, small counties take in an average of approximately \$152,000 annually from motor vehicle sales tax, while medium and large counties take in approximately \$721,000 and \$948,00 annually, respectively.

On a per county basis, each small county takes in an average of approximately \$4,000 annually from motor vehicle sales tax, each medium and large county takes in approximately \$14,400 and \$190,000 annually, respectively.

Recommendations

Motor Vehicle Sales Tax

NACO Analysis

Prior to 2002, counties and retailers received a 2.5% commission on the first \$3,000 of motor vehicle sales tax collected in the county during the previous month. This amounted to \$75 a month, or \$900 a year for the 2.5% commission on the first \$3,000 of motor vehicle sales tax collected. In addition, counties received a .5% commission on tax collection over \$3,000. This .5% commission was eliminated as part of a larger budget reduction package during the state budget crisis in 2002. This reduction was never meant to be permanent.

Counties and retailers requested a return to the higher reimbursement rate a number of times as the state's economic conditions improved. Senator Sue Crawford, who led many efforts to remove or reduce unfunded mandates to counties, was successful in 2019 when LB237 was adopted. LB237 made changes to the distribution process, as noted in the "Distribution" section on the first page.

NACO recommends increasing the commission that counties receive for collecting motor vehicle sales taxes. This would offset the heightened costs experienced by counties to administer motor vehicle services, as well as permit counties to minimize the need for possible property tax increases or reductions in services.

The motor vehicle sales tax collection process is more complex than sales tax collections on retail sales. County treasurers and their staff may need to track down paperwork from out-of-state or private sellers or do other background work before completing the sale. For example, a purchaser might not have the sales tax form so the county has to call the dealer and have them fax or email the form. In another instance, the treasurer may need to track down the location where the sale took place to determine the rate of city sales tax. If the vehicle is purchased in another state, the out-of-state dealer must provide proof of whether they collected the sales tax and how much or if there are any additional fees that weren't included.

NACO acknowledges that an increase in motor vehicle sales tax commissions would result in a slight reduction to the Highway Allocation Fund that is distributed to counties and municipalities.

Nebraska Statutes

- Neb. Rev. Stat. §77-2703
- Neb. Rev. Stat. §60-339

Additional References

[NE DOT Annual Financial Report, 2023](#):

[Government, Military, and Veteran's Affairs Committee, LR 582 Interim Study Report, 2014](#):

[NE Dept. of Revenue's Reg-1-020](#):



Motor Vehicle Tax

Overview

Purpose

Motor Vehicle Taxes are collected by county treasurers when a vehicle is presented for registration. This tax is assessed on a vehicle at the time of initial registration and annually thereafter until the vehicle reaches 14 years of age or more. Per Neb. Rev. Stat. § 60-3187, a base tax, increasing in increments of \$40 for each \$2,000 increase, is used in combination with the MSRP of vehicles to calculate Motor Vehicle Taxes. The percentage of the base tax applied declines as the vehicle ages.

Distribution

The county treasurer retains 1% of the taxes collected as reimbursement for the costs associated with collecting the tax. The treasurer then remits 1% of the proceeds collected to the State Treasurer for credit to the Vehicle Title and Registration System Replacement and Maintenance Cash Fund.

The remaining proceeds are allocated to local entities within the tax district in which the motor vehicle has situs as follows:

- 22%- County
- 60%- Local School System or District
- 18%- City or Village, Except:
 - if the tax district is not in a city or village, 40% is allocated to the county and;
 - in counties containing a city of the metropolitan class, 18% is allocated to the county and 22% to the city or village.

Stakeholders

- Citizens
- Cities and Villages
- Counties
- School Districts
- Vehicle Title and Registration System Replacement and Maintenance Cash Fund

Financial Analysis

Motor Vehicle Tax

Nebraska Revenue

According to data (2020-22) provided by the Nebraska Department of Motor Vehicles (DMV), the amount of motor vehicle tax allocated to counties varies greatly depending on county population.

Counties with less than 1,500 residents take in approximately \$50,000 annually from motor vehicle tax while counties with 1,500-5,000 residents take in approximately \$157,000 annually. Counties with 5,000-50,000 residents take in approximately \$618,000 annually and counties with more than 50,000 residents take in approximately \$9,000,000 annually.

Averages		3-Year Averages	
County Size	MV Tax Collection	Average County Allocation	
Micro (<1,500)	\$141,448	\$50,054	
Small (1,500-5,000)	\$513,712	\$156,746	
Medium (5,000-50,000)	\$2,132,108	\$618,026	
Large (>50,000)	\$36,578,689	\$9,027,035	

Totals		3-Year Averages	
County Size	MV Tax Collection	Average County Allocation	
Micro (<1,500)	\$1,980,276	\$700,762	
Small (1,500-5,000)	\$12,329,084	\$3,761,909	
Medium (5,000-50,000)	\$106,605,384	\$30,901,306	
Large (>50,000)	\$182,893,445	\$45,135,177	

NACO analyzed data provided by the DMV from 2021, 2022, and 2023. The estimated totals of Motor Vehicle Tax distributed to entities in each respective year are shown in the table below.

Annual Totals			
Tax Distribution*	2021	2022	2023
Counties (22%)	\$80,567,558	\$81,091,971	\$88,463,114
Municipalities (18%)	\$38,887,261	\$38,532,764	\$41,463,245
Schools (60%)	\$179,182,942	\$179,437,744	\$194,890,103

*This data is approximate, given that in tax districts not located within a city or village, the county receives 40%. In counties with a city of the metropolitan class, the county receives 18% and the city receives 22%.

Recommendations

Motor Vehicle Tax

NACO Analysis

For more than 25 years, counties and the Department of Motor Vehicles have been developing methods to increase motor vehicle sales tax collections, prevent uninsured and underinsured motorists, decrease the number of unlicensed drivers, and prevent title jumping. Counties support continued enforcement efforts toward legal documentation of motor vehicles.

According to a DMV Report, in 2023 there were approximately 2,492,500 registered motor vehicles: of those registered vehicles, approximately 1,042,300 were 14 years old or older and paid \$0.00 motor vehicle tax.

NACO recommends reviewing the structure of the Motor Vehicle Tax and Motor Vehicle Fee distributions to identify potential solutions that could help to lower the administrative burden on counties, as well as reduce the costs of the Motor Vehicle Tax for citizens.

Potential solutions could be: eliminating the Motor Vehicle Tax exemptions, lowering the Motor Vehicle Tax rate tables, and determining a new allocation model to aid local political subdivisions. In 2025, LB468 would have increased counties' administrative fees for motor vehicle tax collection. However, the bill failed to garner enough votes to invoke cloture and will carry over to 2026.

Nebraska Statutes

- Neb. Rev. Stat. § 60-3186
- Neb. Rev. Stat. § 60-3187
- Neb. Rev. Stat. § 77-27,132

Additional References

[NE Department of Motor Vehicles, 2024](#)

[NE Department of Motor Vehicles, 2024](#)

[NE Department of Motor Vehicles, 2023](#)

NACO Legislative Platform, 2024



Motor Vehicle Prorate Tax

Overview

Purpose

Motor Vehicle Prorate Tax applies to apportionable vehicles. Neb. Rev. Stat. § 60-308(1) defines an apportionable vehicle as any motor vehicle or trailer used or intended for use in two or more member jurisdictions that allocate or proportionally register motor vehicles or trailers and used for the transportation of persons for hire or designed, used, or maintained primarily for the transportation of property. Recreational vehicles, motor vehicles displaying restricted plates, city pickups and delivery vehicles, and government-owned motor vehicles are not included as apportionable vehicles.

Apportionable vehicles are part of Nebraska's engagement with the International Registration Plan (IRP), which Nebraska has been a member of since 1975. According to Neb. Rev. Stat. § 6-3,193, the purposes of the IRP are to encourage the fullest possible use of highway systems by authorizing registration of fleets of apportionable vehicles and the recognition of apportionable vehicles apportioned in other jurisdictions. The IRP also implements one registration plate per vehicle, and grants exemptions from payment of certain fees when such grants are reciprocal.

According to the Nebraska Department of Motor Vehicles, registration fees are determined by the type of operation, the percentage of miles traveled in each member jurisdiction, and the registered combined gross weight of each vehicle. Fees are paid to the base jurisdiction.

Neb. Rev. Stat. § 60-3,198(1)(ii) states the applicable fees. Registration fees are due annually, and the total fee payment shall be equal to the amount of fees due pursuant to section Neb. Rev. Stat. § 60-3,203 and the amount obtained by applying the formula provided in section Neb. Rev. Stat. § 60-3,204 to a fee of \$33.50 per ton, based upon gross vehicle weight of the empty weights of a truck, truck-tractor, or any combination of these vehicles plus the weight of the maximum load to be carried.

Distribution

Nebraska's share of the tax on apportioned vehicles under Neb. Rev. Stat. § 60-3,202(1)(b) is remitted to the State Treasurer for credit to the funds as follows:

- Highway Tax Fund- 28%
- Highway Trust Fund- 67%
- Motor Carrier Services System Replacement and Maintenance Fund- 5%

Per Neb. Rev. Stat. § 60-3,202(2), on or before the last day of each quarter of the calendar year, the State Treasurer distributes all funds in the Highway Tax Fund to county treasurers in the same proportion as the number of original motor vehicle registrations in each county to the total of all original registrations within the state in the registration year immediately preceding. Counties also receive a share of the Highway Trust Fund.

The county treasurer distributes funds received to all taxing agencies in the county based on an agencies tax request as a proportion to all tax requests.

Stakeholders

- Citizens
- Counties
- Transportation Companies
- Political Subdivisions with Levy Authority
- Highway Tax Fund
- Highway Trust Fund
- Motor Carrier Services System Replacement and Maintenance Fund

Financial Analysis

Motor Vehicle Prorate Tax

Nebraska Revenue Projections

NACO analyzed data provided by the State Treasurer (2023) in combination with the current allocation structure to estimate the current revenues received by counties, and to calculate possible projections under different allocation structures. Motor Vehicle Prorate is allocated to political subdivisions based on levy rates. On average, the county tax asking makes up approximately 16% the property tax rate, meaning that approximately 16% of the Motor Vehicle Prorate is allocated to counties. While there may be differences between counties, our tables display data based on the overall average of 16%.

If counties and cities/villages were to split the Motor Vehicle Prorate revenues, small counties would receive approximately \$519,000, medium counties would receive approximately \$3.2 million, and large counties would receive approximately \$4 million. On average, each small county would receive approximately \$14,000, each medium county would receive approximately \$64,000, and each large county would receive approximately \$802,000.

According to our findings, small counties received approximately \$138,000, medium counties received approximately \$848,000, and large counties received approximately \$1.1 million in Motor Vehicle Prorate Tax revenues. On average, each small county received approximately \$3,600, each medium county received approximately \$17,000, and each large county received approximately \$214,000.

A distribution structure that allocated 100% of revenues to counties would provide an estimated \$865,000, to small counties, \$5.3 million to medium counties, and \$6.7 million to large counties. On average, each small county would receive approximately \$23,000, each medium county would receive approximately \$106,000, and each large county would receive approximately \$1.3 million.

Totals	Current	Possible Projections*	
		60%/40% Split**	100%
County Size	16%		
Small (<5,000)	\$138,385	\$518,943	\$864,905
Medium (5,000-50,000)	\$848,358	\$3,181,342	\$5,302,236
Large (>50,000)	\$1,070,306	\$4,013,648	\$6,689,414
Total	\$2,057,049	\$7,713,933	\$12,856,555

Averages	Current	Possible Projections*	
		60%/40% Split**	100%
County Size	16%		
Small (<5,000)	\$3,642	\$13,656	\$22,761
Medium (5,000-50,000)	\$16,967	\$63,627	\$106,045
Large (>50,000)	\$214,061	\$802,730	\$1,337,883
Total	\$22,119	\$82,946	\$138,243

*Based on 2023 Motor Vehicle Prorate Data

**Counties would receive 60%, cities/villages would receive 40%. In tax districts not located within a city or village, the county would receive 40%, and in counties with a city of the metropolitan class, counties would receive 18% and the city would receive 22%.

Recommendations

Motor Vehicle Prorate Tax

NACO Analysis

For more than 25 years, counties and the Department of Motor Vehicles have been developing methods to increase motor vehicle sales tax collections, prevent uninsured and underinsured motorists, decrease the number of unlicensed drivers, and prevent title jumping. Counties support continued enforcement efforts toward legal documentation of motor vehicles.

NACO recommends reviewing the structure of the Motor Vehicle Prorate tax distribution to identify potential solutions that could help direct revenues to counties and cities for use in maintaining and developing infrastructure. Determining a new allocation model to aid political subdivisions could be a potential solution.

Nebraska Statutes

- Neb. Rev. Stat. § 60-308
- Neb. Rev. Stat. § 60-3,193
- Neb. Rev. Stat. § 60-3,198
- Neb. Rev. Stat. § 60-3,202
- Neb. Rev. Stat. § 60-3,203
- Neb. Rev. Stat. § 60-3,204

Additional References

NACO Legislative Platform, 2024

NACO County Treasurers Handbook

NE Department of Motor Vehicles, 2024

<https://dmv.nebraska.gov/dvr/reg/registration-fees-and-taxes> NE Department of Motor Vehicles, 2024

NE Department of Motor Vehicles, 2024

<https://dmv.nebraska.gov/mc/nebraska-apportion-registration-fees>

International Registration Plan, 2024

<https://www.irponline.org/page/ThePlan>



Title Fees

Overview

Purpose

A Certificate of Title serves as proof of ownership, and is required for most vehicles that use highways and roads in the state of Nebraska. Certificates of title are also required for most motorboats registered for use in the state. Only one title is allowed to be issued and in existence at any one time for the same motor vehicle or motorboat.

Distribution

For motor vehicle certificates of title, the county treasurer retains \$3.25 of the \$10 title fee collected. Remaining amounts are remitted to the State Treasurer in allotments for disbursal into the following funds, as dictated by Neb. Rev. Stat. § 60-154(1)(a):

- Department of Motor Vehicles Cash Fund- \$4
- State General Fund- \$2
- Motor Vehicle Fraud Cash Fund- 20 cents
- Nebraska State Patrol Cash Fund- 45 cents
- Nebraska Motor Vehicle Industry Licensing Fund- 10 cents

Per Neb. Rev. Stat. § 60-156 (1), the fee for duplicate titles is \$14. Counties retain \$10, and the remaining \$4 is remitted to the State Treasurer for credit to the Department of Motor Vehicles Cash Fund.

The fee for lien notations by counties is currently \$7. Per Neb. Rev. Stat. § 60-155(1), the county retains \$2, and remits the remaining amount to the State Treasurer for disbursal as follows:

- Department of Motor Vehicles Cash Fund- \$4
- State General Fund- \$1

Neb. Rev. Stat § 37-1287 outlines the fees for motorboat certificates of title and lien notations. The fees for motorboat titles are \$6 per certificate of title and \$3 for each notation of any lien. The fee for each replacement or duplicate copy of a motorboat certificate of title is \$10. Neb. Rev. Stat. § 37-1287(3) provides for an additional fee of \$4 for each certificate of title, and each notation of lien on a certificate of title.

County Treasurers retain \$4 for each original title and \$2 for each notation of lien. The remaining amount of revenue is remitted to the State Treasurer for disbursal as follows:

- Department of Motor Vehicles Cash Fund- \$4 per title and \$4 per lien
- State General Fund- \$2 per original title, \$10 per duplicate tile, \$1 per lien

Stakeholders

- Citizens
- Counties
- Department of Motor Vehicles Cash Fund
- Motor Vehicle Fraud Cash Fund
- Nebraska State Patrol Cash Fund
- Nebraska Motor Vehicle Industry Licensing Fund
- Motor Carrier Division Cash Fund
- State General Fund

Financial Analysis

Title Fees

Nebraska Revenue Projections

NACO analyzed current and projected revenue from title fees using data from The Department Of Motor Vehicles . The following table shows the revenue that counties receive from the current \$10 fee (with counties receiving \$3.25), as well as what these counties would receive if the fee was increased to \$20 (with counties receiving \$13.25). The counties are divided into small, medium, and large counties:

Small (less than 5,000 residents): Arthur, Banner, Blaine, Boyd, Brown, Chase, Deuel, Dundy, Franklin, Frontier, Furnas, Garden, Garfield, Gosper, Grant, Greeley, Harlan, Hayes, Hitchcock, Hooker, Keya Paha, Kimball, Logan, Loup, McPherson, Morrill, Nance, Nuckolls, Pawnee, Perkins, Rock, Sherman, Sioux, Thayer, Thomas, Valley, Webster, and Wheeler.

Medium (5,000-50,000 residents): Adams, Antelope, Boone, Box Butte, Burt, Butler, Cass, Cedar, Cherry, Cheyenne, Clay, Colfax, Cuming, Custer, Dakota, Dawes, Dawson, Dixon, Dodge, Fillmore, Gage, Hamilton, Holt, Howard, Jefferson, Johnson, Kearney, Keith, Knox, Lincoln, Madison, Merrick, Nemaha, Otoe, Phelps, Pierce, Platte, Polk, Red Willow, Richardson, Saline, Saunders, Scotts Bluff, Seward, Sheridan, Stanton, Thurston, Washington, Wayne, and York.

Large (more than 50,000 residents): Buffalo, Douglas, Hall, Lancaster, and Sarpy.

The projections show that if the fee was increased to \$20, small counties would receive a total of \$178,517 (or an average of \$4,698 per county, an increase of \$3,546), medium counties would receive a total \$1,400,792 (or an average of \$28,016 per county, an increase of \$21,144), and large counties would receive a total of \$1,977,934 (or an average of \$395,587 per county, an increase of \$298,556).

Totals

County Size	3-Year Average (\$3.25 for counties)	Projected Revenue (\$13.25 for counties)	Estimated Increase
Small (<5,000)	\$43,787	\$178,517	\$134,730
Medium (5,000-50,000)	\$343,591	\$1,400,792	\$1,057,202
Large (>50,000)	\$485,154	\$1,977,934	\$1,492,781
Statewide	\$872,531	\$3,557,244	\$2,684,712

Averages

County Size	3-Year Average (\$3.25 for counties)	Projected Revenue (\$13.25 for counties)	Estimated Increase
Small (<5,000)	\$1,152	\$178,517	\$134,730
Medium (5,000-50,000)	\$6,872	\$1,400,792	\$1,057,202
Large (>50,000)	\$97,031	\$1,977,934	\$1,492,781
Statewide	\$9,382	\$38,250	\$28,868

Recommendations

Title Fees

NACO Analysis

For more than 25 years, counties and the Department of Motor Vehicles have been developing methods to increase motor vehicle sales tax collections, prevent uninsured and underinsured motorists, decrease the number of unlicensed drivers, and prevent title jumping. Counties support continued enforcement efforts toward legal documentation of motor vehicles.

NACO recommends increasing fees for motor vehicle title fees issued from \$10 to \$20 and lien notations on such titles from \$7 to \$10. The increased revenue for titles issued by counties would be designated for the counties.

Under this increased fee structure, counties would receive \$13.25 of the \$20 title fee for motor vehicles. The fee for lien notations by counties on certificates of title for motor vehicles would also increase from the current rate of \$7 to a rate of \$10, with the counties receiving the additional \$3. The fee for duplicate titles would increase to \$20, with counties retaining \$16 and the remaining \$4 remitted to the State Treasurer.

NACO also recommends increasing the fee for titles and lien notations for motorboats to \$20 and \$10, respectively. Counties would receive \$14 of the title fee for motorboats, and \$5 for notations of liens. The \$4 flat fee for titles and liens would remain the same. The fee for duplicate titles would increase to \$20. Counties would retain \$10, and the remaining \$10 would be remitted to the State Treasurer.

Nebraska Statutes

- Neb. Rev. Stat. § 60-150
- Neb. Rev. Stat. § 60-152
- Neb. Rev. Stat. § 60-154
- Neb. Rev. Stat. § 60-155
- Neb. Rev. Stat. § 60-156
- Neb. Rev. Stat. § 32-1287

Additional References

NACO Legislative Platform, 2024



Distress Warrant Fees

Overview

Purpose

A distress warrant authorizes a court officer to distrain property, or allows an officer to seize a tenant's goods for failing to pay rent due to the landlord. Per Neb. Rev. Stat. § 77-1718, distress warrants are used to collect delinquent taxes on personal property and real estate taxes on mobile homes, cabin trailers, manufactured homes and similar property, and are issued by treasurers and collected by sheriffs.

Pursuant to Neb. Rev. Stat. § 77-1718, if taxes aren't paid by September 1, if or the owner hasn't filed a poverty affidavit, the treasurer sends a letter to the owner that a distress warrant will be issued. The letter must be mailed at least 20 days prior to the issuance of the distress warrant, which must be issued on or before November 1.

Per Neb. Rev. Stat. § 77-1919, the sheriff makes an effort to collect the taxes in the same manner as an execution issued by the district court. Within nine months (or two years in counties over 100,000), the sheriff returns the distress warrant to the treasurer with an endorsement that the taxes were collected, no property could be found, or the owner has filed a poverty affidavit with the sheriff and the property isn't worth the cost of advertising the sale.

The sheriff reports this to the county board on or before August 1 and the treasurer verifies the report to the board on or before October 1. The treasurer makes an itemized list that shows any failure to collect or make a legal return. Some partial payments can be accepted.

The existing fees for the distress warrants are listed in Neb. Rev. Stat. § 77-1720, and include \$2 for each warrant, \$1 for each levy, and mileage. Sheriffs are permitted a commission in addition on all taxes collected by distress and sale as follows: On all sums not exceeding \$100, ten cents on each dollar; and on all sums exceeding \$100, eight cents on each dollar. The collected fees, mileage, and commissions are deposited into the county's general fund.

Stakeholders

- Citizens
- Counties
- Sheriff's Departments

Financial Analysis

Distress Warrant Fees

Nebraska Revenue

NACO analyzed four years of county budget data (FY20-23) obtained from the Nebraska State Auditor's website. The following table shows the annual distress warrant fees by county size, which includes the following categories:

Small (less than 5,000 residents): Arthur, Banner, Blaine, Boyd, Brown, Chase, Deuel, Dundy, Franklin, Frontier, Furnas, Garden, Garfield, Gosper, Grant, Greeley, Harlan, Hayes, Hitchcock, Hooker, Keya Paha, Kimball, Logan, Loup, McPherson, Morrill, Nance, Nuckolls, Pawnee, Perkins, Rock, Sherman, Sioux, Thayer, Thomas, Valley, Webster, and Wheeler.

Medium (5,000-50,000 residents): Adams, Antelope, Boone, Box Butte, Burt, Butler, Cass, Cedar, Cherry, Cheyenne, Clay, Colfax, Cuming, Custer, Dakota, Dawes, Dawson, Dixon, Dodge, Fillmore, Gage, Hamilton, Holt, Howard, Jefferson, Johnson, Kearney, Keith, Knox, Lincoln, Madison, Merrick, Nemaha, Otoe, Phelps, Pierce, Platte, Polk, Red Willow, Richardson, Saline, Saunders, Scotts Bluff, Seward, Sheridan, Stanton, Thurston, Washington, Wayne, and York.

Large (more than 50,000 residents): Buffalo, Douglas, Hall, Lancaster, and Sarpy.

Small counties take in a total of \$1,168 annually (or an average of \$40 per county), medium counties take in a total of \$18,592 annually (or an average of \$379 per county), and large counties take in a total of \$8,970 (or an average of \$1,794 per county).

County Size	Total Annual Distress Warrant Fees
Small (<5,000)	\$1,168
Medium (5,000-50,000)	\$18,592
Large (>50,000)	\$8,970

County Size	Average Annual Distress Warrant Fee Per County
Small (<5,000)	\$40
Medium (5,000-50,000)	\$379
Large (>50,000)	\$1,794

Recommendations

Distress Warrant Fees

NACO Analysis

The collection of mobile home taxes has become a significant burden on county sheriff's departments, assessors, and treasurers. NACO strongly recommends that mobile homes be taxed and assessed based on a permit fee that is not tied to the ad valorem.

Additionally, NACO recommends increasing the distress warrant fee rate from \$2 per warrant to \$20 per warrant. An increase in fees would better compensate counties for the administrative burden and costs of delivering associated with distress warrants. In 2025, LB468 would have increased distress warrant fees for delinquent personal property taxes. However, the bill failed to garner enough votes to invoke cloture and will carry over to 2026.

Nebraska Statutes

- Neb. Rev. Stat. § 33-117
- Neb. Rev. Stat. § 60-3187
- Neb. Rev. Stat. § 77-1214
- Neb. Rev. Stat. § 77-1718
- Neb. Rev. Stat. § 77-1720
- Neb. Rev. Stat. § 77-1919
- Neb. Rev. Stat. § 77-27,132

Additional References

NACO County Treasurers Handbook, 2024

NACO County Sheriffs Handbook, 2024

[Nebraska Auditor of Public Accounts](#)



Insurance Premium Tax

Overview

Purpose

The insurance premium tax is collected on all policies written in the state by insurance companies, except those written by fraternal benefit companies. With some exceptions, every insurance company organized under the stock, mutual, assessment, or reciprocal plan which is transacting business in this state must annually pay a tax to the director of Department of Insurance one percent of the gross amount of direct writing premiums received by it during the preceding calendar year for business done in this state, per Neb. Rev. Stat. § 77-908.

Distribution

Per Neb. Rev. Stat. § 77-912, insurance tax premium tax revenue is primarily allocated as follows:

- 40% to the General Fund of the State
- 10% to the Mutual Finance Assistance fund
- 50% to the Insurance Tax Fund

Pursuant to Neb. Rev. Stat. § 77-913, within the Insurance Tax Fund, revenues are allocated as follows:

- 10% to counties
- 30% to the Municipal Equalization Fund
- 60% to school districts through the state aid formula pursuant to the Tax Equity and Educational Opportunities Support Act.

Stakeholders

- Citizens
- Counties
- Municipalities
- School Districts
- Municipal Equalization Fund
- Insurance Tax Fund
- Mutual Assistance Fund
- State General Fund

Financial Analysis

Insurance Premium Tax

Nebraska Cost Data

NACO analyzed four years of insurance premium tax payments (2021-2024) made by the State of Nebraska to counties in May of each year. We calculated the 3-year average for tax payment and the 3-year average annual rate of change. We then used these figures to project each county's 2025 payment. We also calculated what each county would receive if Nebraska counties received 50% of the insurance premium tax fund instead of the current 10% allocation (prior to January of 1985, counties received 50% of this fund).

Small counties (< 5,000 residents) would receive an increase of approximately \$1.2 million, with each small county receiving approximately \$32,000 more than the current allocation. Medium counties (5,000-50,000 residents) would receive an increase of approximately \$9.5 million, with each medium county receiving approximately \$189,000 more than the current allocation. Large counties (>50,000 residents) would receive an increase of approximately \$19 million, with each medium county receiving approximately \$3.8 million more than the current allocation. Overall, counties would receive approximately \$29.7 million more than the current allocation.

Totals		Projected 2025 Payment		
County Size	3-Year Average Allocations	(Current 10% Allocation)	(Possible 50% Allocation)	Difference (10% vs. 50%)
Small (<5,000)	\$272,991	\$300,773	\$1,503,863	\$1,203,091
Medium (5,000-50,000)	\$2,235,876	\$2,510,157	\$11,967,692	\$9,457,535
Large (>50,000)	\$4,047,405	\$4,753,356	\$23,766,781	\$19,013,425
Statewide	\$6,556,272	\$7,564,286	\$37,238,336	\$29,674,051

Averages		Projected 2025 Payment		
County Size	3-Year Average Allocations	(Current 10% Allocation)	(Possible 50% Allocation)	Difference (10% vs. 50%)
Small (<5,000)	\$7,184	\$7,915	\$39,575	\$31,660
Medium (5,000-50,000)	\$44,718	\$50,203	\$239,354	\$189,151
Large (>50,000)	\$809,481	\$950,671	\$4,753,356	\$3,802,685
Statewide	\$70,498	\$81,336	\$400,412	\$319,076

Recommendations

Insurance Premium Tax

NACO Analysis

The insurance premium tax was originally enacted in 1951. Prior to January 1985, counties received 50% of the fund, then the fund was expanded to allocate 30% to municipalities and 60% to schools. Figures from 2022 show the insurance premium tax collected was \$104,434,262.

In 2025, LB468 would have reallocated insurance premium taxes to help offset counties' inheritance tax revenue loss. However, the bill failed to garner enough votes to invoke cloture and will carry over to 2026.

NACO recommends reallocation of revenues by increasing the percentage of funds received by counties, similar to the allocation structure prior to 1985. Beyond a redistribution, increasing the percentage of insurance tax premium from 1% to 1.5% could bring additional revenues generated by the increased percentage rate to direct more revenue to counties or other stakeholders.

Nebraska Statutes

Neb. Rev. Stat. § 77-907

Neb. Rev. Stat. § 77-908

Neb. Rev. Stat. § 77-912

Neb. Rev. Stat. § 77-913

Additional References

[Nebraska's Miscellaneous Taxes – A Legislative Research Office Backgrounder, 2022](#)



Air Carrier and Car Line Tax

Overview

Purpose

Air carrier and railroad car line taxes are centrally assessed, which means the Nebraska Department of Revenue's Property Assessment Division (PAD) is responsible for assessment, collection, and distribution of these taxes. Air carrier taxes are assessed on the net book personal property of the flight equipment for interstate air carriers. Car line taxes are assessed on privately-owned rail cars that travel though, in, or along railroad lines in Nebraska. Taxes are due by January 31, and the Property Tax Administrator certifies the tax distributions to the State Treasurer and county treasurers during the first week of April and the first week of August, based on statutory formulas.

Distribution

A 3% collection fee for air carrier and car line company taxes collected is retained by PAD and credited to the Department of Revenue Property Assessment Division Cash Fund.

Air carrier tax revenues certified to county treasurers are distributed to counties based on the county's total property taxes levied compared to the total property taxes levied in the state, pursuant to Neb. Rev. Stat. § 77-1250. These funds are credited to the county's general fund only.

Car line tax revenues certified to county treasurers are distributed to the various political subdivisions based upon the ratio of railroad taxes levied in the county or subdivision compared the state's total railroad taxes levied, pursuant to Neb. Rev. Stat. § 77-684.

Stakeholders

- Citizens
- Counties
- Cities and Villages
- Political Subdivisions with Levy Authority
- Car Line Companies
- Air Carriers
- Department of Revenue Property Assessment Division Cash Fund

Financial Analysis

Air Carrier and Car Line Tax

Nebraska Revenue Data

NACO analyzed car line tax distributions made in 2023 from 2022 car line tax revenue. Based on our analysis, small counties took in an average of \$2,989 per county from car line tax distribution, while medium and large counties took in an average of \$6,862 and \$18,882, respectively.

Totals

County Size	Total Tax Revenue
Small (<5,000)	\$113,588
Medium (5,000-50,000)	\$343,125
Large (>50,000)	\$94,412

Averages

County Size	Total Tax Revenue
Small (<5,000)	\$2,989
Medium (5,000-50,000)	\$6,862
Large (>50,000)	\$18,882

This data encompasses all of Nebraska's 93 counties, including 16 counties that did not receive car line tax distributions in 2023. The following counties do not receive car line tax revenues because there are no state assessed railroad companies operating within their respective county borders: Arthur, Banner, Boyd, Brown, Cherry, Cuming, Garfield, Keya Paha, Knox, Logan, Loup, McPherson, Rock, Stanton, Wayne, and Wheeler.

Recommendations

Air Carrier and Car Line Tax

NACO Analysis

Car line tax distribution, as currently structured, allots funds to a multitude of local taxing entities. Ultimately, county government receives a small portion of the total tax revenues. In 2025, LB468 would have reallocated carline taxes to help offset counties' inheritance tax revenue loss. However, the bill failed to garner enough votes to invoke cloture and will carry over to 2026.

NACO recommends reconfiguring the distribution of car line tax revenues to mirror that of the air carrier tax. Air carrier tax revenues certified to county treasurers are credited solely to the county general fund. Directing car line tax revenues to the general funds of qualifying counties could better equip counties to minimize the need for possible property tax increases or reductions in services.

Nebraska Statutes

- Neb. Rev. Stat. § 77-679
- Neb. Rev. Stat. § 77-684
- Neb. Rev. Stat. § 77-1244
- Neb. Rev. Stat. § 77-1250

Additional References

[NE Department of Property Assessment and Taxation, 2024](#)

[NE Department of Revenue, Revenue Sources, 2022](#)

[NE Department of Revenue, Reg-30-004](#)

NACO County Treasurers' Handbook

NACO County Treasurers' Allocation Guide