

Legislature - First Session - 2019

Introducer's Statement of Intent

LB432

Chairperson: Senator Mike Groene

Committee: Education

Date of Hearing: March 05, 2019

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

In Neb. Rev. Stat. § 79-1016, LB432 changes the method for calculating adjusted valuation and adds the new term of “full assessed value”, which is defined as the taxable valuation plus any tax-increment financing (TIF) excess valuations. The excess value proportion of TIF under Neb. Rev. Stat. § 18-2147 will no longer be adjusted out of the total school valuation. The Nebraska Department of Education shall use the full assessed value when calculating local property tax resources.

LB432 allows school districts to collect an additional amount of property taxes equal to the amount that would be generated by the allowable levy created by the local yield calculation in the Tax Equity and Educational Opportunities Support Act (TEEOSA) formula when applied to the TIF excess valuation. School districts will be allowed to increase their levy to recover the property tax revenues that are lost to a TIF project created by the local city council; however, the school board must approve the levy increase by a 75% majority of the board.

Principal Introducer: _____

Senator Mike Groene