



## *Greater Nebraska Schools Association*

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*P.O. Box 82889 • Lincoln, Nebraska 68501-2889*

**DATE:** 2/17/2021

**TO:** Revenue Committee, Senator Lou Ann Linehan, Chairperson

**RE:** LB 622

Chairwoman Linehan and members of the Revenue Committee,

My Name is Kyle Fairbairn, and I represent the Greater Nebraska Schools Association (GNSA) which is an organization that represents 24 of the largest school districts in the state of Nebraska. These 24 districts represent about 75% of all the children in the state attending public schools. For this testimony I am also representing the Nebraska Council of School Administrators (NCSA) Nebraska Association of School Boards (NASB) and Schools Taking Action for Nebraska Children's' Education (STANCE)

I come to you today opposed to LB 622. This bill would cap all assessed valuation at a maximum growth of 3% per year. The computation by which this would take place is difficult as it combines the property across the state to come up with the 3% growth. By capping the maximum assessed growth at 3% in the past year would have increased the amount of state aid to school districts by more than \$32 million. Most of the districts that I represent would have received a larger portion of their budgets through the state, because many of the districts had property value growth over the 3% that would be allowed under this bill. The bill would affect rural districts, because of the way the 3% total will be calculated. This would cause a few districts to raise their levies to balance their budgets negating property tax relieve. This discrepancy in actual value versus the fixed assessed value would only grow in funding needs for the state as the years went on.

This bill would also cause issues for a few schools that are close too or at their maximum levy. These districts would lose funding, because they would not be able to increase their levy and they would not qualify for equalization aid from the state. These issues would also intensify for all districts the longer the bill stayed in place due to the levy cap. It would also cause 155 districts to raise their local levies to make up for the capped assessed values. This would reduce the property tax savings for the homeowner, farmer, or commercial customers in those districts.

The increased cost to the state, the loss of funding for several schools, and little property tax savings is the reason that I asked you to not advance LB 622. Thank you for your time and I will try to answer any questions that the Committee may have.