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**Capitol View  
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**So Many Big Things Lurking on the Legislative Agenda**

A tax bill in limbo. A business incentive measure not far behind, notwithstanding the pending addition of grandiose plans to make Nebraska a nationally important health care destination.

Some things never change in the on-going urban-rural split at the Nebraska Legislature. But this year, the enemy could be time. It’s already Day 42 of the planned 60-day session of the nation’s only single house Legislature.

Two senators, one a veteran of six years and the other – while experienced on the national level – just finishing her first term, are pushing the big issues. Revenue Committee Chairwoman Lou Ann Linehan of Elkhorn is looking for 33 of her colleagues to get a property tax bill (LB974) off first-round dead center with the resilience to withstand a threatened filibuster. Linehan has worked for former Nebraska U.S. Senator Chuck Hagel in Washington, DC, as well as in Afghanistan for the Bush Administration.

Her bill would provide an estimated $520 million in property tax relief over the next three years. It would also use an increasing percentage of net state tax collections to provide schools with foundation aid – a set amount per pupil. The measure faces opposition from mostly urban school districts that would lose substantial state aid.

Senator Mark Kolterman of Seward is at the center of the ImagiNE Nebraska Act (LB720) to provide an on-going economic incentive package to attract business and industry to the state. It stalled on second-round debate last session as rural senators held it hostage because of an obvious urban bias and a strong desire for property tax relief. He promises that he worked things out to the satisfaction of rural lawmakers during the interim.

The six-year veteran is also carrying the blockbuster $2.6 billion proposal (LB1084) to build a new center at the University of Nebraska Medical Center that would respond to national health threats and crises. Based on the Med Center’s success on a national stage treating Ebola

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victims several years ago and currently treating those with the Coronavirus, one would think the plan seeking a $300 million state funding commitment with the promise of at least $300 million in private donor support to match an anticipated federal grant is a slam dunk.

But the Med Center is in Omaha and rural senators are questioning the relevance to their constituents. Besides, they still want substantial property tax relief even though proponents have promised such a new center would boost the Nebraska economy by several billion dollars. Kolterman said the state would benefit at least $2.7 billion during the planning and construction period and at least $4.9 billion during the 10-year period beginning either when construction is commenced or when the application for federal funds is approved.

Kolterman says he plans to amend the University project into the business incentives bill to expedite passage. Remember, time is running out. Remember, rural senators want substantial property tax relief for their land-rich constituents.

Linehan said her property tax bill would be amended to reduce valuations of agricultural and horticultural land and real property for purposes of taxes levied by school districts. Farmland, currently valued at 75 percent of its actual value for tax purposes, would be valued at 65 percent of its actual value for school tax purposes for tax year 2020, 60 percent for 2021 and 55 percent for 2022 and after.

Real property would be valued at 95 percent of its actual value for school tax purposes for tax year 2020, 91 percent for 2021 and 87 percent for 2022 and after. The original bill would have set the final value at 85 percent. For school fiscal year 2022-23, Linehan said, foundation aid would amount to approximately $2,341 per student.

In addition to other proposed changes to the state’s school funding formula, the proposal would limit school budget growth by tying it to the Consumer Price Index. Linehan said the property taxes levied by local governments over the past decade has increased at a higher rate than the Nebraska median household income. People, she believes, want to fund their schools and local government, but they can’t afford it.

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Education Committee Chairman Sen. Mike Groene of North Platte said he likes that the proposal would reset the state’s school finance system where equalization aid – needs minus resources – has become a very complicated process. He said it would provide funding for each student and guarantee the state is paying at least 15 percent of each school district’s basic funding.

Senator Wendy DeBoer of Bennington has said she wanted to bracket the bill – effectively taking it off the table this year – because it would repeal an averaging adjustment in the school funding formula that provides a significant amount of aid to large schools that educate most Nebraska students. She said her colleagues need to pay more attention to the opponents.

Still, the 800-pound gorilla lives on. That’s a planned petition drive that would allow voters to decide if they want the state to provide massive statewide property tax relief to the tune of $1 billion. The rub is exactly where that kind of money would come from.

No pressure there, friends

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