

State Sen. Rob Clements 6-7-2019

The 2019 Legislative Session ended on May 31. It was a busy session with over 250 bills passed of 739 introduced.

One of the highlights is LB 512, which I co-sponsored. This bill helps those who had property damaged by flooding. Under prior law, your assessed value was the value on January 1st, even if it was destroyed later. Now, if you have more than 20% damage, the property will be assessed at the value after the damage. The damage must occur by June 30th to receive a reduction.

To claim the discount, the owner **must file Form 425**. It must be filed **with the County Assessor and County Clerk by July 15th**. Form 425 is available at <http://www.revenue.nebraska.gov/PAD/index.html>, the Dept. of Revenue website, along with more details regarding the new law.

Property tax relief was an important issue again this session. I supported LB 289, which addressed property tax reform along with K-12 school funding reform, but it stalled at round one of debate. LB 289 had several good provisions in it and is heading in the right direction, but the increase in sales tax from 5.50% to 6.00% was opposed by many. Controls on local spending increases are important for any long-term reform plan to be successful.

We did raise the Property Tax Relief Fund by \$51 million, a 22% increase. That raises it to \$275 million for 2019 and \$275 million for 2020. This is a nice increase, but more is needed to reduce the burden on property taxpayers.

LB 183 addressed an important issue regarding school bonding projects. It lowers agricultural land assessments from 75 percent to 50 percent for the purpose of bond payments, giving those with fewer votes less of the debt payments. LB 183 advanced to the second round of debate as amended, with my support.

An attempt was then made to amend LB 183 to remove the original bill and add more sales taxes to the property tax credit fund. Removing good provisions and not including any local spending controls in the new version made it a bill I could not support, and it did not advance. Both LB 289 and LB 183 will carry over to next January's session while improvements are worked on over the summer.

LB 720, the Imagine Act was designed to replace our current business incentive program which expires December 31, 2020. There are many improvements in LB720, providing better tracking and simplicity, but it failed to get 33 votes needed to end debate. A major factor in its failure was the failure of long term property tax reform. LB 720 will also carry over to the 2020 session.

Feel free to contact me or my staff for information on issues or if I may be of assistance. Please reach me at: Senator Rob Clements, State Capitol Rm 812, Lincoln, NE 68509 (4024712613), or at my email: rclements@leg.ne.gov.