

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016

COMMITTEE STATEMENT

LB958

Hearing Dates: Thursday February 04, 2016

Thursday March 24, 2016

Committee On: Revenue

Introducer: Gloor

One Liner: Change provisions relating to budgets, the valuation of agricultural land, and levy limitations

Roll Call Vote - Final Committee Action:

Advanced to General File with amendment(s)

Vote Results:

Aye: 7 Senators Brasch, Davis, Gloor, Harr, Scheer, Schumacher, Sullivan

Nay:

Absent:

Present Not Voting: 1 Senator Smith

Verbal Testimony:

Proponents:

Senator Mike Gloor
Governor Pete Ricketts
Ruth Sorensen
Stephen Nelson
Jim Vokal
Bob Kittelson
Ken Herz

Representing:

Introducer
State of Nebraska
Nebraska Department of Revenue
Nebraska Farm Bureau Federation
Platte Institute
Lincoln, Nebraska
Nebraska Cattlemen

Opponents:

Mayor Chris Beutler
Renee Fry
Mayor Douglas Kindig
Mike Marvin

Representing:

City of Lincoln
OpenSky Policy Institute
United Cities of Sarpy County
Nebraska Association of Public Employees/American Federation of State, County and Municipal Employees Local 61
City of Ogallala
City of West Point; League of Nebraska Municipalities
Gering Rural Fire Department
City of South Sioux City
Mid Plains Community College
Southeast Community College
Center for Rural Affairs
David City Rural Fire District #9
Grand Island, Nebraska

Harold Peterson
Mayor Marlene Johnson
James Templar
Lance Hedquist
Ryan Purdy
Paul Illich
Johnathan Hladik
Joe Birkel
Ned Meier

Randy Schmailzl
Joe Mangiamelli
Steve Curtiss
Dennis Meyer
John Turnbull
Tom Placzek

John Worthing
Rodney Storm
Don Wesely
Jon Habben
Virgil Harden
Liz Standish
Michael Goodwillie
Larry Dix
Lynn Rex
John Hansen

Neutral:

Matthew Eash

Metropolitan Community College
City of Columbus
City of Omaha
Lancaster County
Nebraska Association of Resources Districts
Nebraska Association of County Officials; Platte County Assessor
Elm Creek Public Schools
City of Blair
Cities of Kearney, Hastings and Lexington
Nebraska Rural Community Schools Association
Greater Nebraska Schools Association
Lincoln Public Schools
Douglas County Assessor/Register of Deeds
Nebraska Association of County Officials
League of Nebraska Municipalities
Nebraska Farmers Union

Representing:

Nebraska School Finance Strategies

Summary of purpose and/or changes:

LB958 affects local governmental units and the valuation of agricultural and horticultural land. The intent of LB958 is to slow down the increase in state-wide agricultural and horticultural land valuation and to slow the growth of property taxes levied by the political subdivisions. Slowing the growth of spending and property taxes levied by school districts is in LB959, the companion bill to LB958.

The bill has three parts: 1) Limitations on the budget of restricted funds, 2) Exclusions to the levy limit, and 3) Limiting the state-wide increase in agricultural and horticultural land valuations to 3 percent.

The bill contains the Emergency Clause.

Explanation of amendments:

A public hearing for AM 2717 to LB 958 was held Thursday, March 24, 2016 at 2:00 pm in room 1524. Testimony was heard on each of the two components of the amendment.

The Amendment becomes the bill.

1) The amendment also changes the allocation of the Property Tax Credit beginning in tax year 2017. New language increases the allocation for agricultural and horticultural land to 133% of taxable value. This has the effect of allocating the credit at full taxable value for ag land rather than the current 75% of taxable value. There is no change to the credit allocation for all other property, but new language provides that non-agricultural property will receive the same amount of credit for tax year 2017 as it received in tax year 2016.

Proponents:

Senator Mike Gloor - Introducer
Steve Nelson - Nebraska Farm Bureau Federation

John Hansen - Nebraska Farmer's Union

Dave McCracken - Nebraska Cattlemen

Bob Wickersham - Self

Opponents:

Bruce Bohrer - Lincoln Chamber of Commerce, Nebraska Chamber of Commerce & Industry, Greater Omaha Chamber of Commerce

Johnathan Hladik - Center for Rural Affairs

Renee Fry - OpenSky Policy Institute

Hannah Young - Nonprofit Association of the Midlands

Neutral:

Dennis Schuster - Self

Larry Dix - Nebraska Association of County Officials

2) It provides that a new limitation on Community Colleges is effective for fiscal years beginning July 1, 2017. The amendment does not limit the carryover of unused restricted funds from one fiscal year to the next, but does limit the amount of the carryover to 3% of the total restricted funds from the previous year, after accounting for exclusions.

Proponents:

None

Opponents:

Dale Kruse - Southeast Community College

Randy Schmailzl - Metropolitan Community College

Paul Illich - Southeast Community College

John Hansen - Nebraska Farmers Union

Scott Volk - Metalquest

Galen Boldt - Wahoo Public Schools

Bruce Bohrer - Lincoln Chamber of Commerce, Nebraska Chamber of Commerce & Industry, Greater Omaha Chamber of Commerce

Neutral:

Loy Todd - Nebraska New Car & Truck Dealers Association

The amendment provides further that for tax year 2017 the total amount of the credit shall be \$234 million.

Mike Gloor, Chairperson