

# Southeast Community College Bond Proposal

## Implications for Property Taxpayers

Southeast Community College is submitting a bond proposal in November to voters in its 15-county area. The proposal will ask voters whether the SCC board should be given the authority to issue bonds up to \$369 million. The bond proceeds would be used for facilities renovation and construction.

Nebraska Farm Bureau estimated the increased property taxes on agricultural, commercial and residential property in the 15-county area if SCC's proposed bond issue were approved by voters. The analysis uses 2015 valuation and tax data from the Nebraska Dept. of Revenue. Agricultural property includes agricultural land, agricultural machinery, outbuildings and farm sites. Commercial property includes machinery, equipment and real property; and residential property includes residences in town, farm homes and home sites.

The analysis assumes the annual levy to repay the bonds will equal 3.9 cents per \$100 value, the bonds issued will total \$369 million, and the repayment period will be 25 years. In reality, the bonds will be issued over a multi-year period so the levy will not immediately ramp up to 3.9 cents and the repayment period could be different. Moreover, changes over time in assessed values will affect tax rates and repayment periods. However, the estimates can provide a glimpse of the magnitude of the expected tax increases should the SCC bond measure pass.

### Summary:

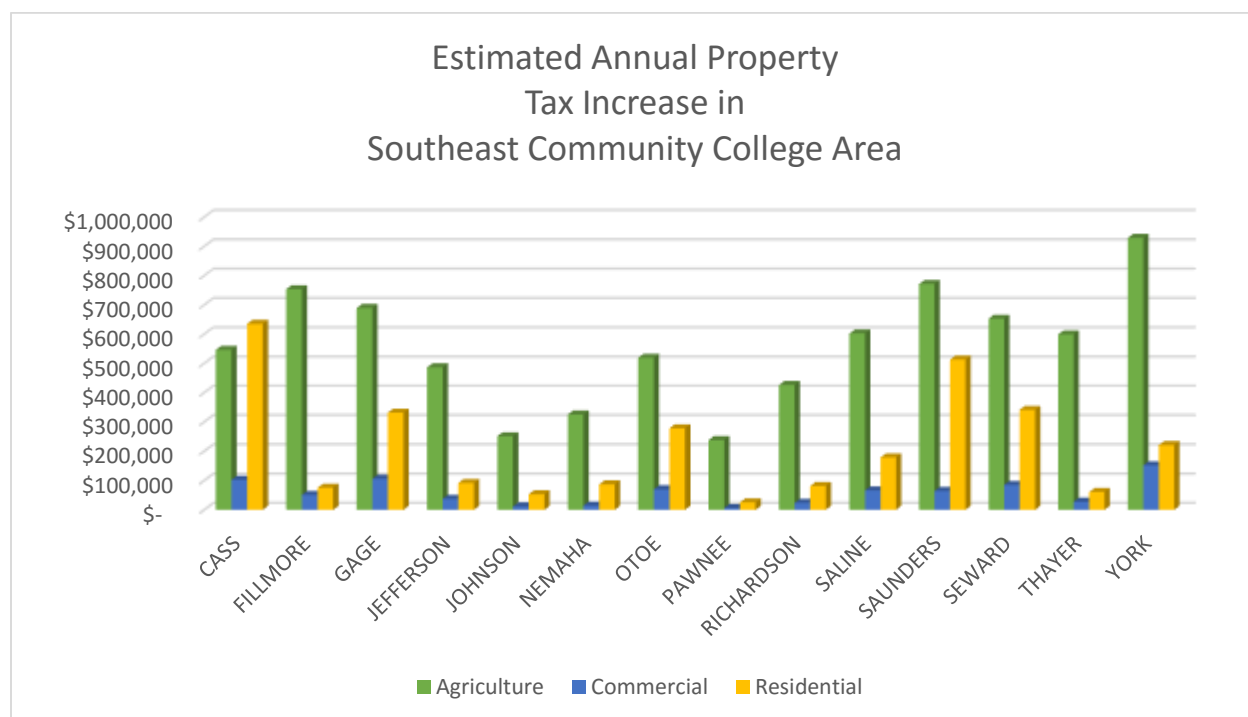
- The total SCC levy would be 11.47 cents per \$100 value (7.57 cents currently + 3.9 cent increase), assuming SCC does not reduce its present levy. The new levy is 51% greater than the 2015 levy.
- The additional property taxes levied for bond repayment would equal \$20.9 million annually.
- Total taxes levied by SCC would equal \$61.4 million—a 51% increase over taxes levied in 2015--\$40.5 million.
- Annual property taxes levied on each property sector in the 15-county area would increase by:
  - \$8.4 million                      Agricultural
  - \$3.1 million                      Commercial
  - \$8.8 million                      Residential
- Additional property taxes levied over the 25-year period in the 15-county area would amount to almost \$523 million and taxes would increase on each property sector by:
  - \$209 million                      Agricultural
  - \$80 million                      Commercial
  - \$219 million                      Residential

### Details:

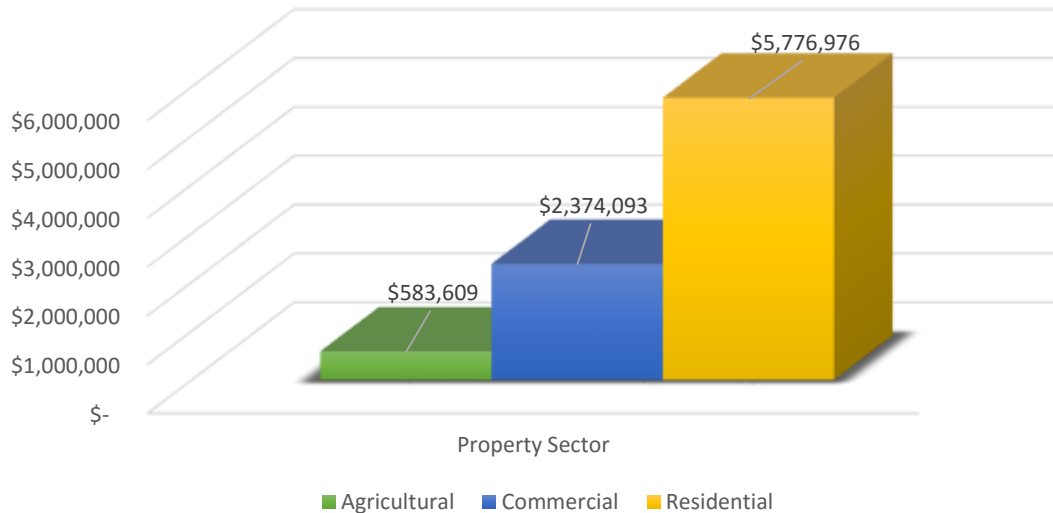
The table below lists the yearly increases in property taxes on each property sector in each county. For example, with the 3.9 cent levy, property taxes on agricultural property in Cass County would increase \$546,438, taxes on commercial property would increase \$102,700, and taxes on residential property would increase \$635,239.

	Agricultural	Commercial	Residential
CASS	\$ 546,438	\$ 102,700	\$ 635,239
FILLMORE	\$ 753,529	\$ 51,310	\$ 75,426
GAGE	\$ 689,601	\$ 106,429	\$ 331,847
JEFFERSON	\$ 486,723	\$ 37,608	\$ 91,961
JOHNSON	\$ 251,437	\$ 11,637	\$ 53,303
LANCASTER	\$ 583,609	\$ 2,374,093	\$ 5,776,976
NEMAHA	\$ 325,625	\$ 14,919	\$ 87,169
OTOE	\$ 519,577	\$ 70,117	\$ 278,523
PAWNEE	\$ 238,135	\$ 6,084	\$ 25,435
RICHARDSON	\$ 426,587	\$ 23,682	\$ 81,819
SALINE	\$ 602,422	\$ 66,541	\$ 178,969
SAUNDERS	\$ 771,466	\$ 64,674	\$ 513,269
SEWARD	\$ 652,713	\$ 84,750	\$ 341,323
THAYER	\$ 599,535	\$ 27,851	\$ 61,076
YORK	\$ 928,845	\$ 152,191	\$ 221,236
15-COUNTY TOTAL	\$ 8,376,242	\$ 3,194,586	\$ 8,753,572

In total, taxes on agricultural property in the 15-county area would increase each year by \$8.4 million, \$3.2 million on commercial property, and \$8.8 million on residential property. Total property taxes on all sectors would increase by \$20.9 million. The chart below plots the data from the table with the exception of Lancaster County. The increases in Lancaster County are found on the second chart below.



## Estimated Annual Property Tax Increase in Lancaster County



To estimate taxes over the life of the bonds, it was assumed valuations and tax rates remained the same over the 25-year period and the annual estimates were summed over the 25-year period. The table below provides the estimated tax increases for each property sector over the 25-year period.

	Agricultural	Commercial	Residential
CASS	\$ 13,660,945	\$ 2,567,495	\$ 15,880,978
FILLMORE	\$ 18,838,216	\$ 1,282,762	\$ 1,885,645
GAGE	\$ 17,240,025	\$ 2,660,732	\$ 8,296,184
JEFFERSON	\$ 12,168,084	\$ 940,208	\$ 2,299,033
JOHNSON	\$ 6,285,920	\$ 290,921	\$ 1,332,573
LANCASTER	\$ 14,590,229	\$ 59,352,314	\$ 144,424,406
NEMAHA	\$ 8,140,629	\$ 372,978	\$ 2,179,237
OTOE	\$ 12,989,421	\$ 1,752,920	\$ 6,963,078
PAWNEE	\$ 5,953,386	\$ 152,102	\$ 635,870
RICHARDSON	\$ 10,664,664	\$ 592,052	\$ 2,045,486
SALINE	\$ 15,060,561	\$ 1,663,516	\$ 4,474,218
SAUNDERS	\$ 19,286,660	\$ 1,616,852	\$ 12,831,737
SEWARD	\$ 16,317,824	\$ 2,118,753	\$ 8,533,065
THAYER	\$ 14,988,379	\$ 696,267	\$ 1,526,903
YORK	\$ 23,221,114	\$ 3,804,766	\$ 5,530,894
15-COUNTY TOTAL	\$209,406,057	\$ 79,864,639	\$ 218,839,305

Again, using Cass County as an example, if the increased taxes were in effect over 25 years, it would amount to a tax increase of almost \$13.7 million on farmers in Cass County, \$2.6 million on businesses, and \$15.9 million on homeowners. Over the 15-county region, taxes on agricultural property would increase \$209 million; commercial property owners would pay almost \$80 million in additional taxes; and homeowners would pay almost \$219 million in increased taxes over the 25-year period.