

NACO Legislative Report



May 23, 2025

Late-Session Debate on Controversial Issues

This week was marked by extended evening debate on several controversial issues and a procedural misstep, all of which may affect the course of debate during the final six days of the legislative session.

Citing a failure to comply with the Nebraska Constitution's [requirements](#) for returning vetoes, the Legislature refused to accept Governor Pillen's line-item vetoes of the state's budget. The vetoes to [LB261](#) and [LB264](#) were returned to the Secretary of State, rather than the Legislature, as is required when the Legislature is in session. The vetoes would have reduced funding for public health departments to pre-pandemic levels, reduced budget increases for the Supreme Court, used existing funds to pay for Fire Marshal salary increases, and cut an \$18 million cash fund reappropriation for recreational upgrades to Lake McConaughy.

Debate on two bills ended without votes for advancement this week when cloture motions to cease first-round filibusters were unsuccessful. As introduced, [LB170](#) would eliminate sales tax exemptions on more than a dozen services, increase the tax on cigarettes and vaping products, and impose a sales tax on soft drinks. Although proponents agreed to an amendment to remove the sales tax provisions in order to allow the bill to advance to Select File while negotiations continued, the cloture motion fell three votes short of the 33 needed and debate ceased without a vote on advancement.

[LB677](#) would establish a legal and regulatory framework for the distribution of medical cannabis following the passage to two initiatives in November. Senators debated whether legislation was needed to implement the will of voters and the impact of Attorney General Hilgers' ongoing legal challenges to the initiative measures. The cloture motion failed, 23-22. [LB316](#), a bill to restrict the sale of hemp and impose an excise tax on the sale of products with cannabidiol, is expected to be debated on Select File next week. A cloture vote was needed to cease debate on LB316 on General File.

After several hours of debate and a failed vote to adopt an Education Committee amendment, [LB306](#) was passed over at the request of Committee Chair Senator Dave Murman. The committee amendment was a Christmas tree of compromises that included measures to prohibit superintendents from holding outside contracts, allow students to leave school for religious education classes, and provide paid sick leave for teachers, among other issues. It is unclear whether the bill will appear on the agenda again.

On Thursday, the legislature adopted a motion to reconsider a vote on [LB258](#), a bill to limit future increases in Nebraska's minimum wage. The bill had failed to pass last week on Final Reading and a reconsideration motion was filed by Senator Beau Ballard, who was present and not voting. Senators debated whether this position allowed him to file the reconsideration motion, as was his intent, before eventually voting 33-16 to allow another

Final Reading vote. It is not likely that LB258 will appear on the agenda again this year but will carry over to the 2026 session. An attempt may be made to amend it onto another bill.

An attempt to override a veto of [LB319](#), which would make persons convicted of drug felonies eligible for the Supplemental Nutrition Assistance Program (SNAP), was unsuccessful on Monday. Thirty votes are required to override vetoes.

Next week the Legislature will begin debate with an effort to override a veto of [LB287](#). The bill would require housing authorities in cities of the metropolitan class to inspect apartments for bedbugs and treat infestations. It would also give sanitary and improvement districts authority to levy special assessments outside of their boundaries to the extent that the properties receive a special benefit from the district.

Late nights of debate are scheduled for May 27, 28 and 29. [Adjournment](#) is tentatively set for June 9.

Mental Health Pilot, Juvenile Bills Advanced

A regional mental health pilot program was added to [LB150](#), a Judiciary Committee priority bill on sentencing reform, and advanced from the first round of debate this week. The pilot program, which was introduced as [LB386](#), would provide funding to a county law enforcement agency to expand mental health beds at a jail or elsewhere. The Crime Commission would create the program with a goal of addressing the shortage of mental health beds and long travel distances for persons suffering from mental health issues and the law enforcement agencies that service the region. It would allow videoconferencing for emergency protective custody hearings.

Other bills included in the committee amendment to LB150 would remove minimum sentencing requirements for certain post-release supervision ([LB219](#)), make it unlawful to place an obstruction on a railroad track ([LB271](#)), and eliminate outdated language regarding handgun purchase requirements ([LB539](#)). Provisions were adopted to prohibit discrimination based upon military or veteran status ([LB694](#)) and harmonize commonly-accepted practices in criminal discovery ([LB93](#)).

[LB530](#), a public safety package, was advanced from the second round of debate. The bill would create a separate category of detention called comprehensive supervision probationers to be used for children aged 11 and 12 when all other placement options have been exhausted. An [amendment](#) was offered but withdrawn to require the state to reimburse political subdivisions for their costs of additional juvenile services required by the bill.

Other portions of the bill would increase penalties for speeding, fentanyl poisoning ([LB6](#)), and motor vehicle homicide of an unborn child ([LB124](#)). Law enforcement officers would have access to sealed juvenile records when someone under age 25 applies for a concealed handgun permit ([LB395](#)) and new guidelines would be applied to the time frame to file for post-conviction relief for convictions occurring as a minor ([LB44](#)).

DHHS Office Space Shift Advanced From Second Round

This week senators advanced several bills from Select File, the second round of debate, including a measure to eliminate an unfunded mandate on counties.

Under [LB376](#), after June 30, 2028, counties would no longer have to provide office space for the Department of Health and Human Services. LB376, which was introduced to clean up reporting requirements for the Department of Health and Human Services, also includes provisions to eliminate the requirement for counties to provide “office and service facilities used for the administration of the public assistance programs as such facilities existed on April 1, 1983.” Neb. Rev. Stat. § [68-130](#). The requirement was enacted more than 40 years ago when the administration of Medicaid was transferred from counties to the state. An [amendment](#) was offered to LB376 to provide protections from liability for doctors who make recommendations about the benefits of medicinal cannabis use. It was determined not to be germane.

Another [bill](#) to repeal the office space requirement was introduced by Senator Dan Quick and remains in committee.

Other bills advanced from Select File include:

[LB454](#) to remove requirements for regional behavioral health authorities to contract for their services through a competitive bidding process; and

[LB646](#) to set the maximum fee that can be charged for cattle subject to brand inspection at \$1.50 per head. It would revise the initial registration and annual registration fees for registered feedlots.

Bills Signed Into Law

Governor Pillen signed numerous bills into law this week. Here are some of the highlights.

Documentary Stamp Taxes

[LB78](#) increases the documentary stamp tax by seven cents with the funds earmarked for the Domestic Violence and Sex Trafficking Survivor Housing Assistance Fund. The new fund will be managed by the Department of Health and Human Services and used to promote housing stability for survivors. Currently counties collect \$2.25 per \$1,000 of value on deeds and other transfers and retain 50 cents of the total; LB78 increases the total rate to \$2.32 without adjusting the county share. The bill does not have an emergency clause so will take effect three calendar months after the session adjourns.

Several other bills were introduced to increase or reallocate documentary stamp taxes but none have been adopted ([LB328](#), [LB468](#), [LB583](#), [LB622](#)). An interim study, [LR201](#), has been introduced to examine the rates, revenue and uses of documentary stamp taxes this summer.

Disclosure of Residential Addresses

[LB166](#) requires county treasurers to withhold residential addresses of law enforcement officers and judges from disclosure in their records. Under existing law, law enforcement officers, certain members of the National Guard, and judges can submit an [application](#) to the county assessor in their county of residence to have their residential address withheld from disclosure for five years. Assessors share this application with their register of deeds and, under LB166, will also share the application with their county treasurer. The Secretary of State is prohibited from disclosing judges' information when they file for retention.

Broadband Regulation

[LB311](#) clarifies that federal laws preempting local government regulations over broadband are applicable in Nebraska. The bill, which has already taken effect, prohibits local governments from setting conditions for internet services including rates, services, or service contract terms. Other provisions with later effective dates allow broadband funding to be directed to new competitive providers in certain service areas ([LB666](#)), require broadband and communications infrastructure to be subject to One-Call requirements ([LB191](#)), and allow local exchange carriers to request deregulation of some of their exchanges ([LB4](#)). An interim study, [LR157](#), has been offered to examine and monitor issues relating to broadband and broadband deployment in Nebraska.

Battery Recycling, Road Mitigation Bank

[LB36](#) enacts requirements for the collection, recycling and end-of-life management of certain portable and medium-sized batteries. These provisions were introduced as [LB309](#). The program, which will take effect on January 1, 2028, will be paid for by battery manufacturers through battery stewardship plans. The bill also establishes a hub for information about the availability and application processes for grants, loans and other programs to fund home weatherization projects administered by federal, state, or local agencies or nonprofits ([LB495](#)).

Other provisions increase the maximum fee that the Game and Parks Commission can charge for certain permits ([LB459](#), [LB562](#)) and allow the Commission to spend funds that had been appropriated for a lake between Lincoln and Omaha for other projects ([LB480](#)). The bill allows the state to operate a mitigation bank or in-lieu-of fee program for construction projects in areas where an endangered species habitat may exist ([LB590](#)). Agencies or parties that own the mitigation bank acquired to restore habitat will be required to pay a sum in lieu of ad valorem taxes lost by the county. This will apply to property acquired after July 1, 2026.

Mutual Finance Organizations

[LB399](#) reduces population thresholds to allow funds to be distributed to additional rural and suburban fire districts through the [Mutual Finance Assistance Act](#). Currently 80 percent of the assumed population of the mutual finance organization must be located outside of cities of the first class, primary class and metropolitan class. LB399 changes the threshold to 60 percent. Funding for the program is generated through insurance premium taxes and unused funds are placed in the state's general fund. The bill will become operative on October 1, 2025.

Drone Purchases

[LB660](#) prohibits state purchase of drones from vendors that do not have proper security clearance. To the extent practicable, drone purchases by political subdivisions are subject to the same restrictions. State agencies, political subdivisions and their contractors will be required to conduct annual independent security audits and obtain certifications demonstrating compliance with national security standards. Other provisions of the bill address state authority to use design-build contracts ([LB445](#)), state reporting of expenditures of federal funds ([LB662](#)), and periodic reviews of state rules and regulations ([LB29](#), [LB664](#)). An interim study resolution, [LR250](#), has been introduced to examine whether power companies should be exempt from secure drone purchasing requirements.

Animal Control Officers

[LB133](#) clarifies the authority of county, city or village animal control officers to perform certain law enforcement functions. Recent cases have called into question the authority of these officers, who are not certified law enforcement officers, to obtain search warrants for animal welfare offenses. The bill allows animal control officers or law enforcement officers to seek warrants authorizing entry upon private property to inspect, care for, or impound an animal that has been abandoned or mistreated. Animal control officers must be accompanied by a law enforcement officer for entry onto the property. Either officer can investigate animal violations and issue citations. The bill took effect on May 21.

Other Issues

[LB80](#) consolidates laws on protection orders for domestic abuse, sexual assault and harassment.

[LB120](#) allows driver's license and state ID photos to be released to the Nebraska State Patrol to be posted on their missing persons website.

[LB140](#) requires schools to adopt electronic communication policies that prohibit the use of cell phones by students while on school property or attending school functions.

[LB246](#) prohibits the production or sale of lab-grown meat in the state.

[LB383](#) prohibits social media platforms from allowing minors to create accounts without parental consent. Other provisions of the bill update criminal penalties for child pornography to include computer-generated content ([LB172](#)). Both bills were introduced on behalf of the governor.

[LB526](#) allows public power districts to pass the costs of infrastructure upgrades needed to supply power for cryptocurrency mining to the mining operations. It will take effect on October 1, 2025. As introduced, the bill would have imposed an excise tax on electricity used by these operations.

[LB559](#) prohibits the use of skimmer devices on ATMs, fuel pumps, and other devices and creates penalties for organized retail crime ([LB464](#)).

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