

**ONE HUNDRED THIRD LEGISLATURE - SECOND SESSION - 2014**  
**COMMITTEE STATEMENT**  
**LB725**

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**Hearing Date:** Tuesday January 21, 2014  
**Committee On:** Education  
**Introducer:** Sullivan  
**One Liner:** Change provisions relating to local effort rate yield under the Tax Equity and Educational Opportunities Support Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**  
**Aye:** 7 Senators Avery, Cook, Haar, Kolowski, Scheer, Seiler, Sullivan  
**Nay:**  
**Absent:** 1 Senator Davis  
**Present Not Voting:**

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**Proponents:**  
Senator Kate Sullivan  
Renee Fry  
Jon Habben  
Virgil Harden

Galen Boldt

Angelo Passarelli

**Opponents:**

**Neutral:**

**Representing:**  
Introducer  
Open Sky Policy Institute  
Nebraska Rural Community Schools Association  
Grand Island Public Schools & Greater Nebraska Schools Association  
Schools Taking Action for Nebraska Children's Education  
Millard Public Schools

**Representing:**

**Representing:**

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**Summary of purpose and/or changes:**

Legislative Bill 725 would amend the Tax Equity and Educational Opportunities Support Act (TEEOSA) by decreasing the local effort rate (LER) for the 2014-15 school fiscal year from \$1.03 to \$1.00.

Section 79-1015.01 would be amended by calculating the local effort rate for school fiscal year 2014-15 by subtracting 5 cents from the maximum levy of \$1.05 to arrive at an LER of \$1.00. The local effort rate is applied to a school district's adjusted valuation to arrive at the yield from the local effort rate, which is the measure of property tax resources which is used to calculate equalization aid.

The current provisions would calculate the LER for 2014-15 by subtracting 2 cents from \$1.05 to arrive at an LER of \$1.03, which is the LER for 2013-14. The LER for 2015-16 will be \$1.00, both under the current provisions and pursuant to the changes proposed in this measure. The LER was also \$1.00 prior to school fiscal year 2011-12, but was \$1.0395 for school fiscal years 2011-12 and 2012-13.

The measure contains an emergency clause.

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Kate Sullivan, Chairperson