

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT
LB878

Hearing Date: Tuesday January 30, 2024
Committee On: Education
Introducer: Holdcroft
One Liner: Change provisions regarding certain bond and related elections

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	7	Senators Albrecht, Conrad, Linehan, Meyer, Murman, Sanders, Wayne
Nay:	1	Senator Walz
Absent:		
Present Not Voting:		

Testimony:

Proponents:

Senator Rick Holdcroft
Nicole Fox

Representing:

Opening Presenter
Platte Institute

Opponents:

Kyle Fischer

Jack Moles

Representing:

Springfield Platteview Community Schools, Nebraska Association of School Boards
Nebraska Rural Community Schools Association, Nebraska Association of School Boards

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

Bill Summary:

For any joint entity formed on or after the effective date of this act, involving a Nebraska school district or an educational service unit, the issuance of bonds is contingent upon approval through an election conducted in conjunction with a statewide general election in even numbered years.

Section-by-Section Summary:



SECTION 1

Section 10-702, Reissue Revised Statutes of Nebraska, is amended to require the submission of the question of issuing school district bonds to a qualified electors' vote, with no issuance allowed until a majority votes in favor, and mandates that the election be conducted in compliance with specified procedures, including providing notice at least twenty days before the election through publication in newspapers of general circulation.

SECTION 2

This section establishes budget limitations for governmental units, restricting the total budgeted restricted funds to the last prior year's total plus allowable growth and the basic allowable growth percentage.

Subdivisions (b) and (c) provide exceptions for educational service units and counties for specific fiscal years, allowing them to exceed limitations under certain conditions, while subdivision (d) exempts regional metropolitan transit authorities from these limitations for the first five fiscal years following their conversion from a transit authority under the Transit Authority Law.

A governmental unit may exceed the limit in subsection (1)(a) by an additional one percent with the approval of at least seventy-five percent of the governing body.

For a governmental unit to exceed the applicable allowable growth percentage, a majority of legal voters must approve the increase in a special election, either upon the governing body's recommendation or through a petition signed by at least five percent of the legal voters, with the election conducted within thirty days, and for a school district, compliance with subsection (3) of section 32-559 is required.

Any governmental unit, for a one-year period, can exceed the allowable growth percentage with approval from a majority of legal voters at a meeting called after notice is published, requiring at least ten percent of registered voters as a quorum, and if a majority votes in favor, the record of the action is sent to the Auditor of Public Accounts along with budget documents, allowing approval at the same meeting as a vote to exceed limits or final levy allocation under section 77-3444.

SECTION 3

Any joint entity can issue bonds as deemed necessary by its governing body to fulfill its purposes, including reserves, interest payments during construction, and other related costs, with bonds issued for the Public Facilities Construction and Finance Act subject to a vote, and for joint entities involving Nebraska school districts or educational service units created after April 18, 2018, bonds can only be issued after a vote by the qualified electors of each involved district or unit in compliance with section 32-559(3).

SECTION 4

A joint public agency is restricted to exercising only those taxation powers granted by participating public agencies as specified in the agreement proposing its creation, excluding the ability to levy a local option sales tax, and may be granted the authority to levy a property tax rate, subject to an agreed-upon limit in the agreement, with the allocation of levy authority determined by the city or county as per section 77-3443.

If a participating public agency is a municipality, the agreement may permit the extension of any occupation or wheel tax over the joint public agency's area at a uniform rate to that of the city or village, intended to generate revenue for the services offered by the joint public agency, following the procedures required for enactment by the municipality, including any necessary public vote.

Before the issuance of bonds and the commitment of property tax levy authority to a joint public agency, an election must be conducted, either as a special election or in conjunction with a primary or general election, presenting the question of issuing bonds and levying taxes to registered voters of the participating public agency that allocated such property tax levy authority, with special provisions for school districts in compliance with section 32-559(3).

If a ballot question is required for multiple participating public agencies and there is overlapping jurisdiction, voters in the shared geographic area are entitled to only one vote on the ballot, and a joint public agency can issue refunding



bonds without an election if it does not increase principal or extend the final maturity date of the indebtedness.

SECTION 5

Any issue for a special election by a political subdivision must be certified by the clerk at least eight Fridays before, allowing for mail-in voting, or it can be submitted at a statewide or scheduled county election, with certification by March 1 or September 1, respectively; the election commissioner or county clerk handles all aspects of submission, including ballot preparation and counting, and certifies the results to the governing body of the political subdivision.

A political subdivision can cancel a special election if a resolution is received by the Secretary of State, election commissioner, or county clerk on or before the fourth Thursday before the election, with the cancellation incurring costs related to the preparation and conduct of the canceled election; for issues submitted at a statewide or county election, the political subdivision can withdraw the issue from the ballot by adopting a resolution and submitting it by March 1 for a statewide primary election or September 1 for a statewide general election.

For school district elections regarding bonds, property tax levies, or exceeding tax levy limitations, the election is typically held during the statewide general election, and the question is approved if the majority of votes cast are in favor, with registered voters entitled to vote. If the question is voted on in multiple counties, the election boards count and seal the ballots, and results are certified to the county with the most electors. In exceptional cases, such as emergencies, the question may be submitted at a special election with specific procedures outlined, including designation of polling places, appointment of election officials, and reimbursement of election expenses by the school district. The notice of the election, sample ballot publication, and early voting procedures are specified, and the ballots are counted by designated individuals with specific compensation requirements.

SECTION 6

Each political subdivision, including cities, villages, townships, school districts, and various districts and authorities, is responsible for covering the costs associated with nominating and electing its officers. If a special issue is placed on the ballot during the statewide primary or general election, the political subdivision must pay for the election costs. The charges for primary and general elections are determined based on total costs, precinct participation, and inked ballot inches, with a minimum charge of one hundred dollars per election for each political subdivision. Alternatively, public power districts may be charged a fee set by section 70-610, and school districts may be billed directly for the costs of special elections held under section 32-559.

SECTION 7

A political subdivision, including school districts, can exceed specified limits or levy allocations by gaining majority approval from registered voters in an election, with school district elections adhering to section 32-559(3). The approval, sought through a two-thirds majority resolution or petition, must precede October 10 of the fiscal year and carries a maximum five-year duration, and if granted, the county board sanctions the excess tax. Additionally, a political subdivision may secure excess levy authority for a year through a residents' meeting, adhering to notice requirements and a ten percent quorum, and can modify or rescind previously approved excess levy authority through a majority vote in a primary, general, or special election, subject to the same initiation methods and a five-year maximum duration. The definition of registered voters varies by political subdivision type, and specific procedures outlined in sections 31-735 to 31-735.06 apply to sanitary and improvement districts. For school districts, registered voters encompass those eligible to vote for school board members.

SECTION 8

A school district can surpass the budget authority for the general fund expenditures prescribed in section 79-1023 by an amount approved in an election held in compliance with subsection (3) of section 32-559, either upon the board's recommendation or upon receipt of a petition signed by at least five percent of the legal voters, with the recommendation or petition specifying the proposed increase in the general fund budget for the ensuing school year; this vote can coincide with a vote to exceed levy limits provided in section 77-3444.



SECTION 9

The school board in any Nebraska school district, either voluntarily or upon petition by at least one-fourth of the legal voters, can propose a special annual tax not exceeding 17.5 cents per \$100 of taxable property value for up to ten years to fund the construction, improvement, or equipment purchase for school buildings, and this proposition is subject to approval by a vote in an election held in compliance with subsection (3) of section 32-559, with a minimum requirement of 55% of legal voters attending the meeting.

SECTION 10

The school board or board of education in a public school district may engage in lease or lease-purchase agreements, limited to a maximum period of seven years (thirty years for agreements related to energy financing contracts), exclusively for its jurisdiction, with payments from current building funds or general funds, and any capital construction project exceeding \$25,000 in costs necessitating bonds must receive approval through an election held in compliance with subsection (3) of section 32-559; however, the section allows refinancing without a vote for the purpose of reducing finance costs.

Dave Murman, Chairperson

