

ONE HUNDRED SIXTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 300CA

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Erdman, 47; Brewer, 43; Clements, 2; Friesen, 34; Gragert, 40; Halloran, 33; Hilkemann, 4; McDonnell, 5; Murman, 38; Wayne, 13.

Read first time January 23, 2020

Committee: Revenue

1 THE MEMBERS OF THE ONE HUNDRED SIXTH LEGISLATURE OF NEBRASKA, SECOND
2 SESSION, RESOLVE THAT:

3 Section 1. At the general election in November 2020, the following
4 proposed amendment to the Constitution of Nebraska shall be submitted to
5 the electors of the State of Nebraska for approval or rejection:

6 To amend Article VIII, sections 1 and 12, and Article XIII, sections
7 2 and 4, and repeal Article VIII, sections 1A, 2, 3, 10, and 13:

8 VIII-1 Notwithstanding any other provision of this Constitution to
9 the contrary, effective January 1, 2022, the State of Nebraska and all
10 political subdivisions of the state shall be prohibited from imposing any
11 form of taxation other than a single-rate consumption tax. The
12 Legislature shall enact a single-rate consumption tax which shall begin
13 no later than January 1, 2022. Such consumption tax shall apply to the
14 consumption of new goods and services. The Legislature shall be
15 prohibited from granting any exemptions from such consumption tax. The
16 necessary revenue of the state and its governmental subdivisions shall be
17 raised by taxation in such manner as the Legislature may direct.
18 Notwithstanding Article I, section 16, Article III, section 18, or
19 Article VIII, section 4, of this Constitution or any other provision of
20 this Constitution to the contrary: (1) Taxes shall be levied by valuation
21 uniformly and proportionately upon all real property and franchises as
22 defined by the Legislature except as otherwise provided in or permitted
23 by this Constitution; (2) tangible personal property, as defined by the

1 ~~Legislature, not exempted by this Constitution or by legislation, shall~~
2 ~~all be taxed at depreciated cost using the same depreciation method with~~
3 ~~reasonable class lives, as determined by the Legislature, or shall all be~~
4 ~~taxed by valuation uniformly and proportionately; (3) the Legislature may~~
5 ~~provide for a different method of taxing motor vehicles and may also~~
6 ~~establish a separate class of motor vehicles consisting of those owned~~
7 ~~and held for resale by motor vehicle dealers which shall be taxed in the~~
8 ~~manner and to the extent provided by the Legislature and may also~~
9 ~~establish a separate class for trucks, trailers, semitrailers, truck-~~
10 ~~tractors, or combinations thereof, consisting of those owned by residents~~
11 ~~and nonresidents of this state, and operating in interstate commerce, and~~
12 ~~may provide reciprocal and proportionate taxation of such vehicles. The~~
13 ~~tax proceeds from motor vehicles taxed in each county shall be allocated~~
14 ~~to the county and the cities, villages, and school districts of such~~
15 ~~county; (4) the Legislature may provide that agricultural land and~~
16 ~~horticultural land, as defined by the Legislature, shall constitute a~~
17 ~~separate and distinct class of property for purposes of taxation and may~~
18 ~~provide for a different method of taxing agricultural land and~~
19 ~~horticultural land which results in values that are not uniform and~~
20 ~~proportionate with all other real property and franchises but which~~
21 ~~results in values that are uniform and proportionate upon all property~~
22 ~~within the class of agricultural land and horticultural land; (5) the~~
23 ~~Legislature may enact laws to provide that the value of land actively~~
24 ~~devoted to agricultural or horticultural use shall for property tax~~
25 ~~purposes be that value which such land has for agricultural or~~
26 ~~horticultural use without regard to any value which such land might have~~
27 ~~for other purposes or uses; (6) the Legislature may prescribe standards~~
28 ~~and methods for the determination of the value of real property at~~
29 ~~uniform and proportionate values; (7) in furtherance of the purposes for~~
30 ~~which such a law of the United States has been adopted, whenever there~~
31 ~~exists a law of the United States which is intended to protect a~~

1 ~~specifically designated type, use, user, or owner of property or~~
2 ~~franchise from discriminatory state or local taxation, such property or~~
3 ~~franchise shall constitute a separate class of property or franchise~~
4 ~~under the laws of the State of Nebraska, and such property or franchise~~
5 ~~may not be taken into consideration in determining whether taxes are~~
6 ~~levied by valuation uniformly or proportionately upon any property or~~
7 ~~franchise, and the Legislature may enact laws which statutorily recognize~~
8 ~~such class and which tax or exempt from taxation such class of property~~
9 ~~or franchise in such manner as it determines; and (8) the Legislature may~~
10 ~~provide that livestock shall constitute a separate and distinct class of~~
11 ~~property for purposes of taxation and may further provide for reciprocal~~
12 ~~and proportionate taxation of livestock located in this state for only~~
13 ~~part of a year. Each actual property tax rate levied for a governmental~~
14 ~~subdivision shall be the same for all classes of taxed property and~~
15 ~~franchises. Taxes uniform as to class of property or the ownership or use~~
16 ~~thereof may be levied by valuation or otherwise upon classes of~~
17 ~~intangible property as the Legislature may determine, and such intangible~~
18 ~~property held in trust or otherwise for the purpose of funding pension,~~
19 ~~profit-sharing, or other employee benefit plans as defined by the~~
20 ~~Legislature may be declared exempt from taxation. Taxes other than~~
21 ~~property taxes may be authorized by law. Existing revenue laws shall~~
22 ~~continue in effect until changed by the Legislature.~~

23 VIII-12 For the purpose of rehabilitating, acquiring, or
24 redeveloping substandard and blighted property in a redevelopment project
25 as determined by law, any city or village of the state may,
26 notwithstanding any other provision in the Constitution, and without
27 regard to charter limitations and restrictions, incur indebtedness,
28 whether by bond, loans, notes, advance of money, or otherwise.
29 Notwithstanding any other provision in the Constitution or a local
30 charter, such cities or villages may also pledge for and apply to the
31 payment of the principal, interest, and any premium on such indebtedness

1 ~~all taxes levied by all taxing bodies, which taxes shall be at such rate~~
2 ~~for a period not to exceed fifteen years, on the assessed valuation of~~
3 ~~the property in the project area portion of a designated blighted and~~
4 ~~substandard area that is in excess of the assessed valuation of such~~
5 ~~property for the year prior to such rehabilitation, acquisition, or~~
6 ~~redevelopment.~~

7 ~~When such indebtedness and the interest thereon have been paid in~~
8 ~~full, such property thereafter shall be taxed as is other property in the~~
9 ~~respective taxing jurisdictions and such taxes applied as all other taxes~~
10 ~~of the respective taxing bodies.~~

11 XIII-2 Notwithstanding any other provision in the Constitution, the
12 Legislature may authorize any county or incorporated city or village,
13 including cities operating under home rule charters, to acquire, own,
14 develop, and lease real and personal property suitable for use by
15 manufacturing or industrial enterprises and to issue revenue bonds for
16 the purpose of defraying the cost of acquiring and developing such
17 property by construction, purchase, or otherwise. The Legislature may
18 also authorize such county, city, or village to acquire, own, develop,
19 and lease real and personal property suitable for use by enterprises as
20 determined by law if such property is located in blighted areas as
21 determined by law and to issue revenue bonds for the purpose of defraying
22 the cost of acquiring and developing or financing such property by
23 construction, purchase, or otherwise. Such bonds shall not become general
24 obligation bonds of the governmental subdivision by which such bonds are
25 issued. ~~Any real or personal property acquired, owned, developed, or used~~
26 ~~by any such county, city, or village pursuant to this section shall be~~
27 ~~subject to taxation to the same extent as private property during the~~
28 ~~time it is leased to or held by private interests, notwithstanding the~~
29 ~~provisions of Article VIII, section 2, of the Constitution.~~ The
30 acquiring, owning, developing, and leasing of such property shall be
31 deemed for a public purpose, but the governmental subdivision shall not

1 have the right to acquire such property by condemnation. The principal of
2 and interest on any bonds issued may be secured by a pledge of the lease
3 and the revenue therefrom and by mortgage upon such property. No such
4 governmental subdivision shall have the power to operate any such
5 property as a business or in any manner except as the lessor thereof.

6 Notwithstanding any other provision in the Constitution, the
7 Legislature may also authorize any incorporated city or village,
8 including cities operating under home rule charters, to appropriate such
9 funds as may be deemed necessary for an economic or industrial
10 development project or program subject to approval by a vote of a
11 majority of the registered voters of such city or village voting upon the
12 question. Subject to such vote, funds may be ~~derived from property tax,~~
13 ~~local option sales tax, or any other general tax levied by the city or~~
14 ~~village~~ or generated from municipally owned utilities or grants,
15 donations, or state and federal funds received by the city or village
16 subject to any restrictions of the grantor, donor, or state or federal
17 law.

18 XIII-4 Notwithstanding any other provision in this Constitution, the
19 Legislature may authorize any county, city, or village to acquire, own,
20 develop, and lease or finance real and personal property, other than
21 property used or to be used for sectarian instruction or study or as a
22 place for devotional activities or religious worship, to be used, during
23 the term of any revenue bonds issued, only by nonprofit enterprises as
24 determined by law and to issue revenue bonds for the purpose of defraying
25 the cost of acquiring and developing or financing such property by
26 construction, purchase, or otherwise. Such bonds shall not become general
27 obligation bonds of the governmental subdivision by which such bonds are
28 issued, and such governmental subdivision shall have no authority to
29 impose taxes for the payment of such bonds. ~~Notwithstanding the~~
30 ~~provisions of Article VIII, section 2, of this Constitution, the~~
31 ~~acquisition, ownership, development, use, or financing of any real or~~

1 ~~personal property pursuant to the provisions of this section shall not~~
2 ~~affect the imposition of any taxes or the exemption therefrom by the~~
3 ~~Legislature pursuant to this Constitution.~~ The acquiring, owning,
4 developing, and leasing or financing of such property shall be deemed for
5 a public purpose, but the governmental subdivision shall not have the
6 right to acquire such property for the purposes specified in this section
7 by condemnation. The principal of and interest on any bonds issued may be
8 secured by a pledge of the lease and the revenue therefrom and by
9 mortgage upon such property. No such governmental subdivision shall have
10 the power to operate any such property as a business or in any manner
11 except as the lessor thereof.

12 Article VIII, sections 1A, 2, 3, 10, and 13, of the Constitution of
13 Nebraska are repealed.

14 Sec. 2. The proposed amendment shall be submitted to the electors
15 in the manner prescribed by the Constitution of Nebraska, Article XVI,
16 section 1, with the following ballot language:

17 A constitutional amendment to prohibit the state and all political
18 subdivisions from imposing any form of taxation other than a single-rate
19 consumption tax and to require the Legislature to enact such a tax.

20 For

21 Against.