

**NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER:  
CITY OF OMAHA IN BAD FINANCIAL & SAFETY SHAPE.**

**BACKGROUND.** If you think that the City of Omaha is in poor financial condition under Mayor Stothert, you are absolutely correct. Truth in Accounting: 2024 Financial State of the Cities awarded Omaha, NE. a “D” grade. Truth in Accounting is a 501(c)(3) nonprofit group committed to educating and empowering taxpayers with understandable, reliable, and transparent government financial information, so that anyone can become a knowledgeable participant in government and the budgetary process. The group promotes greater transparency and accountability in city finances.

**THE SORDID TRUTH.** Last year, the city financial condition worsened by \$163.1 million, causing a significant individual city taxpayer burden of \$7,500. Truth in Accounting awarded the city a “D” grade because of its dire financial situation and refers to Omaha as a sinkhole city, lacking assets to fill its entire debt. Omaha ranks 50<sup>th</sup> worst of 75 similar cities in fiscal health. Because of the infusion of COVID-19 federal relief funds and the perceived Trump victory among the populace, the city did accrue additional tax revenue. However, the city pension liability has worsened, and, with market volatility, the city investment portfolio sank, notably because of defined benefit choices, city labor contracts not gravitating towards a less expensive defined contribution system. Because



of lower value accrued on city pension investments, the individual taxpayer burden increased by \$1,200. The Stothert Administration set aside only 46c for each dollar of promised pension benefits, with no funds set aside for promised retiree health care benefits. Her financial setup inflated the city reported net surplus by \$98.8 million, mostly because the city defers recognizing losses incurred when retirement liabilities increase. Because of continued stock market fluctuations, fewer federal dollars, and slower tax collections, the city financial health will suffer more. Decisions by this administration have created a taxpayer

burden that equates to each taxpayer a share of city bills after its available assets tapped. This measurement incorporates all assets and liabilities, including retirement obligations. City bills exceed its assets, but luckily, the city had \$977.9 million to pay many of its bills, leaving only a \$2.1 billion shortage! The city released its financial report 274 days after its fiscal year end, considered untimely according to the 180-day standard.<sup>1</sup> Wallet Hub ranks Omaha at 50th worst of 148 at offering quality city services and pegs Omaha as having severe financial distress.<sup>2</sup> Moody’s Investment Service downgraded the city bond rating from Aa1 to Aa2. The reasons are several: A growing unfunded pension liability, health care costs for retired employees, and unsettled labor contracts. According to Roofstock, Omaha has the 6th highest property tax rate of similar cities in the U.S., the median taxes paid on a residential property \$3,283.<sup>3</sup> The city is the only local taxing authority that does not factor in subsequent collection of uncollected property taxes, instead raising the tax levy to account for the shortage. Omaha rises to 4th Highest Tax Rate among the Largest 50 U.S. Cities in the 50 State Property Tax Comparison Study for Taxes Paid in 2023, released July, 2024, by the Lincoln Institute of Land Policy.

<sup>1</sup> Truth in Accounting, Feb. 27, 2024.

<sup>2</sup> Wallet Hub, Adam McCann, Cities with the Most People in Financial Distress, Feb 19, 2025.

<sup>3</sup> Wallet Hub. Adam McCann, Best- & Worst-Run Cities in America (2025), June 18, 2024.

**Homestead Property Taxes for the Largest 50 US Cities: Median Value Homes, with Assessment Limits**  
from 50 State Property Tax Comparison Study for Taxes Paid in 2023

| State    | City             | Effective Tax Rate | Rank | Tax Bill Amount | Rank | Median Home Value |
|----------|------------------|--------------------|------|-----------------|------|-------------------|
| Nebraska | Omaha            | 1.983%             | 4    | \$4,835         | 13   | 243,800           |
| Colorado | Denver           | 0.539%             | 46   | \$3,232         | 26   | 599,500           |
| Colorado | Colorado Springs | 0.385%             | 50   | \$1,752         | 50   | 455,200           |
| Kansas   | Wichita          | 1.125%             | 35   | \$2,112         | 47   | 187,800           |
| Missouri | Kansas City      | 1.340%             | 18   | \$3,207         | 35   | 239,400           |

**FEARFUL CITY.** The crime rate in Omaha is 71% higher than the national average. Violent crime is 62% higher than the national average.<sup>4</sup> Violent crime rates are among the highest in the nation, with about 1 in 172 chance of becoming a victim. Property crime rates are higher than violent crime rates, with about a 1 in 36 chance of victimization. With a 1 in 30 chance of being a victim of either property or violent crime, specific parts of Omaha are not always the safest, e.g., Aksarben, South Omaha, and Florence.<sup>5</sup> A major drawback of Omaha is the city crime rate. The violent crime rate per 1,000 residents is 6.24, while the property crime rate also is on the high side, at 31.37. Omaha recorded 3,032 violent crimes and 15,247 property crimes in 2021. Crime is higher in Omaha than in any other city in Nebraska. If you are planning to live in Omaha, be especially security conscious and pay close attention to your surroundings.<sup>6</sup> Neighborhood Scout also analyzed Omaha crime data. Comparing Omaha to other cities, regardless of size, Omaha has a high crime rate. The total projected cost of crime in Omaha for 2025 is \$356,661,715. This translates to approximately \$351 per resident and \$903 per household. On average, crime-related costs account for 0.8% of the median household income in Omaha. “We are seeing younger and younger kids with guns and gangs that are more violent. Behaviors after the violence that is appalling,” said Douglas County Attorney Chief Deputy Brenda Beadle. Chronic homelessness also is increasing in Omaha, homeless camps posing a threat citywide, causing business loss of customers. A neighbor near the Decatur Street camp said she had seen people wander through her back yard, fight, and break into houses. She wants to appear patient but wishes the city would vacate the camp.



**TAKE ACTION NOW.** Despite what Mayor Stothert claims about the economic prosperity in her city, the fragile city budget invariably will lead to additional property and other taxes. Despite the many cultural and entertainment amenities in Omaha, people fearful of going out at night deflates these options. The Stothert Administration is too costly and too indifferent to public safety to continue. The unsettling financial and personal safety predicaments in Omaha require new leadership. We strongly suggest voting for Mike McDonnell for Omaha mayor.

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<sup>4</sup> 601 Travels.

<sup>5</sup> Matt Lyons, *Start Fresh in the Midwest - 20 Things to Know About Living in Omaha, Nebraska*, Dec. 5, 2023.

<sup>6</sup> Home & Money. Adam Berns, *Pros and Cons of Living in Omaha, NE.*, Oct. 28, 2022.