



2024 Special Session Sine Die

The special legislative session on property tax has now concluded. Long story short, the Legislature passed legislation to place caps on city and county budget growth and added \$185 million in new property tax credit relief, funded through budget cuts. Despite numerous attempts and last-ditch efforts that continued through today, **none of the proposals to remove tax exemptions or increase taxes were passed**. The Legislature also ditched previously considered plans to provide state funding for schools, natural resources districts, and county jails.

The Governor immediately signed these bills in a press conference following the adjournment. He has called the relief passed “a nice start” but not enough, and says further legislation can wait until January.

[LB34e](#) (Brewer) City and County Budget Caps and Front-Loaded Property Tax Relief

- Sets caps on how much more municipalities and county governments can collect in property taxes from the year before at the *greater* of 0% or the State and Local Consumption Expenditures and Gross Investment index, not including valuation growth. Among other exceptions to the limit, a political subdivision also may increase its property tax request authority by amounts needed for emergencies, budgeted for public safety services, or approved by voters. Language to address impacts on tax increment financing (TIF) was adopted.
- Adds \$185 million in new tax relief (given as a credit on property tax bills) and repurposes an existing \$565 million in relief (“front-loading” the relief, eliminating the need to claim the property tax credit via an income tax filing). (It represents 3% in new state investments, based on the \$5.3 billion property tax burden in 2023, or 32% more in existing relief.)

[LB2e](#) (Clements, at the request of the Governor) Provide, change, and eliminate appropriations for operations of state government

- Makes adjustments to the state budget, reducing reappropriated general funds — also known as carryover funds — by \$82 million across more than 40 state agencies in the current fiscal year and FY2024-25.
- Lowers general fund appropriations by \$41.46 million.
- In total, reduces funds available to state agencies by approximately \$120 million.

[LB3e](#) (Clements, at the request of the Governor) Provide, change, and eliminate provisions relating to funds

- Eliminates the crediting of accrued interest to more than 40 state agency cash funds, directing those dollars to the state’s General Fund.
- The bill is projected to increase state revenue by \$22 million in 2025, \$80 million in 2026 and \$71 million in 2027. It also states legislative intent to transfer \$200 million to the General Fund from the state’s Cash Reserve Fund in 2027 if needed and if funds are available.

[LB4e](#) (Speaker Arch, at the request of the Governor) Appropriate funds for special session expenses

- Appropriates \$126,860 in state general funds for session expenses to pay for per diems for state senators, salaries for session-only staff, and overtime pay for the Legislature's bill-drafting office.
- Introduced and passed assuming a 10-day special session, with Speaker Arch saying the Legislature would make a deficit appropriation in 2024 to fund the full session, which spanned 17 legislative days.