

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB644

Hearing Date: Wednesday February 10, 2021
Committee On: Revenue
Introducer: Hansen, B.
One Liner: Adopt the Property Tax Request Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Albrecht, Briese, Flood, Friesen, Lindstrom, Linehan, Pahls
Nay:
Absent:
Present Not Voting: 1 Senator Bostar

Oral Testimony:

Proponents:

Senator Ben Hansen
Jessica Shelburn
Sarah Curry

Representing:

Introducer
Americans for Prosperity - Nebraska
Platte Institute

Opponents:

Lynn Rex
Jon Cannon
Colby Coash

Representing:

League of Nebraska Municipalities
NACO
NASB, NRCSA, NCSA, GNSA

Neutral:

Representing:

Submitted Written Testimony:

Proponents:

Bob Hallstrom

Ron Sedlacek

Representing:

Nebraska Bankers Association, National Federation of Independent Business
Nebraska Chamber of Commerce

Opponents:

Matt Schaefer
Greg Adams
Rick Vest

Representing:

Eastern Nebraska Development Council
Nebraska Community College Association
Lancaster County Board of Commissioners

Neutral:

Connie Knoche

Representing:

OpenSky Policy Institute

Summary of purpose and/or changes:

LB644 creates the Property Tax Request Act. For purposes of the Property Tax Request Act, political subdivision is defined to mean any county, city, village, school district, learning community, sanitary improvement district, natural resource district, educational service unit, or community college.

Property tax request means the total amount of property taxes requested to be raised for a political subdivision through the tax levy set by the county board of equalization.

The resolution or ordinance setting a property tax request shall be forwarded to the county clerk on or before October 15. The current deadline is on or before October 13. The county board of equalization shall certify levies by October 20. The current deadline is October 15.

The Property Tax Request Act provides a political subdivision may set its property tax request at an amount that exceeds the prior year's property tax request if a public hearing is held and notice of hearing is provided to all affected property taxpayers; and the governing body passes a resolution or ordinance.

Each political subdivision within a county wishing to request more property tax dollars than requested in the prior year shall participate in a joint public hearing. The only items on the agenda for a joint public hearing will be a discussion and action on each political subdivision's intent to approve a request for more tax dollars.

The joint hearing will be held after 6:00 p.m. on or after August 20 (the date valuations are certified) and prior to September 20 (the deadline to file a budget document with the Auditor of Public Accounts).

Each political subdivision participating in the joint public hearing will give a brief presentation on its intent to request to approve a property tax request that is higher than the prior year's property tax request. The Property Tax Request Act requires the following items to be included in the presentation by a political subdivision:

- The name of the political subdivision.
- The amount of the property tax request.
- The percentage difference in the total assessed value of property.
- The tax rate which would levy the same amount of property taxes per \$100 of assessed value as the prior year, when multiplied by the new total assessed value of property.
- The (name of political subdivision) proposes to adopt a property tax request that will cause its tax rate to be \$XXX per \$100 of assessed value.
- The percentage the total operating budget of (name of political subdivision) will exceed last year's total operating budget.
- The name, phone number and email address of the political subdivision to obtain more information regarding the increase in the property tax request.

Interested parties will be given the opportunity to give oral testimony at the joint public hearing within a reasonable time limit that shall be no less than 3 minutes. There is no restriction on the numbers of individuals allowed to testify.

Notice of the joint public hearing shall be provided by sending a postcard to all affected property taxpayers and by posting notice of the hearing on the main page of the relevant county's website. The postcard shall be sent to the name and address to which the property tax statement is mailed.

The postcard will include the following information:

The notice of the joint public hearing shall include the date, time and location for the public hearing, a listing of and contact information of each political subdivision participating in the joint public hearing and the amount of each participating political

subdivision's property tax request.

With respect to each participating political subdivision, the postcard notice will also contain the following information:

NOTICE OF PROPOSED TAX INCREASE

(NAME OF POLITICAL SUBDIVISION)

- The amount of the proposed property tax request.
- The percentage difference in the total assessed value of property.
- The tax rate which would levy the same amount of property taxes per \$100 of assessed value as the prior year, when multiplied by the new total assessed value of property.
- The (name of political subdivision) proposes to adopt a property tax request that will cause its tax rate to be \$XXX per \$100 of assessed value.
- The percentage the total operating budget of (name of political subdivision) will exceed last year's total operating budget.

The county shall mail the postcards. The cost of mailing the postcards shall be divided among the political subdivisions participating in the joint public hearing.

The resolution or ordinance setting a political subdivision's property tax request at an amount that exceeds its prior year's property tax request shall include, but not be limited to the following information:

- The name of the political subdivision.
- The amount of the property tax request.
- The percentage difference in the total assessed value of property.
- The tax rate which would levy the same amount of property taxes per \$100 of assessed value as the prior year, when multiplied by the new total assessed value of property.
- The (name of political subdivision) proposes to adopt a property tax request that will cause its tax rate to be \$XXX per \$100 of assessed value.
- The percentage the total operating budget of (name of political subdivision) will exceed last year's total operating budget.
- The record vote of the governing body in passing the resolution or ordinance.

LB644 has an operative date of January 1, 2022.

Explanation of amendments:

Committee Amendment 755 changes the political subdivisions that are affected by this bill to be: a county, city, school district, or community college.

If the political subdivision includes area in more than one county, the county in which the principal headquarters are located will be the location of the joint public hearing.

The information required to be published on the postcard that is mailed to all affected property taxpayers found in Section 4 will now require the date, time and location for the joint public hearing, a listing of each political subdivision that will be participating in the joint public hearing, a telephone number for each political subdivision and the amount of each participating political subdivision's property tax request.

Additional information on the postcard will be the name of the county that will be holding the joint public hearing, the parcel number and the name and address of the property owner, the prior year and the current year assessed valuation, the amount of property taxes due in the prior year and the amount of property taxes due for the current year and the change in

the amount of property taxes due.

The due date for filing the budget with the Auditor of Public Accounts for all political subdivisions is moved to September 27.

The operative date remains as January 1, 2022.

Lou Ann Linehan, Chairperson