

NACO Legislative Report



May 9, 2025

Recreational Trails, Cap Clarifications Advance

[LB647](#), a bill to create recreational trail easements, make technical changes to the special session's property tax caps, and expand the uses of college savings plans, was advanced from Select File on Friday. An [amendment](#) was adopted to replace a proposed 10-cent per square foot exemption for trail easements with an exemption based upon the portion of the property which has been encumbered. A county, city, land trust, or nonprofit must hold the easement for the property owner ([LB628](#)).

Language from [LB242](#) would revise unused restricted funds authority to allow conversion from the current lid to the new cap. It would identify the specific inflationary measure and the reporting period used to calculate growth under the new cap. Other provisions would harmonize growth definitions used to determine caps and requirements to appear at the pink postcard joint public hearing. It would give counties a one percent collection fee for distributing school property tax credits.

An [amendment](#) was offered to strike sections from the bill that would allow money in college savings plans to be used for grade school and high school tuition. It was not adopted. These provisions, which were introduced as [LB131](#), had been amended into the bill on the first round of debate.

State Budget Advanced

Senators spent Tuesday and Wednesday debating the state's FY2025-26 and FY2026-27 budget before advancing it from the first round of debate. The second round of debate on the two main bills is scheduled for Monday so that they can be passed no later than the 80th day, which is May 15.

[LB261](#), the mainline budget bill, proposes spending about \$11 billion over the biennium. [LB264](#) would pull money from the state's cash reserves and transfer from state agency cash funds, including more than \$12 million from the Department of Motor Vehicles. Senators debated shifting funding from the Perkins Canal project to avoid cuts to funding for Meals on Wheels, the Commission on Public Advocacy, and other programs. Last week the Legislature passed bills to help the state's budget shortfall by paring back incentives ([LB650](#)) and lowering state contributions to the teachers' retirement system ([LB645](#)). Governor Pillen signed both bills on Tuesday.

[LB260](#), [LB262](#), and [LB263](#) would make deficit appropriations for the current year and appropriate money for salaries of senators and constitutional officers in the coming biennium. These bills were advanced from the second round on Friday. The Appropriations Committee's proposed biennial budget is available [here](#). Governor Pillen's proposed budget is available [here](#).

Bills Advanced from General File

The Legislature used a consent calendar process to advance five bills from the first round of debate on Friday. Consent calendar bills must be noncontroversial and debate is limited to 15 minutes per bill.

[LB490](#) would exempt feed trucks and other self-propelled agricultural vehicles from titling requirements if they are used exclusively to carry and apply fertilizer, till the soil, harvest crops, or feed livestock. An amendment was adopted to transition security interests from a Uniform Commercial Code filing to a notation on the certificate of title.

[LB422](#) would make insurance coverage available to persons who receive real property through a transfer on death deed for 30 days after the death of the transferor. Transfer on death deeds would be required to contain a warning that insurance coverage may expire.

[LB558](#) would create an Infrastructure Review Task Force to examine the state's transportation infrastructure network and make recommendations.

Other bills advanced from General File include measures to require registration of foreign adversaries ([LB644](#)) and establish a juvenile services pilot program in Omaha ([LB48](#)).

Bills Advanced from Select File

The Legislature advanced bills from Select File, the second round of debate, on Thursday with little debate and voice votes.

Election, Notice Cleanup

[LB521](#) is the Secretary of State's annual election cleanup bill. As advanced from the first round last week, it addresses the timing of special elections, signature requirements, and other issues. Among the changes, it would clarify ways to distinguish between candidates with identical first and last names who have filed for the same office and require a zero report to indicate that vote counting devices are clear of any previous results before new ballots are counted. When a voter has asked in writing to cancel their registration, election commissioners and county clerks would be required to notify the voter in writing of the cancellation. The bill clarifies that if a special election day falls on a legal holiday, the election must be held on the first Tuesday following the first Monday of the selected month. It sets out a process for a candidate to decline to be a write-in candidate. When the number of verified signatures on a petition exceeds 110 percent of the number necessary to place the candidate on the ballot, the filing officer could stop verifying signatures. Watchers could be appointed by each political party to observe the testing of vote counting machines prior to elections ([LB659](#)). Requirements for public bodies to post meeting notices on a statewide website would be given flexibility if the website is unavailable ([LB243](#)).

An [amendment](#) adopted on Select File removed proposed language to prohibit circulating petitions within 200 feet of ballot drop boxes. This concept was eliminated because drop boxes are not placed in uniform locations statewide.

Another [amendment](#) was adopted to eliminate language to exempt meetings of local foster care review boards from open meetings laws. Several senators suggested an interim study to further examine the need for confidentiality in these meetings and the best mechanism to provide it.

Senators debated removing language from the bill to allow city elections for cities of the primary class to be conducted in conjunction with statewide elections. ([LB19](#)).

Local Broadband Regulation

[LB311](#) would clarify that federal law preempting local government regulations over broadband are applicable in Nebraska. Local governments would be prohibited from setting conditions for internet services including rates, services, or service contract terms. As amended on General File, it would also 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](#)).

Treasurer Withholding of Residential Addresses

[LB166](#) would require county treasurers to withhold residential addresses of law enforcement officers and others 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, would also share the application with their county treasurer. The Secretary of State would be prohibited from disclosing judges' information when they file for retention.

Inmate Good Time Calculation

[LB640](#) would clarify the process used to calculate good time when a person is sentenced to consecutive terms. Good time accrues on a basis of one day of credit for one day served after an inmate serves the first 15 days of their sentence. The bill was introduced in response a 2024 Nebraska Supreme Court decision, [Mullins v. Box Butte County](#), which held that the good time calculation applied to each sentence separately when serving consecutive sentences. LB640 would aggregate the sentences so that the 15-day threshold would only have to be met once. For example, for an inmate serving two 15-day sentences, the aggregate of the sentence would be 30 days. The inmate would serve only one 15-day period before the good time calculation begins. If there are no disciplinary violations, the period of confinement would be 22.5 days.

Nameplate Capacity Taxes

[LB50](#) would change the distribution of nameplate capacity taxes to reflect reduced community college levy authority. Nameplate capacity taxes replace personal property taxes on renewable energy systems and are based upon a statutory rate per kilowatt hour. They are collected by the state and sent to counties for distribution to taxing entities based on their proportion of levy to the total levied in the county. When community college funding was transferred to the state in 2023, their levy authority was reduced from 11.25 cents to up to 2 cents and their share of nameplate capacity taxes was shifted to other taxing entities. LB50 would distribute 5 percent of nameplate capacity taxes to the community college area where the renewable energy facility is located. The change would generate about \$500,000 for community colleges.

Drone Purchases

[LB660](#) would prohibit state purchases of drones from entities without proper security clearance. To the extent practicable, drone purchases by political subdivisions would be subject to the same restrictions. State agencies, political subdivisions and their contractors would 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 amendment was offered but not adopted to allow virtual inspections for building permits based on [LB441](#).

Law Enforcement and Firefighter Benefits

[LB608](#) would extend tuition waivers that are currently available to law enforcement officers, professional firefighters, and their legal dependents to correctional and youth detention officers. An amendment would limit the waivers for first responders who are newly eligible to the University of Nebraska. The program is intended to encourage recruitment and retention of first responders. Qualifying children who receive scholarships must agree to reside in Nebraska for five years after receiving the waiver.

Tax Sale Bill Signed

On Tuesday Governor Pillen signed a bill to clarify procedures for sales of delinquent taxes. [LB650](#) makes technical and substantive changes requested by counties including increased fees for advertising delinquent tax lists to cover publication costs and a flat administrative fee for investors who provide notice of tax sales to property owners. Language requested by land banks would allow them to seek title to vacant and abandoned property after two years of tax delinquencies, rather than three years.

LB650 also reduces sales tax commissions retained by counties and retailers and removes community colleges from the pink postcard joint public hearing process ([LB495](#)). Other sections change the definition of disabled veteran pertaining to motor vehicle and mobile home taxes to align with the more expansive definition used in federal law ([LB547](#)).

LB650 was introduced to help reduce the state’s budget shortfall by \$50 million by reducing income tax credits and removing sales tax exemptions for relocation incentives, film production, shortline railroads, biodiesel, and other programs.

Governor Pillen also signed [LB317](#) to merge the Department of Natural Resources and the Department of Environment and Energy into the Department of Water, Energy and Environment.

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