

**THE MAYORS OF THE UNITED CITIES OF SARPY COUNTY AND THE CITIES OF
HASTINGS, HOLDREGE, KEARNEY, AND MINDEN OPPOSE GOVERNOR PILLEN’S
PLAN BECAUSE IT DOES NOT REPRESENT
TRUE PROPERTY TAX RELIEF**

The United Cities of Sarpy County (UCSC), which includes the cities of Bellevue, Gretna, La Vista, Papillion, and Springfield, along with the cities of Hastings, Holdrege, Kearney, and Minden (hereinafter “Coalition”), unanimously endorse this position.

The mayors understand that property taxes are an issue, and the Coalition’s opposition to the final version of LB388 should not be interpreted as opposition to property tax relief.

Members of the Coalition have historically offered to be a resource for governors and legislators in constructing a solution to address constituents’ long-standing frustrations regarding property taxes. The coalition believes that the only way to achieve a long-term property tax solution is to take a holistic approach, meaning consideration of both valuation and control of growth.

The UCSC has reviewed the limited substantive information provided in Governor Pillen’s Playbook, which was released to the public on July 18, 2024, and the information released by the Nebraska Examiner on July 15, 2024. Our concerns remain focused on the points presented to the Sarpy County legislative delegation in a June 24, 2024 meeting. To date, we have not received an invitation from the executive branch to participate in constructive discussions.

Our opposition remains as it did on June 24, 2024:

- **POINT 1: The Governor’s Plan does not address the issue of delaying the implementation of any potential property tax laws so that they do not impact the 2025 budgets.** Specifically, any alterations to how property taxes are calculated or how local government bodies create their budgets would have a significant impact as changes would be made when the budgets are nearly finalized. This would be equivalent to changing football rules during the two-minute warning.
- **POINT 2: The Governor’s Plan lacks clarity and does not define a feasible public safety exclusion or exemption. It should include language that safeguards the ability of political subdivisions to meet essential operational and capital expenditure requirements for services such as police, fire, emergency medical services, corrections, and emergency communications.** The Coalition requests the inclusion of language from Senator Day’s Select File [AM3473](#) to LB388 in the exemptions section of the legislation and the incorporation of concepts from Senator Bostar’s LB1216, which removes public safety services from the calculations of base limitations.

During the last session, the UCSC sent a letter stressing the importance of Senator Bostar’s LB1216 and Senator Day’s amendment and urging their inclusion.

- **POINT 3: The Governor’s Plan does not include ways to replace lost revenue.** Any proposed legislation should allow cities and counties more access to funds generated within their local area to address local needs. To achieve this, we recommend removing the cap on occupation taxes that can be collected under [§18-1208](#). This cap was originally implemented to prevent cities from imposing occupation taxes beyond a specific limit. Eliminating this cap would give cities a revenue source that could offset restrictions on growth. Examples of occupation taxes include the hotel tax and restaurant tax, among others.

Based on a review of the plan, we are adding three more points:

- **POINT 4: The Governor's Plan favors out-of-state landowners at the expense of Nebraska citizens.** Nebraska should consider adopting a valuation system similar to the Illinois Model. Under this model, all property is valued at 100%. Exemptions, akin to homestead exemptions, would then be implemented to assist homeowners. Some exemptions could include those for owner-occupied housing, ownership by Nebraskans during occupancy, individuals with disabilities, and those involved in agricultural production, among others. This approach allows for fair valuation and enables the Legislature to determine the level of support provided to homeowners or landowners.

Currently, the plan will increase Nebraska constituents' daily and weekly expenses. The largest landowners—especially those in rural areas—will benefit the most from this plan.

- **POINT 5: The Governor's Plan shifts the burden of local revenues from the stable property tax to the volatile and difficult-to-audit sales tax.** For municipalities, property tax is the most stable form of revenue. At the same time, sales tax is the least stable. Sales tax fluctuates, and cities cannot effectively audit the sales tax received from the state. The lack of transparency in sales tax collections and the inability to work with the Department of Revenue to examine sales tax returns has created numerous problems for our cities.

Additionally, the Governor's plan does not address potential issues with the interface with Nebraska Advantage or Imagine. The additional dollars paid by businesses would need to be properly accounted for.

- **POINT 6: The Governor's Plan calls for 0% growth, while previous versions included 3%.** Again, Coalition members have offered to help develop property tax relief strategies; however, providing 0% growth to rapidly growing communities highlights a lack of understanding of how these political subdivisions operate. If this were to pass, it would force members to consider significant cuts impacting essential city services, such as roads, sidewalks, code enforcement, parks, recreation, economic development, and other services that our citizens expect.

The Coalition members remain opposed to the Governor's Plan for these six reasons and believe that the relief proposed by the Governor is not real but rather misleading. The Mayors are urging the Sarpy County legislative delegation and legislative representatives for the cities of Hastings, Holdrege, Kearney, and Minden to work on indefinitely postponing any legislation that implements the Governor's Plan.