



Cornhusker Economics

2020 Nebraska Ballot Issues – Election Results

Due to changes in commodity price reporting we will no longer include the Market Report with our weekly Cornhusker Economics articles.

The department is working on developing an electronic commodity price dashboard that will soon be available.

This publication provides educational information regarding the two constitutional amendments recommended by the Unicameral to Nebraska voters and the four citizen ballot initiatives on the November 2020 general election ballot.

Amendment 1: a constitutional amendment to eliminate slavery or involuntary servitude as a punishment for crime. For: 68.2%, against 31.8%.

Before Amendment 1 was adopted, article 1, section 2 of the Nebraska constitution stated: “There shall be neither slavery nor involuntary servitude in this state, *otherwise than for punishment of crime, whereof the party shall have been duly convicted.*” Amendment 1 deletes the italicized language. This means that forced prison labor is not protected by the Nebraska Constitution.

Amendment 2: a constitutional amendment to authorize legislation to extend the maximum time for repayment of tax increment financing indebtedness for cities and village redevelopment projects from 15 to 20 years if at least half the project area is extremely blighted. For: 61.1%, against 38.9%.

Amendment 2 amends the Nebraska constitution to extend the period of tax increment financing (TIF) for redevelopment projects in cities and villages from 15 to 20 years for redevelopment of extremely blighted property. This means that community redevelopment projects in extremely blighted areas with high unemployment rates and high poverty rates will have a longer period to pay for public infrastructure development, making these projects more financially attractive to real estate developers. It also extends the period of

time before which the local property tax levies against the increased property values for the redevelopment project become part of general local property tax revenue.

Initiative 428: an initiative petition to amend Nebraska statutes to reduce payday loan charges from \$15 for each \$100 borrowed to no more than 36% annual interest. For: 82.8%, against 17.2%.

Initiative 428 modified state statutes regulating delayed deposit service providers, also known as payday lenders, to limit loan charges to no more than 36% annual interest. Previously, payday lenders were authorized to charge up to \$15 per \$100 borrowed. This may reduce payday lending in Nebraska. Persons formerly utilizing payday lending credit may turn to internet lending.

Casino gambling initiatives 429, 430 and 431. Three initiatives, numbers 429, 430 and 431, authorized casino gambling at licensed Nebraska racetracks, adopted new legislation regulating casino gambling at licensed racetracks, and will tax casino gambling gross receipts, earmarking 70% of casino taxes for property tax relief. Initiative 429 was adopted 65% in favor and 35% opposed; initiative 430 was adopted 65% in favor and 35% opposed; and initiative 431 was adopted 68.7% in favor and 31.3% against.

According to media accounts, Ho-Chunk, the economic development corporation of the Winnebago tribe in Nebraska, intends to build and operate casino operations at racetracks in Lincoln, Omaha and South Sioux City if it obtains the necessary licenses from the new Nebraska Gaming Commission (authorized by initiative 430). Ho-Chunk estimated that the Lincoln and Omaha casinos might be operational by late 2021, and the South Sioux City casino operational sometime in 2022. Similar plans are under way at the Columbus, Hastings and Grand Island racetracks.

One important issue is how expeditiously the casino gaming commission and regulations are implemented. If they are implemented more quickly than the Medicaid expansion program was, the Ho Chunk estimates regarding when the Lincoln, Omaha and South Sioux City casinos begin operation should be pretty close. If not, those operational dates will be pushed back. In any regard, it likely will be 2023 at the earliest before property taxpayers see any significant new property tax relief funded by casino taxes.

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