

**ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021**  
**COMMITTEE STATEMENT**  
**LB408**

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**Hearing Date:** Wednesday January 27, 2021  
**Committee On:** Revenue  
**Introducer:** Briese  
**One Liner:** Adopt the Property Tax Request Act

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**Roll Call Vote - Final Committee Action:**

Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	7	Senators Albrecht, Briese, Flood, Friesen, Lindstrom, Linehan, Pahls
<b>Nay:</b>	1	Senator Bostar
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Oral Testimony:**

**Proponents:**

Senator Tom Briese  
Bud Synhorst  
Bob Hallstrom  
Sarah Curry

**Representing:**

Introducer  
Lincoln Independent Business Association  
National Federation of Independent Businesses  
Platte Institute

**Opponents:**

Dennis Meyer  
Greg Adams  
Robert Post  
John Spatz  
Spencer Head  
Renne Fry  
Kyle Fairbairn

**Representing:**

Lancaster County  
Nebraska Community College Association  
Banner County, Nebraska Association of County Officials  
Nebraska Association of School Boards  
Omaha Public Schools  
OpenSky Policy Institute  
Nebraska Education Collaboration (GNSA, NCSA, NASB, NSEA, STANCE, ESUCC, NRCSA, and Stand for Schools)  
League of Nebraska Municipalities  
Greater Nebraska Cities  
Nebraska Association of County Officials

**Neutral:**

**Representing:**

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**Submitted Written Testimony:**

**Proponents:**

**Opponents:**

Joey Adler

**Representing:**

**Representing:**

Holland Children's Movement

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Nolan Beyer  
Mike Rogers  
Justin Brady  
Tim Gay  
Jenni Benson  
Jack Moles  
John Skretta  
John Neal

Millard Public Schools  
Gilmore & Bell, P.C.  
Metropolitan Community College  
Sarpy County  
Nebraska State Education Association  
Nebraska Rural Community Schools Association  
Schools Taking Action Nebraska Children's Education  
Lincoln Public Schools

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB408 creates the Property Tax Request Act. It provides definitions for approved bonds, political subdivision, property tax request, and real growth value.

A political subdivision's property tax request for any year shall not exceed the prior year's property tax request by more than 3%. A political subdivision may exceed the 3% cap by a specific amount at special election if approved by a majority of legal voters of the subdivision.

The 3% increase on the property tax requests would not apply to (1) property tax dollars required to pay for the principal or interest needed to retire bonded indebtedness of the political subdivision; or (2) property taxes raised from real growth of a political subdivision.

Real growth value is defined to mean the increase in real property valuation due to (1) improvements in existing property or new construction; (2) any other improvements to real property which increase its value; and (3) annexation of real property by the political subdivision.

The provisions of LB408 become operative January 1, 2022.

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**Explanation of amendments:**

The committee voted to adopt Committee Amendment 371:

8 Yes - Linehan, Lindstrom, Albrecht, Bostar, Briese, Flood, Friesen, Pahlis

The Committee Amendment becomes the bill. The changes from LB408, as introduced are noted below. All other provisions from LB408 are included in the Committee Amendment.

Section 4 (Page 4, Lines 19-31 through Page 6, Lines 1-14) that a political subdivision's property tax request in any year shall not exceed its request authority. Request authority shall be equal to the political subdivision's tax request from the prior year multiplied by 103%.

By a majority vote of a political subdivision's governing board, the political subdivision may exceed the 3% limit for no more than 2 consecutive years. If this situation occurs, the property tax request of the political subdivision shall be reduced to ensure the increase in the property tax request does not exceed 9% over a 3-year period.

The 3-year period will be measured using the year when the political subdivision exceeds the 3% limit as the first year. If the vote to exceed the 3% limit is for 2 consecutive years, the 3-year period shall be measured twice using each of the 2 consecutive years as the first year of the applicable 3-year period.

The 3% limit shall not apply to a political subdivision's property tax request that will be derived from the real growth value of the political subdivision.

A political subdivision that chooses not to increase its property tax request by the full 3% may carry forward one-half of its unused request authority to future years as carryover request authority. Carryover request authority may be used in future years to increase the political subdivision's tax request above the 3% limit.

The 3% limit shall apply to property tax requests set in 2022 through 2027. The 3% limit shall not longer apply to property tax request set in 2028 and thereafter.

Section 13-506 is amended to require the presentation required at a budget hearing shall also include information showing the political subdivision is in compliance with the Property Tax Request Act.

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Lou Ann Linehan, Chairperson