

LEGISLATIVE BILL 492

Passed over the Governor's veto May 31, 2019.

Introduced by Wayne, 13; Hunt, 8.

A BILL FOR AN ACT relating to municipalities; to amend sections 13-1213, 13-2202, 13-2401, 14-1803, 14-1812, 32-567, 32-604, 32-1203, 75-303, 77-3442, and 77-3443, Reissue Revised Statutes of Nebraska, and sections 13-503, 13-519, 13-1205, 13-1209, 32-101, 60-6,290, 84-304, and 84-304.02, Revised Statutes Cumulative Supplement, 2018; to adopt the Regional Metropolitan Transit Authority Act; to provide a budget limitation exception as prescribed; to change provisions relating to creation of a metropolitan transit authority; to provide a maximum property tax levy for a regional metropolitan transit authority; to provide for election of the board of directors of an authority; to harmonize provisions; to provide a duty for the Revisor of Statutes; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 25 of this act shall be known and may be cited as the Regional Metropolitan Transit Authority Act.

Sec. 2. The Legislature finds and declares that:

(1) Passenger, truck, and pedestrian traffic on streets located in municipalities within metropolitan statistical areas or combined statistical areas have been and continue to be severely congested by the number of motor vehicles operating within such municipalities;

(2) Such existing traffic congestion has created a dangerous hazard to the lives and property of pedestrians and those traveling in private and public vehicles and obstructs the administration of firefighting forces and police protection forces in such municipalities;

(3) The availability of public transportation within such municipalities plays an increasing role in the recruitment and retention of both businesses and employees within such municipalities;

(4) Public transportation fosters economic development, real estate investment, and local job creation, and investment in new public transportation projects provides both short-term and long-term impacts on economic growth;

(5) Interconnectivity of public transportation systems across multiple municipalities within the same metropolitan statistical area or combined statistical area can play a critical role in fostering economic growth, avoiding duplication of service, ensuring equitable access to transportation service throughout contiguous urbanized areas, and supporting transportation that crosses jurisdictional boundaries; and

(6) Relieving congestion on the streets of such municipalities and providing for the establishment of comprehensive regional public transportation systems in such municipalities is a matter of public interest and statewide concern.

Sec. 3. For purposes of the Regional Metropolitan Transit Authority Act:

(1) Board means the board of directors of any regional metropolitan transit authority established under the Regional Metropolitan Transit Authority Act;

(2) Combined statistical area means two or more adjacent metropolitan statistical areas or micropolitan statistical areas delineated by the United States Office of Management and Budget as a combined statistical area under standards developed using data from the 2010 Census of Population by the United States Bureau of the Census, and data from the 2006-2010 American Community Survey 5-Year Estimate by the United States Bureau of the Census, as such delineations existed on April 10, 2018;

(3) Governing body means the city council of a city or the village board of trustees of a village;

(4) Metropolitan statistical area means a core-based statistical area delineated by the United States Office of Management and Budget as a metropolitan statistical area under standards developed using data from the 2010 Census of Population by the United States Bureau of the Census, and data from the 2006-2010 American Community Survey 5-Year Estimate by the United States Bureau of the Census, as such delineations existed on April 10, 2018;

(5) Micropolitan statistical area means a core-based statistical area delineated by the United States Office of Management and Budget as a micropolitan statistical area under standards developed using data from the 2010 Census of Population by the United States Bureau of the Census, and data from the 2006-2010 American Community Survey 5-Year Estimate by the United States Bureau of the Census, as such delineations existed on April 10, 2018;

(6) Municipality means any city or village in the State of Nebraska;

(7) Revenue bonds means revenue bonds issued by a regional metropolitan transit authority established under the Regional Metropolitan Transit Authority Act; and

(8) Territory means the operating jurisdiction of a regional metropolitan transit authority as established pursuant to section 4 of this act.

Sec. 4. (1) A transit authority established under the Transit Authority Law which serves one or more municipalities located within the same

metropolitan statistical area or combined statistical area may convert into a regional metropolitan transit authority upon a two-thirds vote of the board of directors of such transit authority. As of the effective date of such conversion, to be specified at the time of such vote, such transit authority shall remain a body corporate and politic and a governmental subdivision of the State of Nebraska, but thereafter shall be known as the Regional Metropolitan Transit Authority of (filling out the blank with the name of the municipality that established the transit authority under the Transit Authority Law or of the municipality, municipalities, region, metropolitan statistical area, or combined statistical area comprising the regional metropolitan transit authority). In addition to the powers and authority granted under the Transit Authority Law, such regional metropolitan transit authority shall have and possess all of the powers and authority of, together with the duties and responsibilities of, a regional metropolitan transit authority pursuant to the Regional Metropolitan Transit Authority Act. The operating jurisdiction of such regional metropolitan transit authority shall be deemed to extend to all areas within the boundaries of the municipality that established the transit authority under the Transit Authority Law, as may thereafter be expanded.

(2)(a) At any time after a transit authority established under the Transit Authority Law has converted into a regional metropolitan transit authority, any municipality that is within the same metropolitan statistical area or combined statistical area as such regional metropolitan transit authority may decide, by a two-thirds vote of its governing body, to request to join such regional metropolitan transit authority. Upon approval of such request by a two-thirds vote of the board of directors of such regional metropolitan transit authority, the operating jurisdiction of such regional metropolitan transit authority shall be deemed to extend to all areas within the boundaries of such municipality, as may thereafter be expanded.

(b) At any time after a municipality has joined a regional metropolitan transit authority pursuant to subdivision (2)(a) of this section, such municipality may decide, by a two-thirds vote of its governing body, to leave such regional metropolitan transit authority. Following such vote, the governing body shall transmit a copy of the resolution to leave the regional metropolitan transit authority to the board of such regional metropolitan transit authority. As provided in subsection (2) of section 8 of this act, the operating jurisdiction of such regional metropolitan transit authority shall no longer extend to areas within the boundaries of such municipality.

(3) Any regional metropolitan transit authority established pursuant to this section shall have full and exclusive jurisdiction and control over all public passenger transportation facilities and systems that are owned, controlled, operated, or acquired by such regional metropolitan transit authority or that are located in any municipality in which such authority shall be deemed to have operating jurisdiction pursuant to this section, excluding taxicabs, transportation network companies, and interstate railroad systems, with the right and duty to charge and collect revenue for the operation and maintenance of such systems and for the benefit of the holders of any of its revenue bonds or other liabilities.

Sec. 5. (1) Nothing in the Regional Metropolitan Transit Authority Act shall be construed to prohibit any municipality from contracting directly for passenger transportation services with a transit authority established under the Transit Authority Law or with any regional metropolitan transit authority, other than a municipality in which the operating jurisdiction of a regional metropolitan transit authority has been extended pursuant to section 4 of this act.

(2) No more than one regional metropolitan transit authority shall be created within a single metropolitan statistical area or combined statistical area.

Sec. 6. For purposes of calculating allowable growth under the Nebraska Budget Act, the following shall be treated as an annexation of territory by a regional metropolitan transit authority:

(1) If the municipality that established the transit authority prior to the conversion of such authority into a regional metropolitan transit authority annexes additional territory after such conversion; or

(2) If any other municipality which joined such regional metropolitan transit authority pursuant to subsection (2) of section 4 of this act annexes additional territory after joining such regional metropolitan transit authority.

Sec. 7. (1) The governing body of a regional metropolitan transit authority shall be a board to be known as the Regional Metropolitan Transit Board of (filling out the blank to coincide with the name of such regional metropolitan transit authority).

(2) As of the effective date of the conversion of a transit authority established under the Transit Authority Law into a regional metropolitan transit authority under section 4 of this act, the board of the existing transit authority shall serve as the temporary board to govern the regional metropolitan transit authority until a board is elected pursuant to section 8 of this act.

(3) Any vacancy on the temporary board of a regional metropolitan transit authority shall be filled by appointment by the mayor of the city that appointed the members of such temporary board, with the approval of the governing bodies of such municipalities, to serve the unexpired portion of the temporary board member's term.

Sec. 8. (1) Following the effective date of a conversion of a transit

authority established under the Transit Authority Law into a regional metropolitan transit authority, the election commissioner or county clerk of the county in which the majority of the territory of the authority is located shall divide the territory of the authority into seven numbered districts for the purpose of electing members to the board. Such districts shall be compact and contiguous and substantially equal in population. The newly established districts shall be certified to the Secretary of State following such creation. The newly established districts shall apply beginning with the nomination and election of board members at the next statewide primary and general elections held at least seventy days after the effective date of such conversion. Following the drawing of initial districts pursuant to this section, additional redistricting shall be undertaken by the board according to section 32-553. One member shall be elected from each district as provided in section 36 of this act.

(2) Upon the joining of a municipality or municipalities to an existing regional metropolitan transit authority by agreement pursuant to subdivision (2)(a) of section 4 of this act, or upon a municipality leaving such regional metropolitan transit authority by vote pursuant to subdivision (2)(b) of section 4 of this act, the board shall redraw the boundaries of the districts to ensure that such districts remain compact and contiguous and substantially equal in population. The redrawn districts shall be certified to the Secretary of State within six months following the joining or leaving of such municipality or municipalities and shall apply beginning with the nomination and election of board members at the next statewide primary and general elections held at least seventy days after the certification of the districts.

(3) A vacancy in office for an elected member of the board shall occur as set forth in section 32-560. Whenever any such vacancy occurs, the remaining members of the board shall appoint an individual residing within the geographical boundaries of the district in which the vacancy occurred for the balance of the unexpired term.

Sec. 9. Each member of the board, before entering upon the duties of office, shall file with the city clerk or village clerk of the municipality in which he or she resides an oath that he or she will duly and faithfully perform all the duties of the office to the best of his or her ability and a bond in the penal sum of five thousand dollars executed by one or more qualified sureties for the faithful performance of his or her duties. If any member fails to file such oath and bond on or before the first day of the term for which he or she was appointed or elected, his or her office shall be deemed to be vacant.

Sec. 10. (1) Not later than seven days after the qualification of the members, the board shall organize for the transaction of business, shall select a chairperson and vice-chairperson from among its members, and shall adopt bylaws, rules, and regulations to govern its proceedings. The chairperson and vice-chairperson and their successors shall be elected annually by the board and shall serve for a term of one year. Any vacancy in the office of chairperson or vice-chairperson shall be filled by election by the board for the remainder of the term.

(2) A quorum for the transaction of business shall consist of four members of the board, unless such board is a temporary board under section 7 of this act, in which case a quorum shall consist of three members of the board.

(3) Regular meetings of the board shall be held at least once in each calendar month at a time and place to be fixed by the board.

(4) All actions of the board shall be by resolution except as may otherwise be provided in the Regional Metropolitan Transit Authority Act, and the affirmative vote of a majority of the board members shall be necessary for the adoption of any resolution.

(5) The board shall keep accurate minutes of all its proceedings. All resolutions and all proceedings of a regional metropolitan transit authority and all official documents and records of such authority shall be public records and open to public inspection, except for such documents which may be withheld from the public pursuant to section 84-712.05.

Sec. 11. No member of the board and no officer or employee of a regional metropolitan transit authority shall have any private financial interest, profit, or benefit in any contract, work, or business of such authority or in the sale or lease of any property to or from such authority.

Sec. 12. For purposes of the Regional Metropolitan Transit Authority Act, a regional metropolitan transit authority shall possess all of the necessary powers of a public body corporate and politic and governmental subdivision of the State of Nebraska, including, but not limited to:

(1) To maintain a principal office and, if necessary, satellite offices in the municipality or municipalities which form the authority;

(2) To adopt an official seal;

(3) To employ a general manager, engineers, accountants, attorneys, financial experts, and such other employees and agents as may be necessary and to fix the compensation of such employees and agents;

(4) To adopt, amend, and repeal bylaws, rules, and regulations for the regulation of its affairs and for the conduct of its business;

(5) To acquire, lease, own, maintain, and operate for public service a public transit system, excluding taxicabs, transportation network companies, and interstate railroad systems, within any municipality in which such authority (a) is deemed to have operating jurisdiction pursuant to section 4 of this act or (b) is permitted to provide service under the Regional Metropolitan Transit Authority Act;

(6) To sue and be sued in its own name, but execution shall not, in any case, issue against any of its property, except that the lessor, vendor, or trustee under any agreement, lease, conditional sales contract, conditional lease contract, or equipment trust certificate, as provided for in subdivision (15) of this section, may repossess the equipment described therein upon default;

(7) To acquire, lease, and hold such real or personal property wherever located and any rights, interests, or easements therein as may be necessary or convenient for the purpose of the authority, including, but not limited to, the acquisition, leasing, and holding of any real property along a planned future public transit route, and to sell, assign, and convey such property;

(8) To make and enter into any and all contracts and agreements with (a) any individual, (b) any public or private corporation or agency of the State of Nebraska, (c) any public or private corporation or agency of any state of the United States that is adjacent to any municipality or municipalities (i) which form the authority in which such authority has operating jurisdiction pursuant to section 4 of this act or (ii) in which such authority may otherwise be operating or providing service, and (d) the United States Government, as may be necessary or incidental to the performance of the duties of the authority and the execution of its powers under the Regional Metropolitan Transit Authority Act and to enter into agreements under the Interlocal Cooperation Act or the Joint Public Agency Act;

(9) To contract with an operating and management company for the purpose of operating, servicing, and maintaining any public transit system of the authority;

(10) To borrow money and issue and sell negotiable revenue bonds, notes, or other evidence of indebtedness, to provide for the rights of the holders thereof, and to pledge all or any part of the income of the authority received under the Regional Metropolitan Transit Authority Act to secure the payment thereof;

(11) To receive and accept from the United States Government or any agency thereof, from the State of Nebraska or any subdivision thereof, and from any person or corporation, donations or loans or grants for or in aid of the acquisition or operation of public transit facilities, and to administer, hold, use, and apply the same for the purposes for which such grants or donations may have been made;

(12) To exercise the right of eminent domain under and pursuant to the laws of the State of Nebraska to acquire private property, including any existing private passenger transportation system, but excluding any taxicabs, transportation network companies, railroads, and air passenger transportation systems, which is necessary for the public transit purposes of the authority, including the right to acquire rights and easements across, under, or over the rights-of-way of any railroad. Exercise of the right of eminent domain shall be pursuant to sections 76-704 to 76-724;

(13) To use for transportation of passengers and services or improvements related to such transportation, any public road, public street, or other public way in any municipality in which such authority is (a) deemed to have operating jurisdiction pursuant to section 4 of this act or (b) permitted to provide service under the Regional Metropolitan Transit Authority Act, subject in all cases to the continuing rights of the public to the use thereof;

(14) To purchase and dispose of equipment and to execute any agreement, lease, conditional sales contract, conditional lease contract, or equipment trust note or certificate to effect such purpose;

(15) To pay for any equipment and rentals in installments and to give evidence by equipment trust notes or certificates of any deferred installments. Title to such equipment need not vest in the authority until the equipment trust notes or certificates are paid;

(16) To levy an annual property tax pursuant to section 22 of this act for the fiscal year commencing on the following January 1, not to exceed in any one year ten cents on each one hundred dollars on the taxable value of the taxable property that at the time of the levy is located in, or during the ensuing fiscal year will be located in, any municipality in which such authority is deemed to have operating jurisdiction pursuant to section 4 of this act;

(17) To apply for and accept grants and loans from the United States Government, or any agency or instrumentality thereof, to be used for any of the authorized purposes of the authority, and to enter into any agreement with the United States Government, or any agency or instrumentality thereof, in relation to such grants or loans, subject to the Regional Metropolitan Transit Authority Act;

(18) To determine routes of any public transit system of the authority and to change such routes subject to the Regional Metropolitan Transit Authority Act;

(19) To fix rates, fares, and charges for any public transit system and related facilities of the authority;

(20) To provide free transportation for firefighters and police officers in uniform in the municipality or municipalities served by the authority in which they are employed or upon presentation of proper firefighter or police officer identification and for employees of such authority when in uniform;

(21) To enter into agreements with the United States Postal Service or its successors for the transportation of mail and letter carriers and the payment therefor;

(22) To exercise all powers usually granted to corporations, public and private, necessary or convenient to carry out the powers granted by the

Regional Metropolitan Transit Authority Act; and

(23) To establish pension and retirement plans for officers and employees and to adopt any existing pension and retirement plans and any existing pension and retirement contracts for officers and employees of any passenger transportation system purchased or otherwise acquired pursuant to the Regional Metropolitan Transit Authority Act.

Sec. 13. The revenue derived from rates, fares, and charges fixed under subdivision (19) of section 12 of this act, from property taxes levied pursuant to section 22 of this act, from any grants or loans received under subdivision (17) of section 12 of this act, and from any donations or other funds received from other sources shall at all times be sufficient in the aggregate to provide for the payment of (1) all operating costs of the regional metropolitan transit authority, (2) interest on the principal of all revenue bonds, revenue certificates, equipment trust notes or certificates, and other obligations of the authority, and all other charges upon such revenue as may be provided by any trust agreement executed by such authority in connection with the issuance of revenue bonds or certificates under the Regional Metropolitan Transit Authority Act, and (3) any other costs and charges, acquisitions, installations, replacements, or reconstruction of equipment, structures, or rights-of-way not financed through the issuance of revenue bonds or certificates.

Sec. 14. (1) Beginning on the first December 31 following the date of the conversion of a transit authority established under the Transit Authority Law into a regional metropolitan transit authority, and each December 31 thereafter, for a retirement plan established pursuant to subdivision (23) of section 12 of this act or pursuant to subdivision (24) of section 14-1805 by any regional metropolitan transit authority which is a defined benefit plan, the chairperson of the board or his or her designee shall prepare and electronically file an annual report with the Auditor of Public Accounts and the Nebraska Retirement Systems Committee of the Legislature. The report shall be on a form prescribed by the Auditor of Public Accounts and shall include, but not be limited to, the following information:

(a) The levels of benefits of participants in the plan, the number of members who are eligible for a benefit, the total present value of such members' benefits, and the funding sources which will pay for such benefits; and

(b) A copy of a full actuarial analysis of each such defined benefit plan. The analysis shall be prepared by an independent private organization or public entity employing actuaries who are members in good standing of the American Academy of Actuaries, and which organization or entity has demonstrated expertise to perform this type of analysis and is unrelated to any organization which offers investment advice or provides investment management services to the retirement plan.

(2) The Auditor of Public Accounts may prepare a review of such report pursuant to section 84-304.02 but is not required to do so. If the authority does not submit a copy of the report to the Auditor of Public Accounts within six months after the end of the plan year, the Auditor of Public Accounts may audit, or cause to be audited, the authority. All costs of the audit shall be paid by the authority.

Sec. 15. (1) A regional metropolitan transit authority shall have the continuing power to borrow money for the purpose of acquiring any transportation system and necessary cash or working funds, for reconstructing, extending, or improving any public transit system of the authority or any part thereof, and for acquiring any property and equipment useful for the reconstruction, extension, improvement, and operation of any public transit system of the authority or any part thereof.

(2) For purposes of evidencing the obligation of the authority to repay any money borrowed under this section, the authority may, pursuant to resolution adopted by the board from time to time, issue and dispose of its interest-bearing revenue bonds or certificates. The authority may also from time to time issue and dispose of its interest-bearing revenue bonds or certificates to refund any revenue bonds or certificates at maturity, or pursuant to redemption provisions, or at any time before maturity with the consent of the holders thereof.

(3) All such revenue bonds and certificates shall be payable solely from the revenue or income to be derived from the public transit system and related facilities, including, but not limited to, the revenue derived from rates, fares, and charges fixed under subdivision (19) of section 12 of this act, from property taxes levied pursuant to section 22 of this act, from any grants or loans received under subdivision (17) of section 12 of this act, and from any donations or other funds received from other sources. Such revenue bonds and certificates may bear such date or dates, may mature at such time or times as may be fixed by the board, may bear interest at such rate or rates as may be fixed by the board, payable semiannually, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms with or without premium as is stated on the face thereof, may be authenticated in such manner, and may contain such terms and covenants as may be provided in such resolution. Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that they are nonnegotiable, all such revenue bonds and certificates shall be negotiable instruments.

(4) Pending the preparation and execution of any such revenue bonds or

certificates, temporary bonds or certificates may be issued with or without interest coupons as may be provided by resolution of the board. To secure the payment of any or all of such temporary bonds or certificates, and for the purpose of setting forth the covenants and undertakings of the authority in connection with the issuance thereof and the issuance of any additional temporary bonds or certificates, as well as the use and application of the revenue or income to be derived from the public transit system, from property taxes levied, and from any grants or loans, as provided in the Regional Metropolitan Transit Authority Act, the authority may execute and deliver a trust agreement or agreements. No lien upon any physical property of the authority shall be created by such trust agreement or agreements. A remedy for any breach or default of the terms of any such trust agreement by the authority may be by mandamus or other appropriate proceedings in any court of competent jurisdiction to compel performance and compliance therewith. The trust agreement may prescribe by whom or on whose behalf such action may be instituted.

Sec. 16. Under no circumstances shall any revenue bonds or certificates issued by a regional metropolitan transit authority or any other obligation of such authority be or become an indebtedness or obligation of the State of Nebraska, or of any other political subdivision or body corporate and politic or of any municipality within the state, nor shall any such revenue bond, certificate, or obligation be or become an indebtedness of the authority within the purview of any constitutional limitation or provision, and it shall be plainly stated on the face of each revenue bond and certificate that it does not constitute such an indebtedness or obligation but is payable solely from revenue and income and other sources of revenue of such authority as provided in subsection (3) of section 15 of this act.

Sec. 17. Before any revenue bonds or certificates, excepting refunding bonds or certificates, are sold pursuant to section 15 of this act, the entire authorized issue, or any part thereof, shall be offered for sale as a unit after advertising for bids at least three times in a legal newspaper in or of general circulation in the municipality or municipalities served by the regional metropolitan transit authority, the last publication to be at least ten days before bids are required to be filed. Copies of such advertisement may also be published in any newspaper or financial publication in the United States. All bids shall be sealed, filed, and opened as provided by resolution adopted by the board, and the revenue bonds or certificates shall be awarded to the highest and best bidder or bidders therefor. The authority shall have the right to reject all bids and readvertise for bids in the manner provided for in the initial advertisement. If no bids are received, such revenue bonds or certificates may be sold at the best possible price according to the discretion of the board, without further advertising, and within thirty days after the bids are required to be filed pursuant to any advertisement.

Sec. 18. (1) Revenue bonds issued by a regional metropolitan transit authority under the Regional Metropolitan Transit Authority Act are hereby made securities in which (a) the state and all its political subdivisions and their officers, boards, commissions, departments, or other agencies, (b) all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies, insurance associations, and other persons carrying on an insurance business, (c) all administrators, executors, guardians, trustees, and other fiduciaries, and (d) all other persons whatsoever who now are or may hereafter be authorized to invest in bonds or other obligation of the state, may properly and legally invest any funds, including capital belonging to them or within their control.

(2) Such revenue bonds or other securities or obligations are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency of the state for any purpose for which the deposit of bonds or other obligations of the state is authorized by law.

Sec. 19. All property of a regional metropolitan transit authority created pursuant to the Regional Metropolitan Transit Authority Act, all such authority's revenue, income, and operations, and all such authority's revenue bonds and equipment trust notes or certificates shall be exempt from any and all forms of assessment and taxation by the state or any political subdivision thereof.

Sec. 20. (1) A regional metropolitan transit authority may purchase equipment, may execute agreements, leases, conditional sales contracts, conditional lease contracts, and equipment trust notes or certificates in the form customarily used in such cases appropriate to effect such purchase, and may dispose of such equipment trust notes or certificates. All money required to be paid by the authority under such agreements, leases, and equipment trust notes or certificates shall be payable solely from the revenue or income to be derived from the public transit system and related facilities of the authority, including, without limitation, the revenue derived from rates, fares, and charges fixed under subdivision (19) of section 12 of this act, from property taxes levied pursuant to section 22 of this act, from any grants or loans received under subdivision (17) of section 12 of this act, and from any donations or other funds received from other sources. Payment for such equipment, or rentals therefor, may be made in installments, and the deferred installments may be evidenced by equipment trust notes or certificates payable solely from such sources of income, and title to such equipment need not vest in the authority until the equipment trust notes or certificates are paid, but when payment is accomplished the equipment title shall vest in the authority.

(2) Any such agreement to purchase equipment may direct the vendor to sell

and assign the equipment to a bank or trust company, duly authorized to transact business in the State of Nebraska, as trustee, for the benefit and security of the equipment trust notes or certificates, may direct the trustee to deliver the equipment to one or more designated officers of the authority, and may authorize the trustee simultaneously therewith to execute and deliver a lease of the equipment to the authority.

(3) Any such agreements, leases, contracts, or equipment trust notes or certificates shall be duly acknowledged before some person authorized by law to take acknowledgments of deeds, and in the form required for acknowledgment of deeds, and such agreements, leases, contracts, and equipment trust notes or certificates shall be authorized by resolution of the board and shall contain such covenants, conditions, and provisions as may be deemed necessary or appropriate to insure the payment of the equipment trust notes or certificates from the revenue and income of the authority.

(4) The covenants, conditions, and provisions of such agreements, leases, contracts, and equipment trust notes or certificates shall not conflict with any of the provisions of any trust agreement securing the payment of revenue bonds or certificates of the authority.

Sec. 21. (1) At least thirty days prior to the beginning of the first full fiscal year following the effective date of the conversion of a transit authority established under the Transit Authority Law into a regional metropolitan transit authority, the board shall establish a fiscal operating year, and annually thereafter the board shall cause to be prepared a tentative budget which shall include all operation and maintenance expenses for the ensuing fiscal year. The tentative budget shall be considered by the board and, subject to any revision and amendments adopted by the board, shall be adopted prior to the first day of the ensuing fiscal year as the budget for that year. No expenditure for operations and maintenance in excess of the budget shall be made during any fiscal year except by a two-thirds vote of the board. It shall not be necessary to include in the annual budget any statement of interest or principal payments on revenue bonds or certificates or for capital outlays, but the board shall make provision for payment of the same from appropriate funds.

(2) As soon after the end of each fiscal year as practicable, the board shall cause to be prepared and printed a complete and detailed report and financial statement of its operations and of its assets and liabilities. A reasonably sufficient number of copies of such report shall be printed for distribution to persons interested upon request, and a copy shall be mailed to the mayor of the city or chairperson of the village board of trustees and the governing body of the municipality or municipalities that form the authority.

Sec. 22. (1) To assist in defraying the expenses of a regional metropolitan transit authority, and to such extent as in its discretion and judgment may be necessary, the board shall annually certify a tax levy for the fiscal year commencing on the following January 1. Such levy shall not exceed in any one year ten cents on each one hundred dollars on the taxable value of the taxable property that at the time of the levy is located in or during the ensuing fiscal year will be located in any municipality in which such authority shall be deemed to have operating jurisdiction pursuant to section 4 of this act.

(2) The board shall by resolution, on or before September 20 of each year, certify such tax levy to the county assessor of the county or counties in which the authority operates. If in any year the full amount so certified and collected is not needed for the current purposes of such authority, the balance shall be credited to the operating fund of such authority and, as the board in its discretion deems convenient, to other reserve funds of such authority.

Sec. 23. The board shall adopt rules and regulations governing the operation of any public transit system of the regional metropolitan transit authority and shall determine all routes of such system. The board shall, subject to subdivision (19) of section 12 of this act, fix all rates, fares, and charges for transportation on such system.

Sec. 24. (1) The board shall, as promptly as possible, rehabilitate, reconstruct, and modernize all portions of any transportation system acquired by the regional metropolitan transit authority, maintain at all times an adequate and modern public transit system suitable and adapted to the needs of the municipality or municipalities that form such authority, and provide for safe, comfortable, convenient, and expeditious transit service.

(2) To ensure a modern, attractive public transit system, the board may establish a depreciation policy which makes provision for the continuous and prompt replacement of worn out and obsolete property. The board may make provision for such depreciation of property as is not offset by current expenditures for maintenance, repairs, and replacements under such rules and regulations as may be prescribed by the board.

Sec. 25. (1) The board may negotiate and enter into written contracts with the employees of a regional metropolitan transit authority through accredited representatives of such employees or representatives of any labor organization authorized to act for such employees concerning wages, salaries, hours, and general working conditions. All employees of all classes serving any passenger transportation company at the time of its acquisition by such authority shall continue in their respective positions and at their respective compensation for three months after any such acquisition. Thereafter, the board shall exercise its discretion as to retention of and compensation of all classes, except that the terms and conditions of any existing collective-bargaining agreement between any passenger transportation company acquired by such authority and its employees shall be recognized and accepted by the board.

(2) Nothing contained in this section shall be construed to amend, alter, modify, or affect in any way whatsoever the provisions of any collective-bargaining agreement or the employment relationship between the authority and any of its officers or other employees, whether or not such employees are members of a collective-bargaining unit, including, but not limited to, the terms of any deferred compensation, pension, or retirement plans.

Sec. 26. Section 13-503, Revised Statutes Cumulative Supplement, 2018, is amended to read:

13-503 For purposes of the Nebraska Budget Act, unless the context otherwise requires:

(1) Governing body means the governing body of any county agricultural society, elected county fair board, joint airport authority formed under the Joint Airport Authorities Act, city or county airport authority, bridge commission created pursuant to section 39-868, cemetery district, city, village, municipal county, community college, community redevelopment authority, county, drainage or levee district, educational service unit, rural or suburban fire protection district, historical society, hospital district, irrigation district, learning community, natural resources district, nonprofit county historical association or society for which a tax is levied under subsection (1) of section 23-355.01, public building commission, railroad transportation safety district, reclamation district, road improvement district, rural water district, school district, sanitary and improvement district, township, offstreet parking district, transit authority, regional metropolitan transit authority, metropolitan utilities district, Educational Service Unit Coordinating Council, and political subdivision with the authority to have a property tax request, with the authority to levy a toll, or that receives state aid;

(2) Levying board means any governing body which has the power or duty to levy a tax;

(3) Fiscal year means the twelve-month period used by each governing body in determining and carrying on its financial and taxing affairs;

(4) Tax means any general or special tax levied against persons, property, or business for public purposes as provided by law but shall not include any special assessment;

(5) Auditor means the Auditor of Public Accounts;

(6) Cash reserve means funds required for the period before revenue would become available for expenditure but shall not include funds held in any special reserve fund;

(7) Public funds means all money, including nontax money, used in the operation and functions of governing bodies. For purposes of a county, city, or village which has a lottery established under the Nebraska County and City Lottery Act, only those net proceeds which are actually received by the county, city, or village from a licensed lottery operator shall be considered public funds, and public funds shall not include amounts awarded as prizes;

(8) Adopted budget statement means a proposed budget statement which has been adopted or amended and adopted as provided in section 13-506. Such term shall include additions, if any, to an adopted budget statement made by a revised budget which has been adopted as provided in section 13-511;

(9) Special reserve fund means any special fund set aside by the governing body for a particular purpose and not available for expenditure for any other purpose. Funds created for (a) the retirement of bonded indebtedness, (b) the funding of employee pension plans, (c) the purposes of the Political Subdivisions Self-Funding Benefits Act, (d) the purposes of the Local Option Municipal Economic Development Act, (e) voter-approved sinking funds, or (f) statutorily authorized sinking funds shall be considered special reserve funds;

(10) Biennial period means the two fiscal years comprising a biennium commencing in odd-numbered or even-numbered years used by a city, village, or natural resources district in determining and carrying on its financial and taxing affairs; and

(11) Biennial budget means (a) a budget by a city of the primary or metropolitan class that adopts a charter provision providing for a biennial period to determine and carry on the city's financial and taxing affairs, (b) a budget by a city of the first or second class or village that provides for a biennial period to determine and carry on the city's or village's financial and taxing affairs, or (c) a budget by a natural resources district that provides for a biennial period to determine and carry on the natural resources district's financial and taxing affairs.

Sec. 27. Section 13-519, Revised Statutes Cumulative Supplement, 2018, is amended to read:

13-519 (1)(a) Subject to subdivisions (1)(b) and (c) of this section, for all fiscal years beginning on or after July 1, 1998, no governmental unit shall adopt a budget containing a total of budgeted restricted funds more than the last prior year's total of budgeted restricted funds plus allowable growth plus the basic allowable growth percentage of the base limitation established under section 77-3446. For the second fiscal year in which a county will receive a full year of receipts from the tax imposed in sections 77-27,223 to 77-27,227, the prior year's total of restricted funds shall be the prior year's total of restricted funds plus the total receipts from the tax imposed in sections 77-27,223 to 77-27,227 in the prior year. If a governmental unit transfers the financial responsibility of providing a service financed in whole or in part with restricted funds to another governmental unit or the state, the amount of restricted funds associated with providing the service shall be subtracted from the last prior year's total of budgeted restricted funds for the previous

provider and may be added to the last prior year's total of restricted funds for the new provider. For governmental units that have consolidated, the calculations made under this section for consolidating units shall be made based on the combined total of restricted funds, population, or full-time equivalent students of each governmental unit.

(b) For all fiscal years beginning on or after July 1, 2008, educational service units may exceed the limitations of subdivision (1)(a) of this section to the extent that one hundred ten percent of the needs for the educational service unit calculated pursuant to section 79-1241.03 exceeds the budgeted restricted funds allowed pursuant to subdivision (1)(a) of this section.

(c) For fiscal year 2017-18, the last prior year's total of restricted funds for counties shall be the last prior year's total of restricted funds less the last prior year's restricted funds budgeted by counties under sections 39-2501 to 39-2520, plus the last prior year's amount of restricted funds budgeted by counties under sections 39-2501 to 39-2520 to be used for capital improvements.

(d) The limitations of subdivision (1)(a) of this section shall not apply to the budget or budget statement adopted by a regional metropolitan transit authority for the first five fiscal years commencing on the January 1 that follows the effective date of the conversion of the transit authority established under the Transit Authority Law into a regional metropolitan transit authority.

(2) A governmental unit may exceed the limit provided in subdivision (1) (a) of this section for a fiscal year by up to an additional one percent upon the affirmative vote of at least seventy-five percent of the governing body.

(3) A governmental unit may exceed the applicable allowable growth percentage otherwise prescribed in this section by an amount approved by a majority of legal voters voting on the issue at a special election called for such purpose upon the recommendation of the governing body or upon the receipt by the county clerk or election commissioner of a petition requesting an election signed by at least five percent of the legal voters of the governmental unit. The recommendation of the governing body or the petition of the legal voters shall include the amount and percentage by which the governing body would increase its budgeted restricted funds for the ensuing year over and above the current year's budgeted restricted funds. The county clerk or election commissioner shall call for a special election on the issue within thirty days after the receipt of such governing body recommendation or legal voter petition. The election shall be held pursuant to the Election Act, and all costs shall be paid by the governing body. The issue may be approved on the same question as a vote to exceed the levy limits provided in section 77-3444.

(4) In lieu of the election procedures in subsection (3) of this section, any governmental unit may exceed the allowable growth percentage otherwise prescribed in this section by an amount approved by a majority of legal voters voting at a meeting of the residents of the governmental unit, called after notice is published in a newspaper of general circulation in the governmental unit at least twenty days prior to the meeting. At least ten percent of the registered voters residing in the governmental unit shall constitute a quorum for purposes of taking action to exceed the allowable growth percentage. If a majority of the registered voters present at the meeting vote in favor of exceeding the allowable growth percentage, a copy of the record of that action shall be forwarded to the Auditor of Public Accounts along with the budget documents. The issue to exceed the allowable growth percentage may be approved at the same meeting as a vote to exceed the limits or final levy allocation provided in section 77-3444.

Sec. 28. Section 13-1205, Revised Statutes Cumulative Supplement, 2018, is amended to read:

13-1205 The department shall have the following powers, duties, and responsibilities:

(1) To collect and maintain data on the level of public transportation services and needs in the state and identify areas not being adequately served by existing public or private transportation services;

(2) To assess the regional and statewide effect of changes, improvement, and route abandonments in the state's public transportation system;

(3) To develop a six-year statewide transit plan and programs for public transportation in coordination with local plans and programs developed by municipalities, counties, ~~and~~ transit authorities, and regional metropolitan transit authorities;

(4) To provide planning and technical assistance to agencies of the state, political subdivisions, or groups seeking to improve public transportation;

(5) To advise, consult, and cooperate with agencies of the state, the federal government, and other states, interstate agencies, political subdivisions, and groups concerned with public transportation;

(6) To cooperate with the Public Service Commission by providing periodic assessments to the commission when determining the effect of proposed regulatory decisions on public transportation;

(7) To administer federal and state programs providing financial assistance to public transportation, except those federal and state programs in which a municipality, county, transit authority, regional metropolitan transit authority, or other state agency is designated as the administrator; and

(8) To exercise all other powers necessary and proper for the discharge of its duties, including the adoption and promulgation of reasonable rules and regulations to carry out the Nebraska Public Transportation Act act.

Sec. 29. Section 13-1209, Revised Statutes Cumulative Supplement, 2018, is

amended to read:

13-1209 (1) A public transportation assistance program is hereby established to provide state assistance for the capital acquisition and operating costs of public transportation systems.

(2) Any municipality, county, transit authority, regional metropolitan transit authority, or qualified public-purpose organization shall be eligible to receive financial assistance for the eligible capital acquisition and operating costs of a public transportation system, whether the applicant directly operates such system or contracts for its operation. A qualified public-purpose organization shall not be eligible for financial assistance under the Nebraska Public Transportation Act if such organization is currently receiving state funds for a program which includes transportation services and such funding and services would be duplicated by the act. Eligible operating costs include those expenses incurred in the operation of a public transportation system which exceed the amount of operating revenue and which are not otherwise eligible for reimbursement from any available federal programs other than those administered by the United States Department of the Treasury. Eligible capital acquisition costs include investments in the purchase, replacement, and rebuilding of buses and other vehicles used for public transportation.

(3) The state grant to an applicant shall not exceed fifty percent of the eligible capital acquisition or operating costs of the public transportation system as provided for in subsection (2) of this section. The amount of state funds shall be matched by an equal amount of local funds in support of capital acquisition or operating costs.

Sec. 30. Section 13-1213, Reissue Revised Statutes of Nebraska, is amended to read:

13-1213 (1) An intercity bus system assistance program is hereby established to provide state assistance for the operation of intercity bus systems.

(2) Any municipality, county, transit authority, regional metropolitan transit authority, or qualified public-purpose organization shall be eligible to receive (a) financial assistance for the eligible operating costs of such system, whether the applicant directly operates the system or contracts for its operation, and (b) financial assistance to match federal funds available for the purchase of vehicles and equipment for the start of an intercity bus system or the replacement of vehicles used in the operation of an intercity bus system. The vehicles shall be titled to such municipality, county, transit authority, regional metropolitan transit authority, or qualified public-purpose organization.

(3) The department may contract for an intercity bus system with either a publicly owned provider or a provider owned by a qualified public-purpose organization.

(4) Any intercity bus system to be funded under this section shall be selected based on criteria established by the department.

Sec. 31. Section 13-2202, Reissue Revised Statutes of Nebraska, is amended to read:

13-2202 For purposes of the Local Government Miscellaneous Expenditure Act:

(1) Elected and appointed officials and employees shall mean the elected and appointed officials and employees of any local government;

(2) Governing body shall mean, in the case of a city of any class, the city council; in the case of a village, cemetery district, community hospital for two or more adjoining counties, county hospital, road improvement district, sanitary drainage district, or sanitary and improvement district, the board of trustees; in the case of a county, the county board; in the case of a municipal county, the council; in the case of a township, the town board; in the case of a school district, the school board; in the case of a rural or suburban fire protection district, reclamation district, natural resources district, regional metropolitan transit authority, or hospital district, the board of directors; in the case of a health district, the board of health; in the case of an educational service unit, the board; in the case of a community college, the Community College Board of Governors for the area the board serves; in the case of an airport authority, the airport authority board; in the case of a weed control authority, the board; in the case of a county agricultural society, the board of governors; and in the case of a learning community, the learning community coordinating council;

(3) Local government shall mean cities of any class, villages, cemetery districts, community hospitals for two or more adjoining counties, county hospitals, road improvement districts, counties, townships, sanitary drainage districts, sanitary and improvement districts, school districts, rural or suburban fire protection districts, reclamation districts, natural resources districts, regional metropolitan transit authorities, hospital districts, health districts, educational service units, community colleges, airport authorities, weed control authorities, county agricultural societies, and learning communities;

(4) Public funds shall mean such public funds as defined in section 13-503 as are under the direct control of governing bodies of local governments;

(5) Public meeting shall mean all regular, special, or called meetings, formal or informal, of any governing body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the governing body; and

(6) Volunteer shall mean a person who is not an elected or appointed

official or an employee of a local government and who, at the request or with the permission of the local government, engages in activities related to the purposes or functions of the local government or for its general benefit.

Sec. 32. Section 13-2401, Reissue Revised Statutes of Nebraska, is amended to read:

13-2401 (1) For purposes of this section:

(a) Political subdivision includes villages, cities of all classes, counties, municipal counties, school districts, and all other units of local government, including entities created pursuant to the Interlocal Cooperation Act or Joint Public Agency Act. Political subdivision does not include any contractor with a political subdivision;

(b) Receiving entity means a political subdivision which receives transferred employees from a separate political subdivision; and

(c) Transferring entity means a political subdivision which is transferring employees to a separate political subdivision.

(2) For transfers involving a retirement system which maintains a defined benefit plan, the transfer value of the transferring employee's accrued benefit shall be calculated by one or both of the retirement systems involved as follows:

(a) If the retirement system of the transferring entity maintains a defined benefit plan, an initial benefit transfer value of the employee's accrued benefit shall be determined by calculating the present value of the employee's retirement benefit based on the employee's years of service as of the date of transfer and the other actuarial assumptions of the retirement system of the transferring entity so that the effect on the retirement system of the transferring entity will be actuarially neutral; and

(b) If the retirement system of the receiving entity maintains a defined benefit plan, the final benefit transfer value of the employee's accrued benefit shall be determined by calculating the present value of the employee's retirement benefit as if the employee were employed on the date of transfer and had completed the same amount of service with the same compensation as the employee actually completed at the transferring entity prior to transfer. The calculation shall then be based on the employee's assumed years of service as of the date of transfer and the other actuarial assumptions of the retirement system of the receiving entity so that the effect on the retirement system of the receiving entity will be actuarially neutral.

(3) A full-time or part-time employee of a transferring entity who becomes an employee of a receiving entity pursuant to a merger of services shall receive credit for his or her years of participation in the retirement system of the transferring entity for purposes of membership in the retirement system of the receiving entity.

(4) An employee referred to in subsection (3) of this section shall have his or her participation in the retirement system of the transferring entity transferred to the retirement system of the receiving entity through one of the following options:

(a) If the retirement system of the receiving entity maintains a defined contribution plan, the employee shall transfer all of his or her funds by paying to the retirement system of the receiving entity from funds held by the retirement system of the transferring entity an amount equal to one of the following: (i) If the retirement system of the transferring entity maintains a defined benefit plan, an amount not to exceed the initial benefit transfer value, leaving no funds attributable to the transferred employee within the retirement system of the transferring entity, or (ii) if the retirement system of the transferring entity maintains a defined contribution plan, an amount not to exceed the employee and employer accounts of the transferring employee plus earnings during the period of employment with the transferring entity. The employee shall receive eligibility and vesting credit for his or her years of service in a governmental plan, as defined in section 414(d) of the Internal Revenue Code, maintained by the transferring entity. Payment shall be made within five years after employment begins with the receiving entity or prior to retirement, whichever comes first, and may be made through direct payment, installment payments, or an irrevocable payroll deduction authorization; or

(b) If the retirement system of the receiving entity maintains a defined benefit plan, the employee shall transfer all of his or her funds out of the retirement system of the transferring entity to purchase service credits that will generate a final benefit transfer value not to exceed the employee's initial benefit transfer value in the retirement system of the transferring entity. After such purchase, the employee shall receive eligibility and vesting credit in the retirement system of the receiving entity for his or her years of service in a governmental plan, as defined in section 414(d) of the Internal Revenue Code, maintained by the transferring entity. The amount to be paid by the member for such service credit shall equal the actuarial cost to the retirement system of the receiving entity for allowing such additional service credit to the employee. If any funds remain in the retirement system of the transferring entity after the employee has purchased service credits in the retirement system of the receiving entity, such remaining funds shall be rolled over into another qualified trust under section 401(a) of the Internal Revenue Code, an individual retirement account, or an individual retirement annuity. Payment shall be made within five years after the transfer of services, but prior to retirement, and may be made through direct payment, installment payments, or an irrevocable payroll deduction authorization.

(5) The transferring entity, the receiving entity, and the employees who are being transferred may by binding agreement determine which parties will

provide funds to pay any amount needed to purchase creditable service in the retirement system of the receiving entity sufficient to provide a final benefit transfer value not to exceed the employee's initial benefit transfer value, if the amount of a direct rollover from the retirement system of the transferring entity is not sufficient to provide a final benefit transfer value in the retirement system of the receiving entity.

(6) The retirement system of the receiving entity may accept cash rollover contributions from a member who is making payment pursuant to this section if the contributions do not exceed the amount of payment required for the service credits purchased by the member and the contributions represent (a) all or any portion of the balance of the member's interest in a qualified trust under section 401(a) of the Internal Revenue Code or (b) the interest of the member from an individual retirement account or an individual retirement annuity, all of which is attributable to a qualified total distribution, as defined in the Internal Revenue Code, from a qualified trust under section 401(a) of the code and qualified as a tax-free rollover amount. The member's interest under subdivision (a) or (b) of this subsection must be transferred to the retirement system within sixty days after the date of the distribution from the qualified trust, individual retirement account, or individual retirement annuity.

(7) Cash transferred to the retirement system of the receiving entity as a rollover contribution shall be deposited as other contributions.

(8) The retirement system of the receiving entity may accept direct rollover distributions made from a qualified trust pursuant to section 401(a)(31) of the Internal Revenue Code. The direct rollover distribution shall be deposited as all other payments under this section.

(9) The receiving entity or its retirement system shall adopt provisions defining procedures for acceptance of rollovers which are consistent with sections 401(a)(31) and 402 of the Internal Revenue Code.

(10) Any retirement system authorized pursuant to section 14-1805, 15-1017, 16-1004, 16-1023, 19-3501, 23-1118, or 23-2330.04 or section 12 of this act or any retirement system for a city of the metropolitan class authorized pursuant to home rule charter shall be modified to conform with this section prior to any merger of service involving such system.

Sec. 33. Section 14-1803, Reissue Revised Statutes of Nebraska, is amended to read:

~~14-1803 (1) Whenever in this state a city of the metropolitan class, a county in which such city is located, one or more adjacent counties, and any city or village located in such counties are served in whole or in part by a common transit system, owned and controlled by a city of the metropolitan class as provided for in the Transit Authority Law, then the territory within the limits of the city of the metropolitan class and such counties, cities, or villages, including any counties, cities, and villages that may be now or hereafter served in whole or in part by the common transit system, shall form and constitute a transit authority. No county, city, or village shall become a part of the transit authority except upon approval of the governing body of the county, city, or village and formal approval and proclamation by the board of directors of the transit authority.~~

(1) (2) Any city of the metropolitan class may create by ordinance a transit authority to be managed and controlled by a board of five members which shall be appointed as provided in section 14-1813 and shall have full and exclusive jurisdiction and control over all facilities owned or acquired by such city for a public passenger transportation system. The governing body of such city, in the exercise of its discretion, shall find and determine in the ordinance creating such transit authority that its creation is expedient and necessary. The chairperson of such transit authority shall be paid as compensation for his or her services not more than six hundred dollars per month. Each other member of such transit authority shall be paid as compensation for his or her services not more than five hundred dollars per month. All salaries and compensation shall be obligations against and paid solely from the revenue of such transit authority. Members of such transit authority shall also be entitled to reimbursement for expenses paid or incurred in the performance of the duties imposed upon them by the Transit Authority Law with reimbursement for mileage to be made at the rate provided in section 81-1176. The board may delegate to one or more of the members or to officers, agents, and employees of the authority such powers and duties as it may deem proper.

(2) Any transit authority created pursuant to such law shall have and retain full and exclusive jurisdiction and control over all public passenger transportation systems in such city, ~~county in which such city is located, adjacent county, or city or village located in such counties served by the authority,~~ excluding taxicabs, transportation network companies, and interstate railroad systems in such city, and over all public passenger transportation systems operated by such transit authority in any county, city, or village served by the authority, with the right and duty to charge and collect revenue for the operation and maintenance of such systems and for the benefit of the holders of any of its bonds or other liabilities. Unless such authority elects to convert to a regional metropolitan transit authority under the Regional Metropolitan Transit Authority Act, if ~~If~~ such authority ceases to exist, its rights and properties shall pass to and vest in such city of the metropolitan class.

Sec. 34. Section 14-1812, Reissue Revised Statutes of Nebraska, is amended to read:

14-1812 Unless the authority elects to convert into a regional

metropolitan transit authority pursuant to the Regional Metropolitan Transit Authority Act, the governing body of the authority shall be a board to be known as The Transit Authority of, filling out the blank with the name of the city, which shall consist of five members, to be appointed as provided in section 14-1813. If at any time such authority elects to convert into a regional metropolitan transit authority, then as of the effective date of such conversion, the governing body of a transit authority established under the Transit Authority Law shall become a board known as the Regional Metropolitan Transit Board of (filling out the blank with the name coinciding with the name of the regional metropolitan transit authority determined pursuant to section 4 of this act). Thereafter, notwithstanding any provision in the Transit Authority Law to the contrary, such board shall consist of members as determined under and be governed by and subject to the Regional Metropolitan Transit Authority Act.

Sec. 35. Section 32-101, Revised Statutes Cumulative Supplement, 2018, is amended to read:

32-101 Sections 32-101 to 32-1551 and section 36 of this act shall be known and may be cited as the Election Act.

Sec. 36. (1) Members of the board of directors of a regional metropolitan transit authority shall be nominated at the statewide primary election and elected at the statewide general election following the effective date of the conversion of such transit authority established under the Transit Authority Law into a regional metropolitan transit authority as provided in section 8 of this act, and subsequently elected members shall be nominated at subsequent statewide primary elections and elected at subsequent statewide general elections. Candidates for election shall be nominated upon a nonpartisan ballot.

(2) Members elected to represent odd-numbered districts in the first election of board members shall be elected for two-year terms. Members elected to represent even-numbered districts in the first election of board members shall be elected for four-year terms. Members elected in subsequent elections shall be elected for four-year terms and until their successors are elected and qualified.

(3) Members shall take office on the first Thursday after the first Tuesday in January following their election, except that members appointed to fill vacancies shall take office immediately following administration of the oath of office.

Sec. 37. Section 32-567, Reissue Revised Statutes of Nebraska, is amended to read:

32-567 Vacancies in office shall be filled as follows:

(1) In state and judicial district offices and in the membership of any board or commission created by the state when no other method is provided, by the Governor;

(2) In county offices, by the county board;

(3) In the membership of the county board, by the county clerk, county attorney, and county treasurer;

(4) In the membership of the city council, according to section 32-568 or 32-569, as applicable;

(5) In township offices, by the township board or, if there are two or more vacancies on the township board, by the county board;

(6) In offices in public power and irrigation districts, according to section 70-615;

(7) In offices in natural resources districts, according to section 2-3215;

(8) In offices in community college areas, according to section 85-1514;

(9) In offices in educational service units, according to section 79-1217;

(10) In offices in hospital districts, according to section 23-3534;

(11) In offices in metropolitan utilities districts, according to section 14-2104;

(12) In membership on airport authority boards, according to section 3-502, 3-611, or 3-703, as applicable;

(13) In membership on the board of trustees of a road improvement district, according to section 39-1607;

(14) In membership on the council of a municipal county, by the council; and

(15) For learning community coordinating councils, according to section 32-546.01; and -

(16) For regional metropolitan transit authority boards, according to section 8 of this act.

Sec. 38. Section 32-604, Reissue Revised Statutes of Nebraska, is amended to read:

32-604 (1) Except as provided in subsection (2) or (4) of this section, no person shall be precluded from being elected or appointed to or holding an elective office for the reason that he or she has been elected or appointed to or holds another elective office.

(2) No person serving as a member of the Legislature or in an elective office described in Article IV, section 1 or 20, or Article VII, section 3 or 10, of the Constitution of Nebraska shall simultaneously serve in any other elective office, except that such a person may simultaneously serve in another elective office which is filled at an election held in conjunction with the annual meeting of a public body.

(3) Whenever an incumbent serving as a member of the Legislature or in an elective office described in Article IV, section 1 or 20, or Article VII,

section 3 or 10, of the Constitution of Nebraska assumes another elective office, except an elective office filled at an election held in conjunction with the annual meeting of a public body, the office first held by the incumbent shall be deemed vacant.

(4) No person serving in a high elective office shall simultaneously serve in any other high elective office, except that a county attorney may serve as the county attorney for more than one county if appointed under subsection (2) of section 23-1201.01.

(5) Notwithstanding subsection (4) of this section, any person holding more than one high elective office upon July 15, 2010, shall be entitled to serve the remainder of all terms for which he or she was elected or appointed.

(6) For purposes of this section, (a) elective office has the meaning found in section 32-109 and includes an office which is filled at an election held in conjunction with the annual meeting of a public body created by an act of the Legislature but does not include a member of a learning community coordinating council appointed pursuant to subsection (5) or (7) of section 32-546.01 prior to January 5, 2017, and (b) high elective office means a member of the Legislature, an elective office described in Article IV, section 1 or 20, or Article VII, section 3 or 10, of the Constitution of Nebraska, or a county, city, community college area, learning community, regional metropolitan transit authority, or school district elective office.

Sec. 39. Section 32-1203, Reissue Revised Statutes of Nebraska, is amended to read:

32-1203 (1) Each city, village, school district, public power district, sanitary and improvement district, metropolitan utilities district, fire district, natural resources district, regional metropolitan transit authority, community college area, learning community coordinating council, educational service unit, hospital district, reclamation district, and library board shall pay for the costs of nominating and electing its officers as provided in subsection (2), (3), or (4) of this section. If a special issue is placed on the ballot at the time of the statewide primary or general election by any political subdivision, the political subdivision shall pay for the costs of the election as provided in subsection (2), (3), or (4) of this section. The districts listed in this subsection shall furnish to the Secretary of State and election commissioner or county clerk any maps and additional information which the election commissioner or county clerk may require in the proper performance of their duties in the conduct of elections and certification of results.

(2) The charge for each primary and general election shall be determined by (a) ascertaining the total cost of all chargeable costs as described in section 32-1202, (b) dividing the total cost by the number of precincts participating in the election to fix the cost per precinct, (c) prorating the cost per precinct by the inked ballot inch in each precinct for each political subdivision, and (d) totaling the cost for each precinct for each political subdivision, except that the minimum charge for each primary and general election for each political subdivision shall be one hundred dollars.

(3) In lieu of the charge determined pursuant to subsection (2) of this section, the election commissioner or county clerk may charge public power districts the fee for election costs set by section 70-610.

(4) In lieu of the charge determined pursuant to subsection (2) of this section, the election commissioner or county clerk may bill school districts directly for the costs of an election held under section 10-703.01.

Sec. 40. Section 60-6,290, Revised Statutes Cumulative Supplement, 2018, is amended to read:

60-6,290 (1)(a) No vehicle shall exceed a length of forty feet, extreme overall dimensions, inclusive of front and rear bumpers including load, except that:

(i) A bus or a motor home, as defined in section 71-4603, may exceed the forty-foot limitation but shall not exceed a length of forty-five feet;

(ii) A truck-tractor may exceed the forty-foot limitation;

(iii) A semitrailer operating in a truck-tractor single semitrailer combination, which semitrailer was actually and lawfully operating in the State of Nebraska on December 1, 1982, may exceed the forty-foot limitation;

(iv) A semitrailer operating in a truck-tractor single semitrailer combination, which semitrailer was not actually and lawfully operating in the State of Nebraska on December 1, 1982, may exceed the forty-foot limitation but shall not exceed a length of fifty-three feet including load;

(v) A semitrailer operating in a truck-tractor single semitrailer combination, while transporting baled livestock forage, may exceed the forty-foot limitation but shall not exceed a length of fifty-nine feet six inches including load; and

(vi) An articulated bus vehicle operated by a transit authority established under the Transit Authority Law or regional metropolitan transit authority established pursuant to section 4 of this act created pursuant to section 14-1803 may exceed the forty-foot limitation. For purposes of this subdivision (vi), an articulated bus vehicle shall not exceed sixty-five feet in length.

(b) No combination of vehicles shall exceed a length of sixty-five feet, extreme overall dimensions, inclusive of front and rear bumpers and including load, except:

(i) One truck and one trailer, loaded or unloaded, used in transporting implements of husbandry to be engaged in harvesting, while being transported into or through the state during daylight hours if the total length does not exceed seventy-five feet including load;

- (ii) A truck-tractor single semitrailer combination;
 - (iii) A truck-tractor semitrailer trailer combination, but the semitrailer trailer portion of such combination shall not exceed sixty-five feet inclusive of connective devices; and
 - (iv) A driveaway saddlemount vehicle transporter combination and driveaway saddlemount with fullmount vehicle transporter combination, but the total overall length shall not exceed ninety-seven feet.
- (c) A truck shall be construed to be one vehicle for the purpose of determining length.
- (d) A trailer shall be construed to be one vehicle for the purpose of determining length.
- (2) Subsection (1) of this section shall not apply to:
- (a) Extra-long vehicles which have been issued a permit pursuant to section 60-6,292;
 - (b) Vehicles which have been issued a permit pursuant to section 60-6,299;
 - (c) The temporary moving of farm machinery during daylight hours in the normal course of farm operations;
 - (d) The movement of unbaled livestock forage vehicles, loaded or unloaded;
 - (e) The movement of public utility or other construction and maintenance material and equipment at any time;
 - (f) Farm equipment dealers or their representatives as authorized under section 60-6,382 driving, delivering, or picking up farm equipment or implements of husbandry within the county in which the dealer maintains his or her place of business, or in any adjoining county or counties, and return;
 - (g) The overhang of any motor vehicle being hauled upon any lawful combination of vehicles, but such overhang shall not exceed the distance from the rear axle of the hauled motor vehicle to the closest bumper thereof;
 - (h) The overhang of a combine to be engaged in harvesting, while being transported into or through the state driven during daylight hours by a truck-tractor semitrailer combination, but the length of the semitrailer, including overhang, shall not exceed sixty-three feet and the maximum semitrailer length shall not exceed fifty-three feet;
 - (i) Any self-propelled specialized mobile equipment with a fixed load when the requirements of subdivision (2)(i) of section 60-6,288 are met; or
 - (j) One truck-tractor two trailer combination or one truck-tractor semitrailer trailer combination used in transporting equipment utilized by custom harvesters under contract to agricultural producers to harvest wheat, soybeans, or milo during the months of April through November but the length of the property-carrying units, excluding load, shall not exceed eighty-one feet six inches.
- (3) The length limitations of this section shall be exclusive of safety and energy conservation devices such as rearview mirrors, turnsignal lights, marker lights, steps and handholds for entry and egress, flexible fender extensions, mudflaps and splash and spray suppressant devices, load-induced tire bulge, refrigeration units or air compressors, and other devices necessary for safe and efficient operation of commercial motor vehicles, except that no device excluded from the limitations of this section shall have by its design or use the capability to carry cargo.
- Sec. 41. Section 75-303, Reissue Revised Statutes of Nebraska, is amended to read:
- 75-303 Sections 75-301 to 75-322 shall apply to transportation by a motor carrier or the transportation of passengers and household goods by a regulated motor carrier for hire in intrastate commerce except for the following:
- (1) A motor carrier for hire in the transportation of school children and teachers to and from school;
 - (2) A motor carrier for hire operated in connection with a part of a streetcar system;
 - (3) An ambulance, ambulance owner, hearse, or automobile used exclusively as an incident to conducting a funeral;
 - (4) A motor carrier exempt by subdivision (1) of this section which hauls for hire (a) persons of a religious, fraternal, educational, or charitable organization, (b) pupils of a school to athletic events, (c) players of American Legion baseball teams when the point of origin or termination is within five miles of the domicile of the carrier, and (d) the elderly as defined in section 13-1203 and their spouses and dependents under a contract with a municipality or county authorized in section 13-1208;
 - (5) A motor carrier operated by a city and engaged in the transportation of passengers, and such exempt operations shall be no broader than those authorized in intrastate commerce at the time the city or other political subdivision assumed ownership of the operation;
 - (6) A motor vehicle owned and operated by a nonprofit organization which is exempt from payment of federal income taxes, as provided by section 501(c)(4), Internal Revenue Code, transporting solely persons over age sixty, persons who are spouses and dependents of persons over age sixty, and handicapped persons;
 - (7) A motor carrier engaged in the transportation of passengers operated by a transit authority or regional metropolitan transit authority established created under and acting pursuant to the laws of the State of Nebraska;
 - (8) A motor carrier operated by a municipality or county, as authorized in section 13-1208, in the transportation of elderly persons;
 - (9) A motor vehicle having a seating capacity of twenty or less which is operated by a governmental subdivision or a qualified public-purpose organization as defined in section 13-1203 engaged in the transportation of

passengers in the state;

(10) A motor vehicle owned and operated by a nonprofit entity organized for the purpose of furnishing electric service;

(11) A motor carrier engaged in attended services under contract or subcontract with the Department of Health and Human Services or with any agency organized under the Nebraska Community Aging Services Act;

(12) A motor carrier engaged in residential care transportation services if the motor carrier complies with the requirements of the Department of Health and Human Services adopted, promulgated, and enforced to protect the safety and well-being of the passengers, including insurance, training, and age requirements;

(13) A motor carrier engaged in supported transportation services if the motor carrier complies with the requirements of the Department of Health and Human Services adopted, promulgated, and enforced to protect the safety and well-being of the passengers, including insurance, training, and age requirements; and

(14) A motor carrier engaged in licensed care transportation services if the motor carrier files a certificate with the commission that such provider meets the minimum driver standards, insurance requirements, and equipment standards prescribed by the commission. Insurance requirements established by the commission shall be consistent with the insurance requirements established by the Department of Health and Human Services for attended services, residential care transportation services, and supported transportation services.

Sec. 42. Section 77-3442, Reissue Revised Statutes of Nebraska, is amended to read:

77-3442 (1) Property tax levies for the support of local governments for fiscal years beginning on or after July 1, 1998, shall be limited to the amounts set forth in this section except as provided in section 77-3444.

(2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this section, school districts and multiple-district school systems may levy a maximum levy of one dollar and five cents per one hundred dollars of taxable valuation of property subject to the levy.

(b) For each fiscal year prior to fiscal year 2017-18, learning communities may levy a maximum levy for the general fund budgets of member school districts of ninety-five cents per one hundred dollars of taxable valuation of property subject to the levy. The proceeds from the levy pursuant to this subdivision shall be distributed pursuant to section 79-1073.

(c) Except as provided in subdivision (2)(e) of this section, for each fiscal year prior to fiscal year 2017-18, school districts that are members of learning communities may levy for purposes of such districts' general fund budget and special building funds a maximum combined levy of the difference of one dollar and five cents on each one hundred dollars of taxable property subject to the levy minus the learning community levy pursuant to subdivision (2)(b) of this section for such learning community.

(d) Excluded from the limitations in subdivisions (2)(a) and (2)(c) of this section are (i) amounts levied to pay for current and future sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment occurring prior to September 1, 2017, (ii) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for current and future qualified voluntary termination incentives for certificated teachers pursuant to subsection (3) of section 79-8,142 that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (iii) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for seventy-five percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2017, and August 31, 2018, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for fifty percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2018, and August 31, 2019, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for twenty-five percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2019, and August 31, 2020, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (vi) amounts levied in compliance with sections 79-10,110 and 79-10,110.02, and (vii) amounts levied to pay for special building funds and sinking funds established for projects commenced prior to April 1, 1996, for construction, expansion, or alteration of school district buildings. For purposes of this subsection, commenced means any action taken by the school board on the record which commits the board to expend district funds in planning, constructing, or carrying out the project.

(e) Federal aid school districts may exceed the maximum levy prescribed by subdivision (2)(a) or (2)(c) of this section only to the extent necessary to

qualify to receive federal aid pursuant to Title VIII of Public Law 103-382, as such title existed on September 1, 2001. For purposes of this subdivision, federal aid school district means any school district which receives ten percent or more of the revenue for its general fund budget from federal government sources pursuant to Title VIII of Public Law 103-382, as such title existed on September 1, 2001.

(f) For each fiscal year, learning communities may levy a maximum levy of one-half cent on each one hundred dollars of taxable property subject to the levy for elementary learning center facility leases, for remodeling of leased elementary learning center facilities, and for up to fifty percent of the estimated cost for focus school or program capital projects approved by the learning community coordinating council pursuant to section 79-2111.

(g) For each fiscal year, learning communities may levy a maximum levy of one and one-half cents on each one hundred dollars of taxable property subject to the levy for early childhood education programs for children in poverty, for elementary learning center employees, for contracts with other entities or individuals who are not employees of the learning community for elementary learning center programs and services, and for pilot projects, except that no more than ten percent of such levy may be used for elementary learning center employees.

(3) For each fiscal year, community college areas may levy the levies provided in subdivisions (2)(a) through (c) of section 85-1517, in accordance with the provisions of such subdivisions. A community college area may exceed the levy provided in subdivision (2)(b) of section 85-1517 by the amount necessary to retire general obligation bonds assumed by the community college area or issued pursuant to section 85-1515 according to the terms of such bonds or for any obligation pursuant to section 85-1535 entered into prior to January 1, 1997.

(4)(a) Natural resources districts may levy a maximum levy of four and one-half cents per one hundred dollars of taxable valuation of property subject to the levy.

(b) Natural resources districts shall also have the power and authority to levy a tax equal to the dollar amount by which their restricted funds budgeted to administer and implement ground water management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act exceed their restricted funds budgeted to administer and implement ground water management activities and integrated management activities for FY2003-04, not to exceed one cent on each one hundred dollars of taxable valuation annually on all of the taxable property within the district.

(c) In addition, natural resources districts located in a river basin, subbasin, or reach that has been determined to be fully appropriated pursuant to section 46-714 or designated as overappropriated pursuant to section 46-713 by the Department of Natural Resources shall also have the power and authority to levy a tax equal to the dollar amount by which their restricted funds budgeted to administer and implement ground water management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act exceed their restricted funds budgeted to administer and implement ground water management activities and integrated management activities for FY2005-06, not to exceed three cents on each one hundred dollars of taxable valuation on all of the taxable property within the district for fiscal year 2006-07 and each fiscal year thereafter through fiscal year 2017-18.

(5) Any educational service unit authorized to levy a property tax pursuant to section 79-1225 may levy a maximum levy of one and one-half cents per one hundred dollars of taxable valuation of property subject to the levy.

(6)(a) Incorporated cities and villages which are not within the boundaries of a municipal county may levy a maximum levy of forty-five cents per one hundred dollars of taxable valuation of property subject to the levy plus an additional five cents per one hundred dollars of taxable valuation to provide financing for the municipality's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to section 51-201, museum pursuant to section 51-501, visiting community nurse, home health nurse, or home health agency pursuant to section 71-1637, or statue, memorial, or monument pursuant to section 80-202.

(b) Incorporated cities and villages which are within the boundaries of a municipal county may levy a maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy. The maximum levy shall include amounts paid to a municipal county for county services, amounts levied to pay for sums to support a library pursuant to section 51-201, a museum pursuant to section 51-501, a visiting community nurse, home health nurse, or home health agency pursuant to section 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

(7) Sanitary and improvement districts which have been in existence for more than five years may levy a maximum levy of forty cents per one hundred dollars of taxable valuation of property subject to the levy, and sanitary and improvement districts which have been in existence for five years or less shall not have a maximum levy. Unconsolidated sanitary and improvement districts which have been in existence for more than five years and are located in a municipal county may levy a maximum of eighty-five cents per hundred dollars of taxable valuation of property subject to the levy.

(8) Counties may levy or authorize a maximum levy of fifty cents per one

hundred dollars of taxable valuation of property subject to the levy, except that five cents per one hundred dollars of taxable valuation of property subject to the levy may only be levied to provide financing for the county's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to section 51-201 or museum pursuant to section 51-501. The county may allocate up to fifteen cents of its authority to other political subdivisions subject to allocation of property tax authority under subsection (1) of section 77-3443 and not specifically covered in this section to levy taxes as authorized by law which do not collectively exceed fifteen cents per one hundred dollars of taxable valuation on any parcel or item of taxable property. The county may allocate to one or more other political subdivisions subject to allocation of property tax authority by the county under subsection (1) of section 77-3443 some or all of the county's five cents per one hundred dollars of valuation authorized for support of an agreement or agreements to be levied by the political subdivision for the purpose of supporting that political subdivision's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. If an allocation by a county would cause another county to exceed its levy authority under this section, the second county may exceed the levy authority in order to levy the amount allocated.

(9) Municipal counties may levy or authorize a maximum levy of one dollar per one hundred dollars of taxable valuation of property subject to the levy. The municipal county may allocate levy authority to any political subdivision or entity subject to allocation under section 77-3443.

(10) Beginning July 1, 2016, rural and suburban fire protection districts may levy a maximum levy of ten and one-half cents per one hundred dollars of taxable valuation of property subject to the levy if (a) such district is located in a county that had a levy pursuant to subsection (8) of this section in the previous year of at least forty cents per one hundred dollars of taxable valuation of property subject to the levy or (b) for any rural or suburban fire protection district that had a levy request pursuant to section 77-3443 in the previous year, the county board of the county in which the greatest portion of the valuation of such district is located did not authorize any levy authority to such district in the previous year.

(11) A regional metropolitan transit authority may levy a maximum levy of ten cents per one hundred dollars of taxable valuation of property subject to the levy for each fiscal year that commences on the January 1 that follows the effective date of the conversion of the transit authority established under the Transit Authority Law into the regional metropolitan transit authority.

~~(12)~~ (11) Property tax levies (a) for judgments, except judgments or orders from the Commission of Industrial Relations, obtained against a political subdivision which require or obligate a political subdivision to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of a political subdivision, (b) for preexisting lease-purchase contracts approved prior to July 1, 1998, (c) for bonds as defined in section 10-134 approved according to law and secured by a levy on property except as provided in section 44-4317 for bonded indebtedness issued by educational service units and school districts, and (d) for payments by a public airport to retire interest-free loans from the Division of Aeronautics of the Department of Transportation in lieu of bonded indebtedness at a lower cost to the public airport are not included in the levy limits established by this section.

~~(13)~~ (12) The limitations on tax levies provided in this section are to include all other general or special levies provided by law. Notwithstanding other provisions of law, the only exceptions to the limits in this section are those provided by or authorized by sections 77-3442 to 77-3444.

~~(14)~~ (13) Tax levies in excess of the limitations in this section shall be considered unauthorized levies under section 77-1606 unless approved under section 77-3444.

~~(15)~~ (14) For purposes of sections 77-3442 to 77-3444, political subdivision means a political subdivision of this state and a county agricultural society.

~~(16)~~ (15) For school districts that file a binding resolution on or before May 9, 2008, with the county assessors, county clerks, and county treasurers for all counties in which the school district has territory pursuant to subsection (7) of section 79-458, if the combined levies, except levies for bonded indebtedness approved by the voters of the school district and levies for the refinancing of such bonded indebtedness, are in excess of the greater of (a) one dollar and twenty cents per one hundred dollars of taxable valuation of property subject to the levy or (b) the maximum levy authorized by a vote pursuant to section 77-3444, all school district levies, except levies for bonded indebtedness approved by the voters of the school district and levies for the refinancing of such bonded indebtedness, shall be considered unauthorized levies under section 77-1606.

Sec. 43. Section 77-3443, Reissue Revised Statutes of Nebraska, is amended to read:

77-3443 (1) All political subdivisions, other than (a) school districts, community colleges, natural resources districts, educational service units, cities, villages, counties, municipal counties, rural and suburban fire protection districts that have levy authority pursuant to subsection (10) of section 77-3442, and sanitary and improvement districts and (b) political subdivisions subject to municipal allocation under subsection (2) of this

section, may levy taxes as authorized by law which are authorized by the county board of the county or the council of a municipal county in which the greatest portion of the valuation is located, which are counted in the county or municipal county levy limit provided in section 77-3442, and which do not collectively total more than fifteen cents per one hundred dollars of taxable valuation on any parcel or item of taxable property for all governments for which allocations are made by the municipality, county, or municipal county, except that such limitation shall not apply to property tax levies for preexisting lease-purchase contracts approved prior to July 1, 1998, for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Division of Aeronautics of the Department of Transportation in lieu of bonded indebtedness at a lower cost to the public airport. The county board or council shall review and approve or disapprove the levy request of all political subdivisions subject to this subsection. The county board or council may approve all or a portion of the levy request and may approve a levy request that would allow the requesting political subdivision to levy a tax at a levy greater than that permitted by law. Unless a transit authority elects to convert to a regional metropolitan transit authority in accordance with the Regional Metropolitan Transit Authority Act, and for each fiscal year of such a transit authority until the first fiscal year commencing after the effective date of such conversion, the The county board of a county or the council of a municipal county which contains a transit authority established created pursuant to the Transit Authority Law section 14-1803 shall allocate no less than three cents per one hundred dollars of taxable property within the city or municipal county subject to the levy to the transit authority if requested by such authority. For any political subdivision subject to this subsection that receives taxes from more than one county or municipal county, the levy shall be allocated only by the county or municipal county in which the greatest portion of the valuation is located. The county board of equalization shall certify all levies by October 15 to insure that the taxes levied by political subdivisions subject to this subsection do not exceed the allowable limit for any parcel or item of taxable property. The levy allocated by the county or municipal county may be exceeded as provided in section 77-3444.

(2) All city airport authorities established under the Cities Airport Authorities Act, community redevelopment authorities established under the Community Development Law, transit authorities established under the Transit Authority Law unless and until the first fiscal year commencing after the effective date of any conversion by such a transit authority into a regional metropolitan transit authority pursuant to the Regional Metropolitan Transit Authority Act, and offstreet parking districts established under the Offstreet Parking District Act may be allocated property taxes as authorized by law which are authorized by the city, village, or municipal county and are counted in the city or village levy limit or municipal county levy limit provided by section 77-3442, except that such limitation shall not apply to property tax levies for preexisting lease-purchase contracts approved prior to July 1, 1998, for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Division of Aeronautics of the Department of Transportation in lieu of bonded indebtedness at a lower cost to the public airport. For offstreet parking districts established under the Offstreet Parking District Act, the tax shall be counted in the allocation by the city proportionately, by dividing the total taxable valuation of the taxable property within the district by the total taxable valuation of the taxable property within the city multiplied by the levy of the district. Unless a transit authority elects to convert into a regional metropolitan transit authority pursuant to the Regional Metropolitan Transit Authority Act, and for each fiscal year of such a transit authority until the first fiscal year commencing after the effective date of such conversion, the The city council of a city which has established created a transit authority pursuant to the Transit Authority Law section 14-1803 or the council of a municipal county which contains a transit authority shall allocate no less than three cents per one hundred dollars of taxable property subject to the levy to the transit authority if requested by such authority. The city council, village board, or council shall review and approve or disapprove the levy request of the political subdivisions subject to this subsection. The city council, village board, or council may approve all or a portion of the levy request and may approve a levy request that would allow a levy greater than that permitted by law. The levy allocated by the municipality or municipal county may be exceeded as provided in section 77-3444.

(3) On or before August 1, all political subdivisions subject to county, municipal, or municipal county levy authority under this section shall submit a preliminary request for levy allocation to the county board, city council, village board, or council that is responsible for levying such taxes. The preliminary request of the political subdivision shall be in the form of a resolution adopted by a majority vote of members present of the political subdivision's governing body. The failure of a political subdivision to make a preliminary request shall preclude such political subdivision from using procedures set forth in section 77-3444 to exceed the final levy allocation as determined in subsection (4) of this section.

(4) Each county board, city council, village board, or council shall (a) adopt a resolution by a majority vote of members present which determines a final allocation of levy authority to its political subdivisions and (b) forward a copy of such resolution to the chairperson of the governing body of

each of its political subdivisions. No final levy allocation shall be changed after September 1 except by agreement between both the county board, city council, village board, or council which determined the amount of the final levy allocation and the governing body of the political subdivision whose final levy allocation is at issue.

Sec. 44. Section 84-304, Revised Statutes Cumulative Supplement, 2018, is amended to read:

84-304 It shall be the duty of the Auditor of Public Accounts:

(1) To give information electronically to the Legislature, whenever required, upon any subject relating to the fiscal affairs of the state or with regard to any duty of his or her office;

(2) To furnish offices for himself or herself and all fuel, lights, books, blanks, forms, paper, and stationery required for the proper discharge of the duties of his or her office;

(3)(a) To examine or cause to be examined, at such time as he or she shall determine, books, accounts, vouchers, records, and expenditures of all state officers, state bureaus, state boards, state commissioners, the state library, societies and associations supported by the state, state institutions, state colleges, and the University of Nebraska, except when required to be performed by other officers or persons. Such examinations shall be done in accordance with generally accepted government auditing standards for financial audits and attestation engagements set forth in Government Auditing Standards (2011 Revision), published by the Comptroller General of the United States, Government Accountability Office, and except as provided in subdivision (10) of this section, subdivision (16) of section 50-1205, and section 84-322, shall not include performance audits, whether conducted pursuant to attestation engagements or performance audit standards as set forth in Government Auditing Standards (2011 Revision), published by the Comptroller General of the United States, Government Accountability Office.

(b) Any entity, excluding the state colleges and the University of Nebraska, that is audited or examined pursuant to subdivision (3)(a) of this section and that is the subject of a comment and recommendation in a management letter or report issued by the Auditor of Public Accounts shall, on or before six months after the issuance of such letter or report, provide to the Auditor of Public Accounts a detailed written description of any corrective action taken or to be taken in response to the comment and recommendation. The Auditor of Public Accounts may investigate and evaluate the corrective action. The Auditor of Public Accounts shall then electronically submit a report of any findings of such investigation and evaluation to the Governor, the appropriate standing committee of the Legislature, and the Appropriations Committee of the Legislature. The Auditor of Public Accounts shall also ensure that the report is delivered to the Appropriations Committee for entry into the record during the committee's budget hearing process;

(4)(a) To examine or cause to be examined, at the expense of the political subdivision, when the Auditor of Public Accounts determines such examination necessary or when requested by the political subdivision, the books, accounts, vouchers, records, and expenditures of any agricultural association formed under Chapter 2, article 20, any county agricultural society, any joint airport authority formed under the Joint Airport Authorities Act, any city or county airport authority, any bridge commission created pursuant to section 39-868, any cemetery district, any community redevelopment authority or limited community redevelopment authority established under the Community Development Law, any development district, any drainage district, any health district, any local public health department as defined in section 71-1626, any historical society, any hospital authority or district, any county hospital, any housing agency as defined in section 71-1575, any irrigation district, any county or municipal library, any community mental health center, any railroad transportation safety district, any rural water district, any township, Wyuka Cemetery, the Educational Service Unit Coordinating Council, any entity created pursuant to the Interlocal Cooperation Act, any educational service unit, any village, any service contractor or subrecipient of state or federal funds, any political subdivision with the authority to levy a property tax or a toll, or any entity created pursuant to the Joint Public Agency Act.

For purposes of this subdivision, service contractor or subrecipient means any nonprofit entity that expends state or federal funds to carry out a state or federal program or function, but it does not include an individual who is a direct beneficiary of such a program or function or a licensed health care provider or facility receiving direct payment for medical services provided for a specific individual.

(b) The Auditor of Public Accounts may waive the audit requirement of subdivision (4)(a) of this section upon the submission by the political subdivision of a written request in a form prescribed by the auditor. The auditor shall notify the political subdivision in writing of the approval or denial of the request for a waiver.

(c) Through December 31, 2017, the Auditor of Public Accounts may conduct audits under this subdivision for purposes of sections 2-3228, 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118, 23-3526, 71-1631.02, and 79-987.

(d) Beginning on May 24, 2017, the Auditor of Public Accounts may conduct audits under this subdivision for purposes of sections 13-2402, 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 71-1631.02, and 79-987 and section 14 of this act and shall prescribe the form for the annual reports required in each of such sections. Such annual reports shall be published

annually on the web site of the Auditor of Public Accounts;

(5) To report promptly to the Governor and the appropriate standing committee of the Legislature the fiscal condition shown by such examinations conducted by the auditor, including any irregularities or misconduct of officers or employees, any misappropriation or misuse of public funds or property, and any improper system or method of bookkeeping or condition of accounts. The report submitted to the committee shall be submitted electronically. In addition, if, in the normal course of conducting an audit in accordance with subdivision (3) of this section, the auditor discovers any potential problems related to the effectiveness, efficiency, or performance of state programs, he or she shall immediately report them electronically to the Legislative Performance Audit Committee which may investigate the issue further, report it electronically to the appropriate standing committee of the Legislature, or both;

(6)(a) To examine or cause to be examined the books, accounts, vouchers, records, and expenditures of a fire protection district. The expense of the examination shall be paid by the political subdivision.

(b) Whenever the expenditures of a fire protection district are one hundred fifty thousand dollars or less per fiscal year, the fire protection district shall be audited no more than once every five years except as directed by the board of directors of the fire protection district or unless the auditor receives a verifiable report from a third party indicating any irregularities or misconduct of officers or employees of the fire protection district, any misappropriation or misuse of public funds or property, or any improper system or method of bookkeeping or condition of accounts of the fire protection district. In the absence of such a report, the auditor may waive the five-year audit requirement upon the submission of a written request by the fire protection district in a form prescribed by the auditor. The auditor shall notify the fire protection district in writing of the approval or denial of a request for waiver of the five-year audit requirement. Upon approval of the request for waiver of the five-year audit requirement, a new five-year audit period shall begin.

(c) Whenever the expenditures of a fire protection district exceed one hundred fifty thousand dollars in a fiscal year, the auditor may waive the audit requirement upon the submission of a written request by the fire protection district in a form prescribed by the auditor. The auditor shall notify the fire protection district in writing of the approval or denial of a request for waiver. Upon approval of the request for waiver, a new five-year audit period shall begin for the fire protection district if its expenditures are one hundred fifty thousand dollars or less per fiscal year in subsequent years;

(7) To appoint two or more assistant deputies (a) whose entire time shall be devoted to the service of the state as directed by the auditor, (b) who shall be certified public accountants with at least five years' experience, (c) who shall be selected without regard to party affiliation or to place of residence at the time of appointment, (d) who shall promptly report to the auditor the fiscal condition shown by each examination, including any irregularities or misconduct of officers or employees, any misappropriation or misuse of public funds or property, and any improper system or method of bookkeeping or condition of accounts, and it shall be the duty of the auditor to file promptly with the Governor a duplicate of such report, and (e) who shall qualify by taking an oath which shall be filed in the office of the Secretary of State;

(8) To conduct audits and related activities for state agencies, political subdivisions of this state, or grantees of federal funds disbursed by a receiving agency on a contractual or other basis for reimbursement to assure proper accounting by all such agencies, political subdivisions, and grantees for funds appropriated by the Legislature and federal funds disbursed by any receiving agency. The auditor may contract with any political subdivision to perform the audit of such political subdivision required by or provided for in section 23-1608 or 79-1229 or this section and charge the political subdivision for conducting the audit. The fees charged by the auditor for conducting audits on a contractual basis shall be in an amount sufficient to pay the cost of the audit. The fees remitted to the auditor for such audits and services shall be deposited in the Auditor of Public Accounts Cash Fund;

(9) To develop and maintain an annual budget and actual financial information reporting system for political subdivisions that is accessible online by the public;

(10) When authorized, to conduct joint audits with the Legislative Performance Audit Committee as described in section 50-1205; and

(11) Unless otherwise specifically provided, to assess the interest rate on delinquent payments of any fees for audits and services owing to the Auditor of Public Accounts at a rate of fourteen percent per annum from the date of billing unless paid within thirty days after the date of billing. For an entity created pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act, any participating public agencies shall be jointly and severally liable for the fees and interest owed if such entity is defunct or unable to pay.

Sec. 45. Section 84-304.02, Revised Statutes Cumulative Supplement, 2018, is amended to read:

84-304.02 The Auditor of Public Accounts, or a person designated by him or her, may prepare a written review of all audit, accounting, or financial reports required to be filed by a political subdivision of the state with the Auditor of Public Accounts and of public retirement system plan reports

required to be submitted to the Auditor of Public Accounts pursuant to sections 2-3228, 12-101, 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118, 23-3526, 71-1631.02, 79-987, and 84-304 and section 14 of this act and cause one copy of such written review to be mailed to the political subdivision involved and one copy to the accountant who prepared the report. Such written review shall specifically set forth wherein the audit, accounting, financial, or retirement system plan report fails to comply with the applicable minimum standards and the necessary action to be taken to bring the report into compliance with such standards. The Auditor of Public Accounts may, upon continued failure to comply with such standards, refuse to accept for filing an audit, accounting, financial, or retirement system plan report or any future report submitted for filing by any political subdivision.

Sec. 46. The Revisor of Statutes shall assign sections 1 to 25 of this act to a new article in Chapter 19.

Sec. 47. Original sections 13-1213, 13-2202, 13-2401, 14-1803, 14-1812, 32-567, 32-604, 32-1203, 75-303, 77-3442, and 77-3443, Reissue Revised Statutes of Nebraska, and sections 13-503, 13-519, 13-1205, 13-1209, 32-101, 60-6,290, 84-304, and 84-304.02, Revised Statutes Cumulative Supplement, 2018, are repealed.