

# **One Hundred Fourth Legislature - First Session - 2015**

## **Introducer's Statement of Intent**

### **LB521**

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**Chairperson: Senator Mike Gloor**

**Committee: Revenue**

**Date of Hearing: February 26, 2015**

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

Legislative Bill 521 would provide direct support to school districts for students, reduce property taxes, and improve communications with the public regarding how their state tax dollars are being used to support education.

The Tax Equity and Educational Opportunities Support Act (TEEOSA) would be modified by:

1. Reducing the local effort rate, which is the level at which potential property taxes are accounted for in the formula, by \$0.05;
2. Eliminating the minimum levy adjustment and levy criteria in the averaging adjustment;
3. Incorporating property tax credit funds into TEEOSA and distributing the funds directly to all school districts proportionally based on the adjusted valuations;
4. Replacing allocated income tax funds by distributing 10% of the statewide resident individual income tax receipts proportionally to all districts based on the number of students being educated by the district;
5. Incorporating apportionment funds from educational lands and other sources into TEEOSA and also distributing the funds proportionally to all districts based on the number of students being educated by the district;
6. Providing direct aid to districts equal to 50% of the current allowances for poverty, limited English proficiency, summer school, focus schools and programs, transportation, distance education and telecommunications, and remote elementary sites; and
7. Calculating equalization aid separately for each member district in a learning community in order to avoid losses in aid to the system.

The incorporation of property tax credit funds into TEEOSA would result in a property tax credit rate that would be used to reduce the maximum levy rate for school districts. Focusing the property tax credit funds on education would allow tax payers to more clearly see how the state funds affect their property tax burdens.

In addition, the measure would require the Property Tax Administrator to promulgate approved descriptions and explanatory statement to be used on property tax statements. The statements would be required to be brief and factual and avoid language intended to influence

political opinions. The descriptions would be required for the separate school district and learning community levy rates, the property tax credit rate, and the amount of relief provided by the property tax credit.

**Principal Introducer:** \_\_\_\_\_

**Senator Kate Sullivan**