

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB1207

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 17, 2022

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB1207 will reduce the property tax bills for Nebraska's farmers, ranchers, and homeowners, commercial/industrial, and centrally assessed while protecting our schools. New valuations will be phased in over 3 years. There are no tax increases.

When fully implemented, property valuations for school districts will be 55% for agriculture, horticultural and special valuations and 87% for residential, commercial/industrial, and centrally assessed property.

After implementation, acceptable ranges for property valuations by counties will be 49-55% for Agriculture and special valuations and 79-87% for residential, commercial/industrial, and centrally assessed property.

A per-student foundation aid will be established and will replace the present income tax rebate as a school resource. The per-student foundation aid will be based on 15% of the state's previous years income, corporate, sales and use taxes divided by the public-school k-12 enrollment in our common schools. A school districts foundation aid must be equal to or greater than 15% of their basic funding as calculated by the Nebraska Department of Education.

A school board may establish a special fund for purposes of infrastructure and repair updates on existing school buildings or equipping and furnishing of school buildings or building of new structures less than 1200 square feet with a value of less than \$200,000. The special building fund levy is limited to 6 cents and shall be within the allowable 1.05 max levy.

With a vote of the people, the school board may exceed the special building fund 6 cent levy to a total levy of 10 cents, for the purpose of acquiring sites for a school building, purchasing existing buildings, lease purchase agreements for new school building or completing any

projects allowed under section 17(2) that requires a tax levy exceeding 6 cents. The special annual tax shall not exceed a term of ten years.

Any school district that has prior to the effective date of this act commenced a project funded by the special building fund may tax at a rate necessary to fund the project through school year 2030-31.

Principal Introducer: _____

Senator Mike Groene