

**NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER:
GOOD AND BAD BILLS IN THE 2024 SPECIAL SESSION.**

GOOD RESOLUTIONS:

LR1 CA: Blood. Constitutional amendment to require the Legislature to not impose responsibility for a program created after the year 2024 or an increased level of service required under an existing program after the year 2024 on a political subdivision of the state unless the subdivision fully reimbursed by the state for the cost of such program or increase in level of service. Reimbursement by the state by a specific appropriation or an increase in state distribution of revenue to such political subdivision. GOOD RESOLUTION/ GENERAL FILE

LR6 CA: Kauth. Beginning January 1, 2025, the maximum amount of a property tax levy cannot exceed 1.5% of the full cash value of such property. Full cash value means the county assessor's valuation of real property for 2025 or, thereafter, the appraised value of real property when purchased, when newly constructed, or when a change in ownership has occurred after the 2025 assessment. Full cash value then adjusted from year to year by the inflationary rate, not to exceed 2% for any given year, or the deflationary rate, if applicable, as shown in the consumer price index or comparable data for the area subject to taxation, also reduced to reflect substantial damage, destruction, or other factors causing a decline in value. GOOD RESOLUTION/ REVENUE COMM.

LR7 CA: Slama. Constitutional amendment to authorize taxpayer lawsuits against political subdivisions for increasing tax rates without voter approval at a general election. GOOD RESOLUTION/ REVENUE COMM.

LR8 CA: Slama. Constitutional amendment to authorize taxpayer lawsuits against political subdivisions for levying new taxes without voter approval at a general election. GOOD RESOLUTION/ REVENUE COMM.

LR9 CA: Slama. Constitutional amendment to authorize taxpayer lawsuits against political subdivisions for extending expiring taxes without voter approval at a general election. GOOD RESOLUTION/ REVENUE COMM.

LR10 CA: Slama. Constitutional amendment to authorize taxpayer lawsuits against political subdivisions for changing tax policies that directly result in net increased tax revenue without voter approval at a general election. GOOD RESOLUTION/ REVENUE COMM.

LR15 CA: Slama. Constitutional amendment to require political subdivisions to have voter approval at a general election before changing tax policies that will directly result in net increased tax revenue. GOOD RESOLUTION/ REVENUE COMM.

LR19 CA: Slama. Constitutional amendment to prohibit the state from increasing fiscal year spending beyond a limit based on inflation and population change unless approved by voters at a general election. GOOD RESOLUTION/ REVENUE COMM.

LR21 CA: Slama. Constitutional amendment to prohibit political subdivisions from increasing fiscal year spending beyond a limit based on inflation and population change unless approved by voters at a general election. GOOD RESOLUTION/ REVENUE COMM.

LR22 CA: Slama. Constitutional amendment to authorize taxpayer lawsuits against political subdivisions for increasing fiscal year spending beyond a limit based on inflation and population change unless approved by voters at a general election. GOOD RESOLUTION/ REVENUE COMM.

LR24 CA: McDonnell. That the Legislature may provide that residential real property, will constitute a separate and distinct class of property for purposes of taxation and may set a different method of taxing residential real property, including a method that limits the growth of valuations placed on residential property. GOOD RESOLUTION/

GOOD BILLS:

LB 2: Clements. To cut state expenditures. GOOD BILL/ APPROPRIATIONS COMM.

The reductions in reappropriated funds from FY2023-24 are as follows:

Agency Prog # Prog Name General Fund Lapse
Legislative Council 122 Legislative Services (\$3,500,000)
Legislative Council 123 Clerk of the Legislature (\$1,500,000)
Governor 018 Policy Research Office (\$250,000)
Governor 021 Office of the Governor (\$500,000)
Lt. Governor 124 Office of the Lieutenant Governor (\$25,000)
Secretary of State 045 Election Administration (\$250,000)
Treasurer 024 State Disbursement Unit (\$100,000)
PSC 793 Broadband Bridge (\$5,000,000)

Revenue 102 Revenue Administration (\$1,290,000)
Revenue 112 Property Assessment (\$355,500)
Agriculture 078 Agriculture Department (\$500,000)
Fire Marshal 193 Public Protection (\$250,000)
DHHS 033 Administration (\$15,000,000)
DHHS 038 Behavioral Health Aid (\$8,000,000)
DHHS 347 Public Assistance (\$10,000,000)
DHHS 424 Developmental Disability Aid (\$8,000,000)
DHHS 624 Health Information Exchange (\$1,250,000)
Veterans Affairs 511 Veterans' Affairs (\$1,300,000)
Natural Resources 334 Soil & Water Conservation (\$1,250,000)
Military Department 192 Governor's Emergency Fund (\$35,000,000)
Game & Parks 336 Wildlife Conservation (\$250,000)
Game & Parks 337 Administration (\$100,000)
Game & Parks 550 Planning and Trails (\$50,000)
Game & Parks 617 Engineering & Area Maintenance (\$100,000)
Corrections 200 Operations (\$10,000,000)
Historical Society 648 State Historical Society (\$500,000)
Oil & Gas Commission 335 Oil & Gas Commission (\$100,000)
State Patrol 100 Public Protection (\$1,000,000)
State Patrol 850 Public Safety Communication System (\$1,000,000)
DAS 101 Chief Information Officer (\$75,000)
DAS 509 Budget Administration (\$750,000)
DAS 608 Employee Relations Division (\$500,000)
DAS 685 Capitol Commission (\$700,000)
DAS 901 State Capitol Improvements (\$300,000)
Foster Care Review 116 Foster Care Review (\$250,000)
Crime Commission 150 Juvenile Services Act (\$300,000)
Crime Commission 155 County Juvenile Services Aid (\$900,000)
Crime Commission 198 State & Local Planning (\$500,000)
Crime Commission 199 Law Enforcement Training Center (\$5,000,000)
Crime Commission 203 Jail Standards (\$100,000)
Crime Commission 204 Office of Violence Prevention (\$400,000)
Crime Commission 220 Community Corrections Council (\$300,000)
TERC 115 Tax Equalization and Review (\$200,000)
TOTAL (\$116,695,500)

LB 14: Bostar. A refundable credit against the state income tax granted an individual who rents a house, apartment, or other residential unit in this state for use as an individual primary residence. The credit would equal 5% of the total amount of rent paid by the individual during the taxable year. GOOD BILL/ REVENUE COMM.

B 15: Erdman. To change requirements relating to proposals for constitutional amendments submitted by the Legislature. Such proposals prepared by the Executive Board of the Legislative Council and submitted to the Sec. of State at least 60 days instead of 4 months prior to the general election for certification to the election commissioners and county clerks along with the ballot titles. This bill necessary for a resolution for a constitutional amendment passed in the 2024 special session to go on the ballot for the general election on November 5, 2024. GOOD BILL/ EXECUTIVE COMM.

LB 22: J. Cavanaugh. Beginning January, 1, 2025, an exemption from taxation on residential property of the first \$100,000 of actual value. GOOD BILL/ REVENUE COMM.

LB 34: Brewer. To freeze property values until 2029, factoring in the cost of improvements made to the real property during the year. GOOD BILL/REVENUE COMM.

LB 39: Kauth. To extend eligibility for homestead exemptions. GOOD BILL/ REVENUE COMM.

LB 42: Murman. The Education Committee of the Legislature must develop a plan and prepare an amendment to adjust school funding under the Tax Equity and Educational Opportunities Support Act to lower the reliance on property taxes in schools while maintaining support for the public school system in Nebraska. GOOD BILL/ EDUCATION COMM.

LB 72: McDonnell. Valuations for residential property could not increase by more than 5% per year. This proposal dependent upon the adoption of an amendment to the Constitution of Nebraska. GOOD BILL/ REVENUE COMM.

LB 73: McDonnell. For homestead exemption applications filed in calendar year 2025 and each year thereafter, the income eligibility amounts would become adjusted by the percentage change in the House Price Index published by the Federal Housing Finance Agency from the 12 months ending on August 31 of the year preceding the applicable calendar year. The income eligibility amounts would become adjusted for cumulative change in the House Price Index published by the Federal Housing Finance Agency since 2014. GOOD BILL/ REVENUE COMM.

LB 77: McDonnell. Homesteads would become eligible to receive a valuation exemption as follows: For purposes of school district taxes only, the homestead of a qualified owner who has lived in a house for 10 yrs. would have zero valuation. GOOD BILL/ REVENUE COMM.

LB 78: McDonnell. To prohibit Omaha from issuing a bond or bond series for a project over \$80 million without a vote of the registered voters. GOOD BILL/ URBAN COMM.

BAD BILLS:

LB 1: Linehan. The Gov. Pillen property tax reform bill. BAD BILL/ GOV. COMM.

LB 7: Blood. To raise state income tax rates to 9% for single taxpayers who earn \$250,000 or more and married taxpayers who earn \$500,000 or more. BAD BILL/ REVENUE COMM.

LB 8: Blood. To impose a luxury tax on the following items:

- Vehicles that cost more than \$50,000. There are several exemptions.
- Jewelry that costs more than \$5,000.
- Clothing that costs more than \$1,000.

The luxury tax will equal 2.25% of the purchase price. For a purchase over \$400,000, the tax will equal 3.7% of the purchase price. This tax is in addition to all other taxes. BAD BILL/ REVENUE COMM.

LB 10: Raybould. To delay legislated state income tax decreases for 3 yrs. and raise the state income tax rates. BAD BILL/ REVENUE COMM.

LB 13: Bostar. To increase gambling by allowing online sports betting and tax it. BAD BILL/ GENERAL AFFAIRS.

LB 19: Hughes. To levy a 2% excise tax on delivery sales. BAD BILL/ REVENUE COMM.

LB 25: McKinney. The Department of Correctional Services must before each July 1 report on cost savings to the state stemming from an early parole discharge program and the second chance relief program. BAD BILL/ JUDICIARY COMM.

LB 26: Blood. To levy a 27c fee on every retail delivery of tangible personal property. New businesses and businesses with gross sales under \$500,000 dollars annually would become exempt. BAD BILL/ REVENUE COMM.

LB 28: Bostar. To change the calculation of the base limitation for political subdivision budgets, so that the calculation of the base limitation would exclude restricted funds budgeted for public safety services. BAD BILL/ REVENUE COMM.

LB 31: Conrad. For single individuals, married filing separately, or estates and trusts, a 9.5% excise tax levied on each dollar of individual income above \$1,000,000, minus the regular individual income tax rate. For married couples filing jointly or head of household, a 9.5% excise tax levied on each dollar of individual income above \$2,000,000, minus the regular income tax rate. BAD BILL/ REVENUE COMM.

LB 36: Blood. To levy a real estate transaction tax on sales of all single family residential property worth over \$800,000. This tax would equal 1 ¼% of the portion of the actual value of the home and is equal to or less than \$2.5 million plus 2.25% of the portion of the actual value of the mansion that exceeds \$2.5 million. The real estate transfer tax is in addition to all other taxes. The tax paid and collected by the purchaser or transferee and remitted to and enforced by the Department of Revenue, which will remit the sum to the State Treasurer for credit to the General Fund. BAD BILL/ REVENUE COMM.

LB 48: Wayne. To impose a 2% delivery fee on seller for delivery sale of personal property to a NE resident. Fees include deliveries by mail, delivery service, the Internet, by phone, or by any other electronic method of delivery. BAD BILL/ REVENUE COMM.

LB 49: Wayne. To provide state aid to municipalities in the form of grants which cities may use to pay for infrastructure projects within the municipalities. These projects include solid waste management facilities, water treatment systems, hazardous waste disposal systems, airports, port facilities, convention centers, and mass transit systems. Municipalities can apply for grants through the Dept. of Economic Development, which will review applications and allocate funds

based on available appropriations, with a cap of \$10 million per grant. The grants can be used to pay off bonds issued to finance such projects. BAD BILL/ URBAN AFFAIRS COMM.

LB 50: Wayne. To raise the state gas tax. BAD BILL/ REVENUE COMM.

LB 51: Wayne. To raise the tax on capital gains to 10% of unrealized capital gains in 2025, then 8% in 2026, and 7% in 2027 and future years. BAD BILL/ REVENUE COMM.

LB 52: Wayne. To legalize marijuana for those 21 and older and end penalties for using it. BAD BILL/ JUDICIARY COMM.

LB 53: Wayne. To require state taxpayers to pay for the operation of county jails. BAD BILL/ JUDICIARY COMM.

LB 54: Wayne. Beginning January 1, 2026, in each county with under 100,000 residents, the powers and duties of county attorneys and deputy county attorneys in criminal matters and juvenile court matters would transfer to state-funded district attorneys and deputy district attorneys appointed by the NE Att.-Gen. BAD BILL/ JUDICIARY COMM.

LB 55: Wayne. To impose a luxury tax on the purchaser of a vehicle that costs more than \$50,000, jewelry that costs more than \$5,000, and clothing that costs more than \$1,000. The luxury will equal to 2.25% of the purchase price plus any additional tax. Exemptions for nonresidents on active duty in the U.S. Armed Forces, specific high-weight motor vehicles, and vehicles used for commercial purposes. For a purchase exceeding \$400,000, the luxury tax will equal 3.7% of the amount of the purchase price plus any additional tax. An additional tax will add to the luxury tax due for purchases of the following: a passenger vehicle that costs more than \$100,000, a watercraft that cost more than \$200,000, aircraft that cost more than \$500,000, and jewelry, fur clothing, or fur footwear that costs more than \$5,000. The luxury tax is in addition to all other taxes. BAD BILL/REVENUE COMM.

LB 58: Wayne. To appropriate \$2 million from the General Fund for FY2024-2025 to the Dept. of Natural Resources to compete with private industry by constructing solar panels, then sell the energy back to the private marketplace. Revenue from these sales then used for property tax relief. BAD BILL/ APPROPRIATIONS COMM.

LB 61: Wayne. To prohibit public school districts from using disciplinary actions or denying special ed services according to their regulations. If a student complains about discrimination and decides to attend another school district, the home school district must pay for all costs associated with the student attending a new school district, up to an amount equal to 2 times the amount of state foundation aid received by such school district for such student under the Tax Equity and Educational Opportunities Support Act. BAD BILL/ EDUCATION COMM.

LB 62: Wayne. Anyone who owns real property in this state could apply for a state taxpayer-paid grant to install 1 or more solar panels on that property. Up to \$2 million available per fiscal year and individual grants capped at \$5,000 each. BAD BILL/ NATURAL RESOURCES COMM.

LB 65: Wayne. To impose a 5% excise tax on all retail sales of ammunition. BAD BILL/ REVENUE COMM.

LB 66: Wayne. To require the Game & Parks Comm. to plan and conduct wildlife management research and fish hatcheries aimed at increasing tourism in the state. The total costs of such research must not exceed \$5 million for FY 2024-2025. BAD BILL/ NATURAL RESOURCES COMM.

LB 68: Wayne: To provide state aid to municipalities in the form of grants to pay for infrastructure projects within municipalities. No single grant can exceed \$10 million. BAD BILL/ REVENUE COMM.

LB 70: McKinney. The purpose of the Reimbursable Performance-Based Grants Act is to generate property tax relief by offering state-funded grants to reduce incarceration, poverty, unemployment, and homelessness among those 18 to 25. BAD BILL/ REVENUE COMM.

LB 71: McKinney. To legalize marijuana and to seek alternatives to incarceration, offer early parole discharge, and grant second chances for incarcerated individuals. BAD BILL/ JUDICIARY COMM.

LB 76: McDonnell. This bill would provide an income tax reduction for employed individuals on dues and assessments paid to labor unions. BAD BILL/ REVENUE COMM.

Notes from Aug. 2 legislative hearings on Revenue bills:

The usual suspects from local taxing authorities appeared to oppose needed property tax relief bill: NE Association of County Officials, League of NE Municipalities, county commissioners. Among them was John Winkler, director of the Papio NRD, who whined about NE being the 49th lowest state in federal natural resources funding. Shrinking federal funds require state matching funds, so state funding needed. NRDs compete with state agencies for federal funds, like the NE Dept. of Natural Resources. Whined about the complexities of water management and public safety along the watershed and about the tiny 4.5c maximum NRD tax levy, including bonds. Boasted that the Papio NRD was the best in the state to bring in additional revenue besides property taxes.

