

NACO Legislative Report



April 3, 2026

Early Adjournment Possible

The Legislature passed more than a dozen bills this week, including [LB1071](#) and [LB1072](#) that would make mid-biennium adjustments to the state [budget](#), sweep state agency cash funds, and make transfers from the state's cash reserves to cover a \$471 million budget shortfall. More than 40 bills were advanced from Select File, the second round of debate, and many of those appear on Tuesday's [agenda](#) for a Final Reading vote on passage.

Due to [timing](#) restrictions, including a requirement for bills to lay over for a day between Select File and Final Reading, bills that had not advanced from the first round of debate by the end of this week will not pass on their own. However, many have been offered as amendments to bills that are on Select File. For example, [LB1019](#), which was introduced to clarify that county assessors are not subject to prosecution for trespass when they enter onto property while performing their duties, was sent to General File by the Government, Military and Veterans Affairs Committee, but was not scheduled for debate. It has been offered as an [amendment](#) to [LB803](#), a bill that is scheduled for Select File debate on Tuesday. See the following article for more details about LB803.

During the final days of the session, amendments based on other bills are often offered with little advance notice. If an amendment appears that counties strongly oppose or support, NACO may issue a call to all county officials for immediate action contacting senators. Two of the bills remaining outstanding are [LB1219](#), which would impose a 2 percent cap on counties, and [LB468](#), which would reduce inheritance tax collections and provide replacement revenue.

On Monday, Speaker John Arch announced that the [scheduled](#) 60th day of the session would be reserved for veto overrides. Because it does not appear that it will be necessary, the Legislature may adjourn sine die on Friday, April 10, the 59th day.

The Legislature is scheduled for late nights of debate on April 7, 8 and 9. Among the bills scheduled for debate on April 7 are an update of election laws ([LB1075](#)), revisions to sheriffs residency and law enforcement continuing education requirements ([LB784](#)), and cautionary requirements for vehicles approaching livestock being herded along public roads ([LB977](#)).

Pink Postcard Revision Advanced from First Round

The process for pink postcard notices of joint public hearings on property taxes would be revised to direct property owners to budget hearings under [LB803](#). The bill was advanced from the first round of debate this week and appears on Tuesday's agenda for second round debate.

An amendment ([AM2990](#)) has been offered that would exempt county assessors who enter onto property in the performance of their duties from liability for trespass. Assessors would need to publish or provide advance written notice of the inspection. They could not enter enclosed buildings for inspections without permission from the property owner or occupant. The introduced bill, [LB1019](#), and amendment address concerns raised by an Attorney General's [opinion](#) issued last summer. Senator Myron Dorn introduced the bill and amendment on NACO's behalf. County officials are encouraged to contact their senators to support the amendment.

As [amended](#) during first-round debate, LB803 would revise requirements to mail a postcard to property owners and hold a joint public hearing for counties, cities, and school districts that exceed the prior year's property tax request plus growth. Instead of a notice and hearing in September, the change of valuation notice sent in June would also compare prior year taxes and potential current year taxes using the prior year's levy rate. The notice would inform taxpayers about how to protest their valuation and state that information on budget hearings will be made available. By June 25, the Department of Revenue would send a postcard containing information about county website addresses that list the time and place of the first budget hearing for counties, cities, and schools and the time and place of the joint public hearing.

The bill would require political subdivisions to hold a hearing and pass a resolution by a two-thirds majority vote in order to increase the amount of taxes levied from the prior year. For boards with seven members, a four-sevenths majority would be required ([FA1131](#)).

Veterans who receive a homestead exemption due to a 100 percent permanent disability, their unremarried surviving spouses, or surviving spouses who marry after age 57 would not be required to recertify their applications. Currently these must be filed in years that are divisible by five. These provisions were taken from [LB882](#).

Other provisions of the bill would correct the treatment of unused budget authority under the property tax cap ([LB1154](#)), authorize first time homebuyer savings accounts ([LB938](#)), and expand the time frame for cities to use sports arena funds ([LB1116](#)).

Judiciary Committee Priorities Advance

Two Judiciary Committee priority bills, LB965 and LB935, were debated, amended, and advanced this week.

During General File debate on [LB965](#), a Judiciary Committee amendment was divided into seven parts to facilitate individual debate on each of the bills included in the amendment. These include language from [LB859](#) that would allow counties to hire or contract with a county conflict counsel to provide representation to indigent clients when the public defender is unable to do. Provisions from [LB1123](#) would create due process procedures for law enforcement officers before they are placed on Brady Giglio lists. These lists are used to impeach the credibility of law enforcement officers. Officers' official photographs could not be released without their consent.

Other provisions of LB965 would increase penalties for repeated violations of domestic abuse protection orders ([LB1000](#)) and increase penalties for domestic assault to match those imposed for simple assault ([LB818](#)). The underlying provisions of LB965 would prohibit persons in authority, such as probation officers and foster parents, from engaging in sexual contact with persons in their care.

[LB935](#) was amended and advanced from Select File, the second round of debate. It would enact a new \$10 state docket fee to help fund the Supreme Court's modernization of the JUSTICE case management system. The fee would be assessed in each civil cause of action and each traffic misdemeanor or infraction filed in district or county courts. Counties, cities and villages would be exempt from the state docket fee, regardless of the in forma pauperis or Title IV-D status of any litigant ([LB1228](#)). Other court fees would be increased as part of an effort to make the judicial branch a cash-funded agency that is supported by user fees, rather than through state general fund appropriations.

LB935 would allow political subdivisions to recover attorney fees and other litigation costs when subjected to frivolous lawsuits. It would prohibit placing tracking devices on another person's personal property or phone and require drone operators to present their aircraft registration information if requested by a law enforcement officer.

It would create the offense of swatting and provide for a three-day no-contact period following arrests for domestic assault or sexual assault ([LB876](#)).

Bills Advanced from General File

[LB1187](#), a bill to reconfigure membership on the Nebraska Brand Committee and change the inspection fee structure, was [amended](#) and advanced from General File on Wednesday. The committee would be increased from five to seven members with representation from each of the five brand districts. Per head inspection fees, travel surcharges, and brand renewal fees would be increased. Recordkeeping requirements for registered feedlot operators would be modernized, with authority for the committee to conduct twice-yearly audits. Other provisions would address movement to such feedlots and registered dairy heifer development facilities. LB1187 appears on Tuesday's agenda for second round debate.

[LB1096](#) would create requirements intended to protect the state from foreign adversaries. An [amendment](#), which replaces the bill, would prohibit governmental entities from entering into contracts relating to critical infrastructure with foreign companies if the contract would allow direct or remote access to critical infrastructure. Critical infrastructure is defined to include 911 systems, communication infrastructure systems, cybersecurity systems, and other systems and facilities. Information relating to critical water infrastructure and critical telecommunications and broadband infrastructure, including 911 systems, could be protected from disclosure as public records. LB1096 appears on Tuesday's agenda for second round debate.

Bills Advanced from Select File

PSAP and Road Funding

[LB1126](#) was amended on Select File to harmonize 911 cell phone surcharge rates across the state and require the funds to be used to maximize operational support for all public safety answering points (PSAPs). Currently the cap is 70 cents per line in all areas of the state except Douglas County, which is limited to 50 cents. The [amendment](#) is based on [LB576](#), which Senator Myron Dorn introduced last year on behalf of NACO.

The underlying bill would authorize the Department of Transportation to create an infrastructure bank to help provide loans for local government infrastructure projects. The state and political subdivisions would be allowed to accept limited unsolicited bids that are outside of the proposal process for design-build or construction manager at risk projects. Fees would be increased for "superload" and other oversize permits.

On General File, the bill was amended to include language from [LB1107](#), a bill introduced by Senator Glen Meyer on NACO's behalf to modernize bonding provisions for rural road improvement districts.

County Jails

[LB1195](#), as introduced, would outright repeal a 1903 requirement for county jails to have matrons to supervise female inmates 24 hours per day. As [amended](#), the bill would instead require a female correctional officer to supervise female inmates in counties with a city of the metropolitan or primary class. All county and city jails would be required to comply with the rules and regulations of the Jail Standards Board regarding cross-gender supervision and cross-gender searches of inmates. The bill was introduced due to operational challenges in small facilities with a limited numbers of female staff. LB1195 appears on Tuesday's Final Reading agenda.

Homestead Exemptions

[LB826](#) would allow late filing of homestead exemption applications when the delay is caused by late receipt of certification of disability status from the U.S. Department of Veterans Affairs. The application deadline would be June 30 of the year in which the real estate taxes levied on the property for the current year become delinquent. The process is modeled after provisions that allow a late filing due to a medical condition or death of a spouse.

License Plates

[LB972](#), a Department of Motor Vehicles (DMV) cleanup bill, was advanced from Select File with amendments to add two new types of license plates – Back the Blue and solid black. Seventy-five percent of the funds generated from Back the Blue plates would be allocated to a grant fund administered by the Nebraska State Patrol for injured law enforcement personnel. Authority for solid black plates, along with solid red, blue and green plates, had been adopted during first-round debate. The new provisions for solid black plates would increase the fee and designate a portion of the funds for equipment for persons with developmental disabilities.

LB972 would codify guidance about the registration of untitled trailers and change to one In Transit placard, rather than two, as part of the transition to a single license plate in the 2029 plate issuance cycle. DMV would be given authority to determine that a Nebraska resident is avoiding motor vehicle taxes and fees by registering their vehicle in another state ([LB1104](#)). Funds from Military Honor plates would be made available as grants to needy members of the National Guard and Air Guard ([LB786](#)). Cities would be given more authority to regulate the operation of all-terrain vehicles within municipal boundaries ([LB1005](#)).

Emergency Management

[LB1256](#) would add duties related to snow and ice removal and flood management to the definition of emergency management in the Nebraska Emergency Management Act. Recognizing employees in these areas as emergency management workers could facilitate usage of federal funds in catastrophic events.

Tax Increment Financing and Land Banks

[LB1135](#) would revise tax increment financing (TIF) and land bank laws. As amended and advanced, it would allow cities to issue conduit revenue bonds on behalf of private investors for TIF projects. Municipalities of all sizes could form land banks. Residency and other requirements for land bank board membership would be revised.

Another bill that would revise TIF laws is on Tuesday’s agenda for Select File debate. [LB1114](#) would shorten the time frame for expedited review for certain properties to become eligible for TIF. An [amendment](#) was adopted on General File to expand the number inland ports from five to eight.

Battery Storage and Data Centers

[LB1010](#) would change the review process for energy storage resources, commonly called battery storage. Data centers would have to submit annual reports to the Department of Water, Energy, and Environment about the size and location of the data center, electrical and water usage, sales tax exemptions, incentive payments, and other information ([LB1111](#)). Data centers would be required to bear all costs of decommissioning the center and enter into community benefit agreements with affected communities.

[LB1261](#) was amended to include requirements for private developers building power plants for data centers. It would prohibit public power districts from using eminent domain to acquire certain privately-owned power plants.

State Operations

[LB952](#) would codify an internal administrative fund used by the Supreme Court into the named Supreme Court Operations Cash Fund. It would terminate the Court Appointed Special Advocate Fund that provides grants to recruit and train these volunteers. Since 2018, this appropriation has been made to the Foster Care Review Office and there has been no money in the fund.

[LB737](#) would require an annual meeting of the Health and Human Services Committee and the Urban Affairs Committee to discuss the state’s strategic plan for providing services to qualified persons with disabilities in the most integrated community settings. These plans are commonly called Olmstead plans. Olmstead plans were also discussed during the debate on [LB839](#), a bill to require reporting of accessible housing.

[LB1237](#) would enhance security in the Capitol by prohibiting the possession of firearms, certain knives, and explosive or other hazardous materials.

[LB905](#) would clean up inconsistencies in last year's bill to combine boards and commissions, including harmonizing language moving the Board of Examiners for County Highway and City Street Superintendents to the Board of Public Roads Classifications and Standards.

Other Issues

[LB1048](#) would streamline reports filed by state agencies. It would repeal a requirement for the Department of Administrative Services to annually report to counties the amounts that are due to the Department of Health and Human Services (DHHS) for patient care at DHHS institutions. Because counties are billed monthly for these amounts, the reports are considered redundant. An [amendment](#) was attached on Select File that would require copies of state no-bid contracts to be filed with the State Auditor, in addition to the copies held by the Department of Administrative Services.

[LB852](#) would allow counties and cities to recapture certain funds appropriated through the Convention Center Facility Financing Assistance Act. Under this program, much of the sales tax revenue collected by hotels and retailers within a certain distance of a convention center is turned back to political subdivisions to pay off debt for the facilities. The bill would require fund recipients that are located in high-poverty areas to maintain their principal place of business or primary operations within the area for at least three years following receipt of the funding. If the entity fails to do so, counties could recapture a pro-rata amount of the funding and either return it to the fund or place it in a development fund administered by the county.

[LB525](#) would prohibit the disclosure of agricultural data without written consent of the producer. [LB1185](#) was amended into the bill to create safeguards for minors and require disclosures that AI chatbots are not human.

Some of the other bills advanced from Select File would broaden income tax deductions for National Guard members ([LB998](#)), revise interlocal agreements for public power districts ([LB1108](#)), and require the Department of Correctional Services to provide education programming for inmates under age 21 ([LB1216](#)).

Bills Passed This Week

Numerous bills passed this week and were sent to Governor Jim Pillen for his signature. The governor has five days, excluding Sundays, to sign, veto, or decline to take action on a bill. Thirty votes are required to override a veto.

[LB1253](#) provides that foreclosed tax sales certificates, regardless of the date of issuance, would be governed by the laws in effect on May 7, 2025.

[LB759](#) would require counties, cities, and local public health departments to regulate mobile home parks, swimming pools, and recreation camps, including issuing licensing and imposing penalties for violations. The Department of Water, Energy and Environment would retain regulatory authority over drinking water, wastewater, minimum flood plain standards and other areas. These provisions were introduced in [LB760](#). The underlying bill would make technical corrections in last year's merger of the Department of Environment and Energy and the Department of Natural Resources and eliminate an annual meeting to determine the percentage distribution of grants from the Litter Reduction and Recycling Fund. Other sections would exempt entry onto property for geotechnical work related to the Perkins County Canal project from consideration as trespassing.

[LB1235](#) would allow local governments to designate a consumption-only area within entertainment districts. The Liquor Control Commission would be required to consider whether bottle club license applicants have delinquent federal, state or local taxes. These provisions were introduced as [LB1128](#) and [LB1085](#). The underlying bill would authorize the Nebraska Medical Cannabis Commission to establish application and renewal fees for registered cannabis establishments.

[LB816](#) would provide confidentiality for peer support services communications by public safety personnel.

[LB901](#) would generate an estimated \$26 million for the state through exacting a 10% excise tax on kratom ([LB873](#)), eliminating sales tax exemptions and a personal property exemption on data centers ([LB1109](#)),

updating the Department of Revenue's collection procedures ([LB1110](#)), and increasing taxes on skill games, which are gaming devices that resemble slot machines (LB890).

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