

NACO Legislative Report



March 13, 2026

Sixteen Legislative Days Remain

When the Legislature reconvenes on March 17, the [44th day](#) of the session, more than 70 percent of the session will be complete. This week Speaker Arch cautioned senators that there may not be enough time in the remaining days for all of the priority bills to be debated and encouraged them to work through amendments before they reach the floor. Starting this week, debate will continue into the evening on designated days. On those days, the body will stand at ease for a 30-minute break beginning around 5:30 p.m. and then continue debate for as long as necessary into the evening. The session is scheduled to adjourn on April 17.

To facilitate the movement of noncontroversial bills, Tuesday's agenda contains a short consent calendar of bills on General File. Debate is limited to 15 minutes per bill, or the completion of debate, whichever comes sooner. One of the bills, [LB784](#), would allow elected county sheriffs to reside in an adjoining county. Existing law allows sheriffs who are appointed to fill a vacancy to reside in an adjoining county. The bill would be limited to counties without a city of the metropolitan, primary or first class. It would also change law enforcement continuing education requirements from 32 hours per year for officers in all counties, to 24 hours for agencies with less than 25 full-time officers. In addition, sheriffs would be granted flexibility in selecting patrol uniforms for deputies.

Another bill on consent calendar is [LB977](#) that would require drivers to exercise caution when approaching or passing a person who is herding livestock along the highway and to yield the right of way.

Other bills on next week's agenda include [LB1126](#) to create an infrastructure development program through the Department of Transportation that could provide loans to counties and [LB1261](#) that would limit the use of eminent domain to acquire certain privately-owned electric generation facilities.

NACO is closely monitoring the status and scheduling of bills to enact a cap on counties and cities ([LB1219](#)) and to provide replacement revenue for county inheritance taxes ([LB468](#)). Neither have appeared on the agenda this year but both have received priority designations.

Two bills passed this week and were sent to Governor Pillen's desk. [LB1001](#) would modernize racetrack and related gaming laws. [LB948](#) would update regulatory language related to fertilizers and increase several fees, including pesticide registration fees that are allocated to the Noxious Weed Cash Fund.

Budget Bills Advanced from First Round

After 16 hours of first-round debate, the Legislature advanced the main-line budget bill ([LB1071](#)) and a cash transfer bill ([LB1072](#)), leaving an estimated shortfall of \$125 million in the state's mid-biennium budget. The remaining deficit is expected to be filled through amendments that will be proposed for second-round debate next

week. These are expected to include transfers from cash reserves, cuts to state agency budgets, and other transfers. The session began with a projected \$471 million shortfall, which was increased to \$646 million by a new economic forecast last month.

During first-round debate, senators discussed filling the deficit by transferring money previously allocated to the Perkins County canal project and pausing scheduled income tax rate cuts. Amendments were offered and defeated to strike proposed sweeps of funds allocated to veterans' aid, financial literacy, and cultural preservation funds. The constitutionality of cash sweeps from the Board of Educational Lands and Funds and the Nebraska Environmental Trust were questioned during debate of LB1072's severability clause.

Each bill was debated for eight hours before a cloture vote was taken to cease debate. According to the Legislature's [rules](#), a cloture vote may be requested by the introducer after "full and fair debate" has been afforded to a bill. The Speaker has continued a policy set by his predecessors that eight hours equates to full and fair debate on General File, four hours on Select File, and two hours on Final Reading. If an issue is controversial and emotionally charged so that an extended debate would not lead to better understanding of the bill, the Speaker may apply a shorter threshold of four hours on General File, two hours on Select File, and one hour on Final Reading. A two-thirds majority, or 33 votes, is required to invoke cloture. If a motion to invoke cloture fails, the issue is removed from the agenda. If the vote is successful, a vote is taken to advance the bill.

Budget bills must be passed no later than the 50th day of the short legislative session, which is March 25.

In addition to the budget bills, [LB1133](#), the state claims bill, was amended and advanced from General File. It would appropriate funds for Workers' Compensation claims and write offs.

[This page](#) on the Legislature's website explains the budget process in more detail. [This page](#) describes the legislative process and this page is a [glossary](#) of legislative terms. The Appropriations Committee's biennial budget report is [here](#).

Bills Reported to General File

Committees continue to advance bills to General File. While some bills have not been prioritized and are not likely to be debated on their own, placement on General File positions them to be included in committee packages or amended onto priority bills. Noncontroversial bills may become part of a General File consent calendar.

For some bills, it may take several days after the vote on advancement to draft a committee amendment and prepare other documentation. Amendments do not appear on the Legislature's website until this necessary work is complete and the bill is read into the record.

Urban Affairs Committee

The Urban Affairs Committee advanced [LB1135](#), the Municipal Land Bank Act, and it appears on Tuesday's agenda for possible debate. The underlying bill would revise membership on land bank boards, allow land banks to hold commercial property if the relevant municipality has ordered removal of a nuisance on the property, and limit temporary holds of property for nonprofit entities.

The committee [amendment](#) contains annual reporting requirements about contracts for specified services in counties over 500,000 and metropolitan class cities ([LB799](#)). The reports would describe any efforts to award the contracts to providers located in areas of poverty and high unemployment. Noncompliance would result in the cessation of state aid distributions until the report is submitted.

Language from [LB1168](#) would allow cities to issue conduit revenue bonds on behalf of private investors for tax increment financing (TIF) projects. According to testimony at the committee hearing, these investors would be involved in the planning and vetting of TIF projects. In traditional TIF projects, bonds are sold to unrelated investors late in the development process. Here, the investor and developer could agree to lower the percentage of excess revenue that is pledged to the project, thereby allowing a greater distribution of tax dollars to counties,

cities and schools. The obligation for the bonds would run with the land and be taken on by subsequent investors.

Language from [LB1163](#) would clarify that property assessed clean energy (PACE) liens are treated like special assessments for purposes of tax collections. The committee designated LB1135 as a priority bill.

Business and Labor Committee

[LB921](#), a bill on worker retraining in the event of a mass layoff, was advanced with a committee amendment that would allow counties to file more than one claim for the costs of prosecuting an incident at a state correctional institution ([LB1170](#)). Under existing law, Johnson County, which is the site of the Tecumseh State Correctional Institution, has only been allowed to file one claim for ongoing expenses related to a riot at the prison. Other provisions taken from LB1170 would revise the presumptions of injury that result in a public safety officer's death under the Line of Duty Compensation Act. LB921 is a Business and Labor Committee priority bill.

Education Committee

The Education Committee sent a number of bills to the floor. [LB1146](#) would revise when a school district reports a student's excessive unexcused absences to the county attorney. A committee [amendment](#) would provide that in certain instances, absences excused by a parent due to illness would require a note verifying the illness from a physician, physician's assistant, or licensed mental health practitioner. Language from LB1146 is included in the Education Committee [amendment](#) to [LB937](#).

Natural Resources Committee

[LB1226](#), as advanced by the Natural Resources Committee, would allow veterans with a disability rating of ten percent or greater to obtain a combination fishing a hunting permit, habitat stamp, aquatic habitat stamp, and Nebraska migratory waterfowl stamp at a reduced rate.

Appropriations Committee

The Appropriations Committee advanced [LB1210](#), a shell bill that was designated as a committee priority bill. Senator Rob Clements, the committee chair, offered an [amendment](#) to increase salaries for the Lieutenant Governor, Attorney General, Secretary of State, State Auditor, State Treasurer, and members of the Public Service Commission. A shell bill for salary increases for these officials was introduced last year as [LB345](#). LB1210 appears on Tuesday's agenda for possible debate.

Bills Advanced from First Round

In addition to the budget, the Legislature debated and advanced bills from General File, the first round of debate.

Energy storage resources, commonly called battery storage, would be subject to nameplate capacity taxes under an amendment to a bill regulating energy storage. [LB1010](#), a Natural Resources Committee priority bill, was introduced to create governance procedures and require approval from the Power Review Board before development of these facilities.

A committee [amendment](#) includes provisions that would require power suppliers to establish standards for large-load customers, like data centers, and require such customers to curtail loads in the event of an emergency ([LB1064](#)). Data centers would be required to annually report physical size, electricity and water usage, and other information to the Department of Water, Energy, and Environment and the Legislature's Natural Resources Committee ([LB1111](#)).

Documentary stamp taxes would increase by \$1.00 for each \$1,000 of value of transferred property under [LB1067](#). The new funds would be divided between the Rural Workforce Housing Fund and the Middle Income Workforce Housing Investment Fund. Both provide matching grants to nonprofits for housing construction and

renovation. The increased rate would sunset in 2032. The amount retained by counties would remain unchanged at 50 cents.

[LB820](#), a cleanup of county and state retirement plans, was advanced from General File on Thursday. The underlying bill would harmonize and consolidate language regarding identification documents used by the five state-administered retirement systems, including the county plan. A committee [amendment](#) would make cost-of-living adjustments for Class V school districts ([LB1102](#)), increase the mandatory retirement age for members of the Nebraska State Patrol ([LB1103](#)), and revise the timing of annual adjustments to the School Retirement Fund ([LB1166](#)). LB820 was introduced in coordination with the Nebraska Public Employees Retirement Systems (NPERS) and prioritized by the Nebraska Retirement Systems Committee.

[LB912](#), as introduced, would authorize the Department of Health and Human Services to endorse community health worker training programs. These workers would act as liaisons between health, behavioral health, and social service systems and the community to facilitate access, promote understanding, and improve health outcomes.

Committee [amendments](#) to LB912 include provisions from several other bills, including [LB891](#) that would prohibit political subdivisions from instituting residency requirements for family child care home II's. These licensed child care programs are located in the home of the provider or at another site and have a capacity of 12 children with two providers.

Bills Advanced from Second Round

The Legislature advanced bills from Select File, the second round of debate.

[LB1155](#) addresses documentation of room confinement of juveniles in juvenile facilities.

[LB1235](#) would authorize the Nebraska Medical Cannabis Commission to establish application and renewal fees for registered cannabis establishments, revise the definition of bottle clubs and allow local governments to create a consumption-only option for entertainment districts for a \$25 fee ([LB1128](#)).

[LB1101](#) would adjust judges' retirement contributions to the state-administered retirement plan.

[LB985](#) would cap the number of persons that can be served by a single guardian and set recordkeeping requirements for guardians.

[LB1205](#) would require the state to award certain microenterprise grants.

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