

# 2025 POLICY GUIDES

## School Bonds

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### Issue

This guide is intended to help County Farm Bureau leaders and members across Nebraska evaluate and develop sound policy regarding school bond issues, with a focus on fairness, fiscal responsibility, and the impact on agricultural landowners and rural communities. Investing in education is critical, but it must be done in a way that balances taxpayer protections and the need to upgrade facilities, especially in rural Nebraska where agricultural landowners often carry much of the property tax load.

Bond issues can significantly affect Nebraska agriculture through increased taxes and shifting public investment priorities. It's vital that Farm Bureau policy reflects the values of fiscal responsibility, tax fairness, and transparency, while ensuring that rural voices are heard in public finance decisions.

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### Background

A school bond issue is a form of public borrowing used by school districts to finance construction, renovation, or major improvements to school facilities. These bonds are repaid through property taxes, typically over 15 to 30 years. In Nebraska, such bonds must be approved by a simple majority of voters at any general, primary, or special election. Many school bond issues are voted on during special elections with low voter turnout.

A bill introduced last session would have restricted school bond elections to being held only during regularly scheduled statewide elections. This bill did not advance from select file.

Some other states require a higher threshold to pass school bonds. In Iowa, Oklahoma, and South Dakota, a 60% threshold is needed while in Idaho a two-thirds majority or 66.75% threshold is needed to pass a school bond.

Currently in Nebraska, agriculture and horticulture land is taxed at 50% of fair market value for the purpose of repaying school bonds.

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### Farm Bureau Policy

**BOND ISSUE VOTING (2023).** We support alternative funding for school bonds using a balance between income, sales, and property taxes. No bonds shall be issued without a vote of the people.

**CAPITAL EXPENDITURES (2022).** We believe school districts should be required to submit capital expenditures, including those that involve interlocal agreements, to a vote of all people who own land within the affected school district. We oppose the current state statute limiting voting on school

bond resolutions to only residents residing within the school district. We believe owners of all real property within a school district should have the opportunity to vote on a bond issue. Sinking funds at public schools should need a vote of the electorate to use funds for constructing buildings, etc. We support efforts to study alternatives to allow all real property owners to vote on school bond issues.

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## Questions

- Should Nebraska Farm Bureau support requiring school bond elections to occur only on primary or general election days?
- Should Nebraska Farm Bureau advocate in support of more limitations on how much agricultural landowners can be taxed for school bond repayment?
- Should economic and demographic impact studies be required before school bond issues are proposed?
- Should school districts have to show evidence of community engagement and fiscal need prior to proposing a bond?
- Should Nebraska adopt a 60% threshold like neighboring states to protect agricultural landowners?
- Should Nebraska Farm Bureau support a higher threshold for special elections, but not for general elections?
- Are there alternatives to bond financing, such as public-private partnerships or state assistance?
- Should the Nebraska Department of Education keep a database of passed bond amounts and the principal amount left to be repaid?
- Should the local school district be required to have a new vote to increase the levy on an active bond that has been previously passed?