

NACO Legislative Report



April 11, 2025

Controversial Bills Debated

Changing to a winner-take-all electoral college vote system ([LB3](#)), online protections for children ([LB504](#), [LB383](#)), and repealing tax credits ([LB650](#)) were some of the controversial issues debated by the Legislature this week. On Monday, senators will begin debate on [LR20CA](#), a proposed constitutional amendment to allow sports betting on mobile platforms at licensed racetracks.

Friday marked the 60th day of the 90-day [session](#). The Appropriations Committee's state budget bills must be advanced to the floor on or before the 70th day, April 29. Adjournment is tentatively scheduled for June 9.

Tax Sale Changes Advanced from First Round

Bills on tax sales, tax credits and tax exemptions for disabled veterans were rolled into a Revenue Committee amendment to [LB650](#) that was advanced from General File on Friday. LB650, the first Revenue Committee priority bill to be debated, was introduced by Revenue Committee Chair Senator Brad von Gillern on behalf of Governor Pillen. The bill was intended to lessen the state's projected \$289 million [budget](#) shortfall by reducing or sunsetting a number of income tax credits and tax reductions. Most of the debate focused on whether rolling back these incentives – including some that were adopted but have not yet taken effect – translates into a tax increase.

Another provision from LB650 as introduced would reduce the sales tax commission retained by retailers, including counties, from three percent on the first \$5,000 of collections each month to two and a half percent of the first \$3,000 collected per month. Counties would continue to receive an additional one-half of one percent on all amounts in excess of \$6,000 remitted each month.

The committee amendment, [AM923](#), contains tax sale provisions requested by county treasurers and introduced as part of [LB458](#). Fees for advertising delinquent taxes would be increased from \$5 to \$20 to more accurately reflect publication costs. The rate would be revisited every five years.

Investors would automatically be entitled to a \$150 administrative fee paid by property owners who redeem their delinquent taxes. Existing law requires tax sale certificate purchasers to present proof of notice to the county treasurer by affidavit within 30 days after service before an administrative fee of the greater of \$100 or the actual cost may be charged to the property owner. Counties would not be required to give notice on county certificates. The issuance fee for tax sale certificates would be increased from \$20 to \$25. The increase would be partially offset by the elimination of a notary fee and a \$2 redemption fee. Cleanup language would allow tax sales to be conducted by the treasurer's designee, in a location other than the treasurer's office, and other issues.

Provisions from LB458 that were requested by land banks would create a new process for land banks holding tax sale certificates to seek a tax deed or pursue foreclosure of vacant and abandoned real estate after two years. Existing law provides for tax sale certificate holders to seek a tax deed or pursue foreclosure after three years, regardless of whether the real estate is vacant or abandoned.

Language from LB458 that proposed automatic permit approval and shot clocks were not included in AM923.

Provisions from [LB547](#) would 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. Language from [LB495](#) would remove community colleges from pink postcard joint public hearing requirements. Legislation adopted last year provided state aid to community colleges and significantly reduced their ability to levy property taxes.

Priority Bills Advanced From General File

Senator, Committee and Speaker priority bills were advanced from General File, the first round of debate, this week.

[LB133](#) as amended and advanced, would clarify the authority of animal control officers to perform certain law enforcement functions. A recent case raised questions about whether these officers could obtain search warrants for animal welfare offenses. The bill would allow animal control officers or law enforcement officers who have reason to believe that an animal has been abandoned or is being cruelly mistreated to seek a warrant authorizing entry by a law enforcement officer or an animal control officer who is accompanied by a law enforcement officer. Either officer could investigate animal violations and issue citations. The bill carries an emergency clause.

[LB36](#), as introduced, would require counties and cities to consider the public water supply when making proposed zoning or permit determinations within wellhead protection areas. A Natural Resources Committee [amendment](#) was adopted that replaced the original bill with provisions from [LB309](#), [LB459](#), [LB562](#), [LB590](#), [LB480](#) and [LB344](#). As advanced, LB36 would establish the Safe Battery Collection and Recycling Act to enact requirements for the collection, recycling and end-of-life management of certain batteries. The program would be paid for by battery manufacturers. LB459 would create a home weatherization clearinghouse to serve as the primary contact point for persons applying for grants and loans provided by the Department of Environment and Energy, state or local governments, nonprofits, or the federal government. This would streamline whole-house investments, projects spanning entire city blocks, and other collaborative affordable housing efforts.

Other provisions of LB36 address maximum fees that can be charged by the Game and Parks Commission and allow the Commission to spend funds that had been appropriated for a lake between Lincoln and Omaha for other projects. Other provisions would allow the state to operate a mitigation bank for construction projects in areas where an endangered species habitat may exist.

[LB398](#) was introduced as the annual cleanup bill for the Department of Motor Vehicles and the Nebraska State Patrol. It was amended to create Arbor Day ([LB568](#)), Space Force service member, and Inherent Resolve Campaign Medal recipient ([LB134](#)) license plates. Language from [LB343](#) would harmonize fee provisions for specialty and organizational license plates. Fees for organizational plates would be reduced from \$70 to \$40. Commercial fertilizer trailers would be issued permanent plates ([LB563](#)) and driver record abstract fees would be increased ([LB114](#)).

Documentary Stamp Bill Advanced from Select File

[LB78](#) would increase documentary stamp taxes by seven cents per thousand dollars of property value to help provide housing-related assistance for sex trafficking survivors and domestic violence victims. LB78 was advanced from Select File after adoption of a technical amendment to correct the name of the new Domestic Violence and Sex Trafficking Survivor Assistance Act.

Other documentary stamp tax bills, including [LB468](#) that would use these taxes to help offset reductions in inheritance tax rates charged to distant relatives and unrelated beneficiaries, remain in committee.

[LB295](#) was introduced on behalf of the Nebraska Public Employees Retirement Systems to clean up provisions of the five state-administered retirement plans, including the county retirement system used by all counties except Douglas and Lancaster. It would provide a process for the Public Employees Retirement Board to waive repayment of retirement benefits if it determines that the benefits were the result of an inadvertent overpayment. A technical amendment was adopted before the bill was advanced from Select File.

Single License Plate Bill Passes

On Thursday the Legislature passed [LB97](#) that would require the issuance of one license plate, rather than two plates, for motor vehicles and trailers beginning on or before the new plate cycle in 2029. License plate fees would increase from \$4.25 to \$8. Plates would be printed on demand and delivered by the Department of Motor Vehicles to the county treasurer or to the owner through the mail or another secure method. Persons with proof of registration could operate their vehicle for 30 days without displaying a mailed license plate.

Other provisions of LB97 would allow vehicle owners to choose a multi-year registration period ([LB543](#)), remove notary requirements to obtain duplicate titles for transfers of totaled vehicles to insurance companies ([LB225](#)), and clean up technical issues proposed by the Department of Motor Vehicles. The bill has an emergency clause.

Governor Signs Bills Into Law

Governor Pillen signed more than 20 bills this week. Bills with an emergency clause have already taken effect. Bills without an emergency clause or other operative date will take effect three calendar months after adjournment.

[LB501](#) allows owners of real property that has been damaged prior to July 1 to seek an adjustment to their valuation. Existing law allows for a valuation reduction on property destroyed by calamity, which is defined as a fire, earthquake, flood, tornado or other natural event. Owners seeking an adjustment would file a report of the damaged property with the county clerk by July 15. County assessors would inspect the property and file a comprehensive report of all properties with the county board of equalization for the adjustment. The bill has an emergency clause.

[LB266](#) prohibits local governments, including counties, from enacting ordinances that have the effect of imposing rent controls on private property. This limitation does not apply to ordinances adopted for purposes of increasing the supply of affordable housing through land-use or inclusionary housing requirements or if a private property owner voluntarily agrees to limit rent increases.

[LB294](#) increases the maximum amount of grants that can be made from County Visitors Improvement Funds. Existing law limits grants to the amount of funds generated from a one percent sales tax. LB294 allows grants in the greater of one percent of \$5,000. The bill has an emergency clause.

[LB478](#) was introduced on behalf of the Nebraska Liquor Control Commission to update liquor laws. It allows counties and cities to give notice of liquor license hearings by publication in a newspaper of statewide circulation in lieu of publishing in a newspaper of general circulation in the county or city.

[LB7](#) makes technical revisions to two bills adopted last year to regulate land ownership by foreign adversaries. It clarifies that Native American tribes are not foreign governments and updates federal references.

[LB105](#) allows public power districts to divide subdistricts into voting precincts without regard to population. This would allow the precincts to more closely mirror service territories.

[LB195](#) removes references to the brand name naloxone from statutes granting immunity in the administration of opioid overdoses reversal medications.

[LB144](#) extends veterans hiring preferences to spouses of veterans who were killed in the line of duty or died due to their military service. In addition to preference in the initial hiring, a veterans preference would also apply to

reassignments and transfers to a new position.

[LB168](#) authorizes the Attorney General or any county attorney to institute an action in the name of the State of Nebraska for violations of the 340B Contract Pharmacy Protection Act. Section 340B of the federal Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell drugs at discounted prices to health care organizations that care for uninsured and low-income patients. LB168 prohibits drug manufacturers from directly or indirectly denying acquisition of a 340B drug by a location authorized to receive it. The bill has an emergency clause.

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