

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1241**

Introduced by von Gillern, 4.

Read first time January 16, 2024

Committee: Revenue

- 1 A BILL FOR AN ACT relating to property taxes; to amend section 77-3442,
- 2 Revised Statutes Supplement, 2023; to change provisions relating to
- 3 levy limits; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Supplement, 2023, is  
2 amended to read:

3 77-3442 (1) Except as provided in section 77-3444, property ~~Property~~  
4 tax levies for the support of local governments for fiscal years  
5 beginning on or after July 1, 1998, shall be limited to the amounts set  
6 forth in this section and shall be further limited as prescribed in  
7 subsection (12) of this section ~~except as provided in section 77-3444.~~

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

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

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

26 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
27 of this section are (i) amounts levied to pay for current and future sums  
28 agreed to be paid by a school district to certificated employees in  
29 exchange for a voluntary termination of employment occurring prior to  
30 September 1, 2017, (ii) amounts levied by a school district otherwise at  
31 the maximum levy pursuant to subdivision (2)(a) of this section to pay

1 for current and future qualified voluntary termination incentives for  
2 certificated teachers pursuant to subsection (3) of section 79-8,142 that  
3 are not otherwise included in an exclusion pursuant to subdivision (2)(d)  
4 of this section, (iii) amounts levied by a school district otherwise at  
5 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
6 for seventy-five percent of the current and future sums agreed to be paid  
7 to certificated employees in exchange for a voluntary termination of  
8 employment occurring between September 1, 2017, and August 31, 2018, as a  
9 result of a collective-bargaining agreement in force and effect on  
10 September 1, 2017, that are not otherwise included in an exclusion  
11 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a  
12 school district otherwise at the maximum levy pursuant to subdivision (2)  
13 (a) of this section to pay for fifty percent of the current and future  
14 sums agreed to be paid to certificated employees in exchange for a  
15 voluntary termination of employment occurring between September 1, 2018,  
16 and August 31, 2019, as a result of a collective-bargaining agreement in  
17 force and effect on September 1, 2017, that are not otherwise included in  
18 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts  
19 levied by a school district otherwise at the maximum levy pursuant to  
20 subdivision (2)(a) of this section to pay for twenty-five percent of the  
21 current and future sums agreed to be paid to certificated employees in  
22 exchange for a voluntary termination of employment occurring between  
23 September 1, 2019, and August 31, 2020, as a result of a collective-  
24 bargaining agreement in force and effect on September 1, 2017, that are  
25 not otherwise included in an exclusion pursuant to subdivision (2)(d) of  
26 this section, (vi) amounts levied in compliance with sections 79-10,110  
27 and 79-10,110.02, and (vii) amounts levied to pay for special building  
28 funds and sinking funds established for projects commenced prior to April  
29 1, 1996, for construction, expansion, or alteration of school district  
30 buildings. For purposes of this subsection, commenced means any action  
31 taken by the school board on the record which commits the board to expend

1 district funds in planning, constructing, or carrying out the project.

2 (e) Federal aid school districts may exceed the maximum levy  
3 prescribed by subdivision (2)(a) or (2)(c) of this section only to the  
4 extent necessary to qualify to receive federal aid pursuant to Title VIII  
5 of Public Law 103-382, as such title existed on September 1, 2001. For  
6 purposes of this subdivision, federal aid school district means any  
7 school district which receives ten percent or more of the revenue for its  
8 general fund budget from federal government sources pursuant to Title  
9 VIII of Public Law 103-382, as such title existed on September 1, 2001.

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

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

25 (3) For each fiscal year through fiscal year 2023-24, community  
26 college areas may levy the levies provided in subdivisions (2)(a) through  
27 (c) of section 85-1517, in accordance with the provisions of such  
28 subdivisions. For fiscal year 2024-25 and each fiscal year thereafter,  
29 community college areas may levy the levies provided in subdivisions (2)  
30 (a) and (b) of section 85-1517, in accordance with the provisions of such  
31 subdivisions. A community college area may exceed the levy provided in

1 subdivision (2)(a) of section 85-1517 by the amount necessary to generate  
2 sufficient revenue as described in section 85-1543 or 85-2238. A  
3 community college area may exceed the levy provided in subdivision (2)(b)  
4 of section 85-1517 by the amount necessary to retire general obligation  
5 bonds assumed by the community college area or issued pursuant to section  
6 85-1515 according to the terms of such bonds or for any obligation  
7 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

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

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

1 fiscal year 2006-07 and each fiscal year thereafter through fiscal year  
2 2017-18.

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

7 (6)(a) Incorporated cities and villages which are not within the  
8 boundaries of a municipal county may levy a maximum levy of forty-five  
9 cents per one hundred dollars of taxable valuation of property subject to  
10 the levy plus an additional five cents per one hundred dollars of taxable  
11 valuation to provide financing for the municipality's share of revenue  
12 required under an agreement or agreements executed pursuant to the  
13 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum  
14 levy shall include amounts levied to pay for sums to support a library  
15 pursuant to section 51-201, museum pursuant to section 51-501, visiting  
16 community nurse, home health nurse, or home health agency pursuant to  
17 section 71-1637, or statue, memorial, or monument pursuant to section  
18 80-202.

19 (b) Incorporated cities and villages which are within the boundaries  
20 of a municipal county may levy a maximum levy of ninety cents per one  
21 hundred dollars of taxable valuation of property subject to the levy. The  
22 maximum levy shall include amounts paid to a municipal county for county  
23 services, amounts levied to pay for sums to support a library pursuant to  
24 section 51-201, a museum pursuant to section 51-501, a visiting community  
25 nurse, home health nurse, or home health agency pursuant to section  
26 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

27 (7) Sanitary and improvement districts which have been in existence  
28 for more than five years may levy a maximum levy of forty cents per one  
29 hundred dollars of taxable valuation of property subject to the levy, and  
30 sanitary and improvement districts which have been in existence for five  
31 years or less shall not have a maximum levy. Unconsolidated sanitary and

1 improvement districts which have been in existence for more than five  
2 years and are located in a municipal county may levy a maximum of eighty-  
3 five cents per hundred dollars of taxable valuation of property subject  
4 to the levy.

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

29 (9) Municipal counties may levy or authorize a maximum levy of one  
30 dollar per one hundred dollars of taxable valuation of property subject  
31 to the levy. The municipal county may allocate levy authority to any

1 political subdivision or entity subject to allocation under section  
2 77-3443.

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

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

20 (12) In addition to the specific levy limits provided in this  
21 section, if the total taxable valuation of property in a political  
22 subdivision exceeds the total taxable valuation from the prior year, then  
23 such political subdivision shall be subject to an additional levy limit  
24 calculated as follows:

25 (a) The percentage increase in the political subdivision's total  
26 taxable valuation shall be determined; and

27 (b) The political subdivision's levy rate from the prior year shall  
28 then be decreased by the percentage determined pursuant to subdivision  
29 (12)(a) of this section. Such decreased levy rate shall be the maximum  
30 levy rate that such political subdivision may impose in the current year.

31 (13) (12) Property tax levies (a) for judgments, except judgments or



1 orders from the Commission of Industrial Relations, obtained against a  
2 political subdivision which require or obligate a political subdivision  
3 to pay such judgment, to the extent such judgment is not paid by  
4 liability insurance coverage of a political subdivision, (b) for  
5 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)  
6 for bonds as defined in section 10-134 approved according to law and  
7 secured by a levy on property except as provided in section 44-4317 for  
8 bonded indebtedness issued by educational service units and school  
9 districts, (d) for payments by a public airport to retire interest-free  
10 loans from the Division of Aeronautics of the Department of  
11 Transportation in lieu of bonded indebtedness at a lower cost to the  
12 public airport, and (e) to pay for cancer benefits provided on or after  
13 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not  
14 included in the levy limits established by this section.

15 (14) ~~(13)~~ The limitations on tax levies provided in this section are  
16 to include all other general or special levies provided by law.  
17 Notwithstanding other provisions of law, the only exceptions to the  
18 limits in this section are those provided by or authorized by sections  
19 77-3442 to 77-3444.

20 (15) ~~(14)~~ Tax levies in excess of the limitations in this section  
21 shall be considered unauthorized levies under section 77-1606 unless  
22 approved under section 77-3444.

23 (16) ~~(15)~~ For purposes of sections 77-3442 to 77-3444, political  
24 subdivision means a political subdivision of this state and a county  
25 agricultural society.

26 (17) ~~(16)~~ For school districts that file a binding resolution on or  
27 before May 9, 2008, with the county assessors, county clerks, and county  
28 treasurers for all counties in which the school district has territory  
29 pursuant to subsection (7) of section 79-458, if the combined levies,  
30 except levies for bonded indebtedness approved by the voters of the  
31 school district and levies for the refinancing of such bonded

1 indebtedness, are in excess of the greater of (a) one dollar and twenty  
2 cents per one hundred dollars of taxable valuation of property subject to  
3 the levy or (b) the maximum levy authorized by a vote pursuant to section  
4 77-3444, all school district levies, except levies for bonded  
5 indebtedness approved by the voters of the school district and levies for  
6 the refinancing of such bonded indebtedness, shall be considered  
7 unauthorized levies under section 77-1606.

8       Sec. 2. Original section 77-3442, Revised Statutes Supplement,  
9 2023, is repealed.