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AN ONGOING CONVERSATION ABOUT HOW TO BEST PRESERVE FREE ENTERPRISE,
PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.

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Summary of the Pro-Growth Strategy for Nebraska Authored By Dr. Eric Thompson, PhD.

If Nebraska wants to develop a rapidly growing economy to make the state more attractive to families and businesses, the answer is to build an economy rooted in an increasingly competitive business environment. The Platte Institute of Economic Research is pleased to release a study, Pro-Growth Strategy for Nebraska, that examines how Nebraska can make itself even more attractive to businesses and families by employing effective catalysts for economic growth and explores the potential for reducing the regulatory burden.

As tax revenues recover, Nebraska might see tax cuts since state government has shown discipline in spending, but legislators should also take the proactive step of looking beyond tax cuts and consider other ideas and best practices from other states to spur economic growth.

One practice to consider is to set up a re-authorization system for regulations, as well as a review process for industry-based taxes and tax exemptions. A regulatory panel could introduce sunset dates to provide an opportunity to determine whether the regulations should be re-authorized. Similarly, there should be a sunset and re-authorization process for all tax exemptions or credits that benefit a particular industry or group.

Our elected officials might also consider privatizing government entertainment and recreation programs and assets. This could include local parks, stadiums, arenas, golf courses, swimming pools, and ball fields. The state could also consider the sale of parks and recreation areas to private operators. Covenants could be applied to the development of the sold land to maximize the likelihood of its continued use as a park or recreation area. For the benefit of local taxpayers, efforts should be made to sell parkland to for-profit agencies that are subject to property taxes.

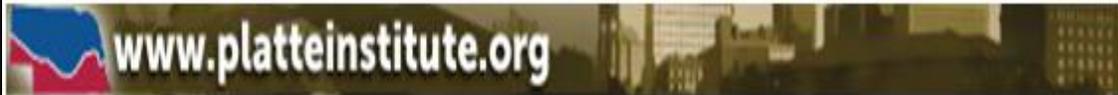
Another practice that would help Nebraska's economic environment would be to assess agricultural land the same as residential and commercial properties. Overall property tax rates could fall in many Nebraska counties if agricultural property was assessed at the same near-market rate as other types of property. If the policy was pursued in a revenue-neutral manner, it would yield a much lower property tax rate in the state's rural counties, and property tax rates would fall for non-agricultural commercial, industrial, and residential taxpayers. The results would be improvement in economic growth if state government ensures rural counties are not penalized for lowering property tax rates.

Specifically, state education support should not be influenced by decisions of county governments to broaden their property tax bases while lowering rates.

While many communities struggle with high levels of illegal immigration, legal immigration is an important labor issue for many states, including Nebraska. State and local immigration policies can help reduce illegal immigration into the United States, but those policies are most beneficial if they discourage illegal immigration without discouraging legal immigration. State or local immigration enforcement laws should be designed with input from state and local police associations to ensure support from these groups.

Nebraska should also consider reducing annexation powers as well as reducing the regulation and fees on new construction activity. Annexation statutes can be modified so a city of first class cannot annex a city of second class without the consent of the city of second class. For local governments, new developments within designated areas should not be charged impact fees or assessed other similar charges as long as that planned development meets a city's goals for development.

Other suggestions are contained in the study, but these are a few tactics to consider -- changes Nebraska can make to promote economic growth by attracting new businesses and jobs to our state.



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