

AMENDMENTS TO LB959

Introduced by Education.

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Section 77-3442, Revised Statutes Supplement, 2015, is  
4 amended to read:

5           77-3442 (1) Property tax levies for the support of local governments  
6 for fiscal years beginning on or after July 1, 1998, shall be limited to  
7 the amounts set forth in this section except as provided in section  
8 77-3444.

9           (2)(a) Except as provided in subdivision (2)(e) of this section,  
10 school districts and multiple-district school systems, except learning  
11 communities and school districts that are members of learning  
12 communities, may levy a maximum levy of one dollar and five cents per one  
13 hundred dollars of taxable valuation of property subject to the levy.

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

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

27           (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)

1 of this section are amounts levied to pay for sums agreed to be paid by a  
2 school district to certificated employees in exchange for a voluntary  
3 termination of employment, amounts levied in compliance with section  
4 79-10,110 and section 11 of this act, and amounts levied to pay for  
5 special building funds and sinking funds established for projects  
6 commenced prior to April 1, 1996, for construction, expansion, or  
7 alteration of school district buildings. For purposes of this subsection,  
8 commenced means any action taken by the school board on the record which  
9 commits the board to expend district funds in planning, constructing, or  
10 carrying out the project.

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

19 (f) For school fiscal year 2002-03 through school fiscal year  
20 2007-08, school districts and multiple-district school systems may, upon  
21 a three-fourths majority vote of the school board of the school district,  
22 the board of the unified system, or the school board of the high school  
23 district of the multiple-district school system that is not a unified  
24 system, exceed the maximum levy prescribed by subdivision (2)(a) of this  
25 section in an amount equal to the net difference between the amount of  
26 state aid that would have been provided under the Tax Equity and  
27 Educational Opportunities Support Act without the temporary aid  
28 adjustment factor as defined in section 79-1003 for the ensuing school  
29 fiscal year for the school district or multiple-district school system  
30 and the amount provided with the temporary aid adjustment factor. The  
31 State Department of Education shall certify to the school districts and

1 multiple-district school systems the amount by which the maximum levy may  
2 be exceeded for the next school fiscal year pursuant to this subdivision  
3 (f) of this subsection on or before February 15 for school fiscal years  
4 2004-05 through 2007-08.

5 (g) For each fiscal year, learning communities may levy a maximum  
6 levy of two cents on each one hundred dollars of taxable property subject  
7 to the levy for special building funds for member school districts. The  
8 proceeds from the levy pursuant to this subdivision shall be distributed  
9 pursuant to section 79-1073.01.

10 (h) 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 (i) 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)(a) For fiscal years 2011-12 and 2012-13, community college areas~~  
26 ~~may levy a maximum of ten and one quarter cents per one hundred dollars~~  
27 ~~of taxable valuation of property subject to the levy for operating~~  
28 ~~expenditures and may also levy the additional levies provided in~~  
29 ~~subdivisions (1)(b) and (c) of section 85-1517.~~

30 ~~(3 b)~~ For fiscal year 2013-14 and each fiscal year thereafter,  
31 community college areas may levy the levies provided in subdivisions (2)

1 (a) through (c) of section 85-1517, in accordance with the provisions of  
2 such subdivisions. A community college area may exceed the levy provided  
3 in subdivision (2)(b) of section 85-1517 by the amount necessary to  
4 retire general obligation bonds assumed by the community college area or  
5 issued pursuant to section 85-1515 according to the terms of such bonds  
6 or for any obligation pursuant to section 85-1535 entered into prior to  
7 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 ~~Rural~~ and suburban fire  
4 protection districts may levy a maximum levy of ten and one-half cents  
5 per one hundred dollars of taxable valuation of property subject to the  
6 levy if (a) such district is located in a county that had a levy pursuant  
7 to 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) for any rural or suburban fire protection district that  
10 had a levy request pursuant to section 77-3443 in the previous year, the  
11 county board of the county in which the greatest portion of the valuation  
12 of such district is located did not authorize any levy authority to such  
13 district in the previous year.

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

27 (12) The limitations on tax levies provided in this section are to  
28 include all other general or special levies provided by law.  
29 Notwithstanding other provisions of law, the only exceptions to the  
30 limits in this section are those provided by or authorized by sections  
31 77-3442 to 77-3444.

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

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

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

20 Sec. 2. Section 79-1003, Revised Statutes Supplement, 2015, is  
21 amended to read:

22 79-1003 For purposes of the Tax Equity and Educational Opportunities  
23 Support Act:

24 (1) Adjusted general fund operating expenditures means (a) for  
25 school fiscal years 2013-14 through 2015-16, the difference of the  
26 general fund operating expenditures as calculated pursuant to subdivision  
27 (23) of this section increased by the cost growth factor calculated  
28 pursuant to section 79-1007.10, minus the transportation allowance,  
29 special receipts allowance, poverty allowance, limited English  
30 proficiency allowance, distance education and telecommunications  
31 allowance, elementary site allowance, summer school allowance,

1 instructional time allowance, teacher education allowance, and focus  
2 school and program allowance, and (b) for school fiscal year 2016-17 and  
3 each school fiscal year thereafter, the difference of the general fund  
4 operating expenditures as calculated pursuant to subdivision (23) of this  
5 section increased by the cost growth factor calculated pursuant to  
6 section 79-1007.10, minus the transportation allowance, special receipts  
7 allowance, poverty allowance, limited English proficiency allowance,  
8 distance education and telecommunications allowance, elementary site  
9 allowance, summer school allowance, best practices allowance, and focus  
10 school and program allowance;

11 (2) Adjusted valuation means the assessed valuation of taxable  
12 property of each local system in the state, adjusted pursuant to the  
13 adjustment factors described in section 79-1016. Adjusted valuation means  
14 the adjusted valuation for the property tax year ending during the school  
15 fiscal year immediately preceding the school fiscal year in which the aid  
16 based upon that value is to be paid. For purposes of determining the  
17 local effort rate yield pursuant to section 79-1015.01, adjusted  
18 valuation does not include the value of any property which a court, by a  
19 final judgment from which no appeal is taken, has declared to be  
20 nontaxable or exempt from taxation;

21 (3) Allocated income tax funds means the amount of assistance paid  
22 to a local system pursuant to section 79-1005.01 as adjusted, for school  
23 fiscal years prior to school fiscal year 2017-18, by the minimum levy  
24 adjustment pursuant to section 79-1008.02;

25 (4) Average daily membership means the average daily membership for  
26 grades kindergarten through twelve attributable to the local system, as  
27 provided in each district's annual statistical summary, and includes the  
28 proportionate share of students enrolled in a public school instructional  
29 program on less than a full-time basis;

30 (5) Base fiscal year means the first school fiscal year following  
31 the school fiscal year in which the reorganization or unification

1 occurred;

2 (6) Board means the school board of each school district;

3 (7) Categorical funds means funds limited to a specific purpose by  
4 federal or state law, including, but not limited to, Title I funds, Title  
5 VI funds, federal vocational education funds, federal school lunch funds,  
6 Indian education funds, Head Start funds, and funds from the Education  
7 Innovation Fund. Categorical funds does not include funds received  
8 pursuant to section 79-1028.02 or 79-1028.04;

9 (8) Consolidate means to voluntarily reduce the number of school  
10 districts providing education to a grade group and does not include  
11 dissolution pursuant to section 79-498;

12 (9) Converted contract means an expired contract that was in effect  
13 for at least fifteen school years beginning prior to school year 2012-13  
14 for the education of students in a nonresident district in exchange for  
15 tuition from the resident district when the expiration of such contract  
16 results in the nonresident district educating students, who would have  
17 been covered by the contract if the contract were still in effect, as  
18 option students pursuant to the enrollment option program established in  
19 section 79-234;

20 (10) Converted contract option student means a student who will be  
21 an option student pursuant to the enrollment option program established  
22 in section 79-234 for the school fiscal year for which aid is being  
23 calculated and who would have been covered by a converted contract if the  
24 contract were still in effect and such school fiscal year is the first  
25 school fiscal year for which such contract is not in effect;

26 (11) Department means the State Department of Education;

27 (12) District means any Class I, II, III, IV, V, or VI school  
28 district and, beginning with the calculation of state aid for school  
29 fiscal year 2011-12 and each school fiscal year thereafter, a unified  
30 system as defined in section 79-4,108;

31 (13) Ensuing school fiscal year means the school fiscal year

1 following the current school fiscal year;

2 (14) Equalization aid means the amount of assistance calculated to  
3 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,  
4 79-1007.25, 79-1008.01 to 79-1022, 79-1022.02, 79-1028.02, and  
5 79-1028.04;

6 (15) Fall membership means the total membership in kindergarten  
7 through grade twelve attributable to the local system as reported on the  
8 fall school district membership reports for each district pursuant to  
9 section 79-528;

10 (16) Fiscal year means the state fiscal year which is the period  
11 from July 1 to the following June 30;

12 (17) Formula students means:

13 (a) For state aid certified pursuant to section 79-1022, the sum of  
14 the product of fall membership from the school fiscal year immediately  
15 preceding the school fiscal year in which the aid is to be paid  
16 multiplied by the average ratio of average daily membership to fall  
17 membership for the second school fiscal year immediately preceding the  
18 school fiscal year in which the aid is to be paid and the prior two  
19 school fiscal years plus sixty percent of the qualified early childhood  
20 education fall membership plus tuitioned students from the school fiscal  
21 year immediately preceding the school fiscal year in which aid is to be  
22 paid minus the product of the number of students enrolled in kindergarten  
23 that is not full-day kindergarten from the fall membership multiplied by  
24 0.5; and

25 (b) For the final calculation of state aid pursuant to section  
26 79-1065, the sum of average daily membership plus sixty percent of the  
27 qualified early childhood education average daily membership plus  
28 tuitioned students minus the product of the number of students enrolled  
29 in kindergarten that is not full-day kindergarten from the average daily  
30 membership multiplied by 0.5 from the school fiscal year immediately  
31 preceding the school fiscal year in which aid was paid;

1 (18) Free lunch and free milk calculated student means, for school  
2 fiscal year 2016-17 and each school fiscal year thereafter, using the  
3 most recent data available on November 1 of the school fiscal year  
4 immediately preceding the school fiscal year in which aid is to be paid,  
5 (a) a student who qualified for free lunches or free milk and attended a  
6 school that uses information collected from parents and guardians  
7 pursuant to section 79-10,143 to determine such qualifications pursuant  
8 to the federal Richard B. Russell National School Lunch Act, 42 U.S.C.  
9 1751 et seq., and the federal Child Nutrition Act of 1966, 42 U.S.C. 1771  
10 et seq., as such acts and sections existed on January 1, 2015, and rules  
11 and regulations adopted thereunder, plus (b) the product of the students  
12 who attend a school that provides free meals to all students pursuant to  
13 the community eligibility provision multiplied by the identified student  
14 percentage calculated pursuant to such federal provision;

15 (19) Free lunch and free milk student means, for school fiscal years  
16 prior to school fiscal year 2016-17, a student who qualified for free  
17 lunches or free milk from the most recent data available on November 1 of  
18 the school fiscal year immediately preceding the school fiscal year in  
19 which aid is to be paid;

20 (20) Full-day kindergarten means kindergarten offered by a district  
21 for at least one thousand thirty-two instructional hours;

22 (21) General fund budget of expenditures means the total budget of  
23 disbursements and transfers for general fund purposes as certified in the  
24 budget statement adopted pursuant to the Nebraska Budget Act, except that  
25 for purposes of the limitation imposed in section 79-1023 and the  
26 calculation pursuant to subdivision (2) of section 79-1027.01, the  
27 general fund budget of expenditures does not include any special grant  
28 funds, exclusive of local matching funds, received by a district;

29 (22) General fund expenditures means all expenditures from the  
30 general fund;

31 (23) General fund operating expenditures means for state aid

1 calculated for school fiscal years 2012-13 and each school fiscal year  
2 thereafter, as reported on the annual financial report for the second  
3 school fiscal year immediately preceding the school fiscal year in which  
4 aid is to be paid, the total general fund expenditures minus (a) the  
5 amount of all receipts to the general fund, to the extent that such  
6 receipts are not included in local system formula resources, from early  
7 childhood education tuition, summer school tuition, educational entities  
8 as defined in section 79-1201.01 for providing distance education courses  
9 through the Educational Service Unit Coordinating Council to such  
10 educational entities, private foundations, individuals, associations,  
11 charitable organizations, the textbook loan program authorized by section  
12 79-734, federal impact aid, and levy override elections pursuant to  
13 section 77-3444, (b) the amount of expenditures for categorical funds,  
14 tuition paid, transportation fees paid to other districts, adult  
15 education, community services, redemption of the principal portion of  
16 general fund debt service, retirement incentive plans authorized by  
17 section 79-855, and staff development assistance authorized by section  
18 79-856, (c) the amount of any transfers from the general fund to any bond  
19 fund and transfers from other funds into the general fund, (d) any legal  
20 expenses in excess of fifteen-hundredths of one percent of the formula  
21 need for the school fiscal year in which the expenses occurred, (e)  
22 expenditures to pay for sums agreed to be paid by a school district to  
23 certificated employees in exchange for a voluntary termination occurring  
24 prior to July 1, 2009, occurring on or after the last day of the 2010-11  
25 school year and prior to the first day of the 2013-14 school year, or, to  
26 the extent that a district has demonstrated to the State Board of  
27 Education pursuant to section 79-1028.01 that the agreement will result  
28 in a net savings in salary and benefit costs to the school district over  
29 a five-year period, occurring on or after the first day of the 2013-14  
30 school year, (f)(i) expenditures to pay for employer contributions  
31 pursuant to subsection (2) of section 79-958 to the School Employees

1 Retirement System of the State of Nebraska to the extent that such  
2 expenditures exceed the employer contributions under such subsection that  
3 would have been made at a contribution rate of seven and thirty-five  
4 hundredths percent or (ii) expenditures to pay for school district  
5 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to  
6 the retirement system established pursuant to the Class V School  
7 Employees Retirement Act to the extent that such expenditures exceed the  
8 school district contributions under such subdivision that would have been  
9 made at a contribution rate of seven and thirty-seven hundredths percent,  
10 and (g) any amounts paid by the district for lobbyist fees and expenses  
11 reported to the Clerk of the Legislature pursuant to section 49-1483.

12 For purposes of this subdivision (23) of this section, receipts from  
13 levy override elections shall equal ninety-nine percent of the difference  
14 of the total general fund levy minus a levy of one dollar and five cents  
15 per one hundred dollars of taxable valuation multiplied by the assessed  
16 valuation for school districts that have voted pursuant to section  
17 77-3444 to override the maximum levy provided pursuant to section  
18 77-3442;

19 (24) High school district means a school district providing  
20 instruction in at least grades nine through twelve;

21 (25) Income tax liability means the amount of the reported income  
22 tax liability for resident individuals pursuant to the Nebraska Revenue  
23 Act of 1967 less all nonrefundable credits earned and refunds made;

24 (26) Income tax receipts means the amount of income tax collected  
25 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable  
26 credits earned and refunds made;

27 (27) Limited English proficiency students means the number of  
28 students with limited English proficiency in a district from the most  
29 recent data available on November 1 of the school fiscal year preceding  
30 the school fiscal year in which aid is to be paid plus the difference of  
31 such students with limited English proficiency minus the average number

1 of limited English proficiency students for such district, prior to such  
2 addition, for the three immediately preceding school fiscal years if such  
3 difference is greater than zero;

4 (28) Local system means a learning community for purposes of  
5 calculation of state aid for the second full school fiscal year after  
6 becoming a learning community and each school fiscal year thereafter, a  
7 unified system, a Class VI district and the associated Class I districts,  
8 or a Class II, III, IV, or V district and any affiliated Class I  
9 districts or portions of Class I districts. The membership, expenditures,  
10 and resources of Class I districts that are affiliated with multiple high  
11 school districts will be attributed to local systems based on the percent  
12 of the Class I valuation that is affiliated with each high school  
13 district;

14 (29) Low-income child means (a) for school fiscal years prior to  
15 2016-17, a child under nineteen years of age living in a household having  
16 an annual adjusted gross income for the second calendar year preceding  
17 the beginning of the school fiscal year for which aid is being calculated  
18 equal to or less than the maximum household income that would allow a  
19 student from a family of four people to be a free lunch and free milk  
20 student during the school fiscal year immediately preceding the school  
21 fiscal year for which aid is being calculated and (b) for school fiscal  
22 year 2016-17 and each school fiscal year thereafter, a child under  
23 nineteen years of age living in a household having an annual adjusted  
24 gross income for the second calendar year preceding the beginning of the  
25 school fiscal year for which aid is being calculated equal to or less  
26 than the maximum household income pursuant to sections 9(b)(1) and 17(c)  
27 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.  
28 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)  
29 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)  
30 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections  
31 existed on January 1, 2015, for a household of that size that would have

1 allowed the child to meet the income qualifications for free meals during  
2 the school fiscal year immediately preceding the school fiscal year for  
3 which aid is being calculated;

4 (30) Low-income students means the number of low-income children  
5 within the district multiplied by the ratio of the formula students in  
6 the district divided by the total children under nineteen years of age  
7 residing in the district as derived from income tax information;

8 (31) Most recently available complete data year means the most  
9 recent single school fiscal year for which the annual financial report,  
10 fall school district membership report, annual statistical summary,  
11 Nebraska income tax liability by school district for the calendar year in  
12 which the majority of the school fiscal year falls, and adjusted  
13 valuation data are available;

14 (32) Poverty students means (a) for school fiscal years prior to  
15 2016-17, the number of low-income students or the number of students who  
16 are free lunch and free milk students in a district plus the difference  
17 of the number of low-income students or the number of students who are  
18 free lunch and free milk students in a district, whichever is greater,  
19 minus the average number of poverty students for such district, prior to  
20 such addition, for the three immediately preceding school fiscal years if  
21 such difference is greater than zero and (b) for school fiscal year  
22 2016-17 and each school fiscal year thereafter, the unadjusted poverty  
23 students plus the difference of such unadjusted poverty students minus  
24 the average number of poverty students for such district, prior to such  
25 addition, for the three immediately preceding school fiscal years if such  
26 difference is greater than zero;

27 (33) Qualified early childhood education average daily membership  
28 means the product of the average daily membership for school fiscal year  
29 2006-07 and each school fiscal year thereafter of students who will be  
30 eligible to attend kindergarten the following school year and are  
31 enrolled in an early childhood education program approved by the

1 department pursuant to section 79-1103 for such school district for such  
2 school year multiplied by the ratio of the actual instructional hours of  
3 the program divided by one thousand thirty-two if: (a) The program is  
4 receiving a grant pursuant to such section for the third year; (b) the  
5 program has already received grants pursuant to such section for three  
6 years; or (c) the program has been approved pursuant to subsection (5) of  
7 section 79-1103 for such school year and the two preceding school years,  
8 including any such students in portions of any of such programs receiving  
9 an expansion grant;

10 (34) Qualified early childhood education fall membership means the  
11 product of membership on the last Friday in September 2006 and each year  
12 thereafter of students who will be eligible to attend kindergarten the  
13 following school year and are enrolled in an early childhood education  
14 program approved by the department pursuant to section 79-1103 for such  
15 school district for such school year multiplied by the ratio of the  
16 planned instructional hours of the program divided by one thousand  
17 thirty-two if: (a) The program is receiving a grant pursuant to such  
18 section for the third year; (b) the program has already received grants  
19 pursuant to such section for three years; or (c) the program has been  
20 approved pursuant to subsection (5) of section 79-1103 for such school  
21 year and the two preceding school years, including any such students in  
22 portions of any of such programs receiving an expansion grant;

23 (35) Regular route transportation means the transportation of  
24 students on regularly scheduled daily routes to and from the attendance  
25 center;

26 (36) Reorganized district means any district involved in a  
27 consolidation and currently educating students following consolidation;

28 (37) School year or school fiscal year means the fiscal year of a  
29 school district as defined in section 79-1091;

30 (38) Sparse local system means a local system that is not a very  
31 sparse local system but which meets the following criteria:

1 (a)(i) Less than two students per square mile in the county in which  
2 each high school is located, based on the school district census, (ii)  
3 less than one formula student per square mile in the local system, and  
4 (iii) more than ten miles between each high school attendance center and  
5 the next closest high school attendance center on paved roads;

6 (b)(i) Less than one and one-half formula students per square mile  
7 in the local system and (ii) more than fifteen miles between each high  
8 school attendance center and the next closest high school attendance  
9 center on paved roads;

10 (c)(i) Less than one and one-half formula students per square mile  
11 in the local system and (ii) more than two hundred seventy-five square  
12 miles in the local system; or

13 (d)(i) Less than two formula students per square mile in the local  
14 system and (ii) the local system includes an area equal to ninety-five  
15 percent or more of the square miles in the largest county in which a high  
16 school attendance center is located in the local system;

17 (39) Special education means specially designed kindergarten through  
18 grade twelve instruction pursuant to section 79-1125, and includes  
19 special education transportation;

20 (40) Special grant funds means the budgeted receipts for grants,  
21 including, but not limited to, categorical funds, reimbursements for  
22 wards of the court, short-term borrowings including, but not limited to,  
23 registered warrants and tax anticipation notes, interfund loans,  
24 insurance settlements, and reimbursements to county government for  
25 previous overpayment. The state board shall approve a listing of grants  
26 that qualify as special grant funds;

27 (41) State aid means the amount of assistance paid to a district  
28 pursuant to the Tax Equity and Educational Opportunities Support Act;

29 (42) State board means the State Board of Education;

30 (43) State support means all funds provided to districts by the  
31 State of Nebraska for the general fund support of elementary and

1 secondary education;

2 (44) Statewide average basic funding per formula student means the  
3 statewide total basic funding for all districts divided by the statewide  
4 total formula students for all districts;

5 (45) Statewide average general fund operating expenditures per  
6 formula student means the statewide total general fund operating  
7 expenditures for all districts divided by the statewide total formula  
8 students for all districts;

9 (46) Teacher has the definition found in section 79-101;

10 (47) Temporary aid adjustment factor means (a) for school fiscal  
11 years before school fiscal year 2007-08, one and one-fourth percent of  
12 the sum of the local system's transportation allowance, the local  
13 system's special receipts allowance, and the product of the local  
14 system's adjusted formula students multiplied by the average formula cost  
15 per student in the local system's cost grouping and (b) for school fiscal  
16 year 2007-08, one and one-fourth percent of the sum of the local system's  
17 transportation allowance, special receipts allowance, and distance  
18 education and telecommunications allowance and the product of the local  
19 system's adjusted formula students multiplied by the average formula cost  
20 per student in the local system's cost grouping;

21 (48) Tuition receipts from converted contracts means tuition  
22 receipts received by a district from another district in the most  
23 recently available complete data year pursuant to a converted contract  
24 prior to the expiration of the contract;

25 (49) Tuitioned students means students in kindergarten through grade  
26 twelve of the district whose tuition is paid by the district to some  
27 other district or education agency;

28 (50) Unadjusted poverty students means, for school fiscal year  
29 2016-17 and each school fiscal year thereafter, the greater of the number  
30 of low-income students or the free lunch and free milk calculated  
31 students in a district; and

1 (51) Very sparse local system means a local system that has:

2 (a)(i) Less than one-half student per square mile in each county in  
3 which each high school attendance center is located based on the school  
4 district census, (ii) less than one formula student per square mile in  
5 the local system, and (iii) more than fifteen miles between the high  
6 school attendance center and the next closest high school attendance  
7 center on paved roads; or

8 (b)(i) More than four hundred fifty square miles in the local  
9 system, (ii) less than one-half student per square mile in the local  
10 system, and (iii) more than fifteen miles between each high school  
11 attendance center and the next closest high school attendance center on  
12 paved roads.

13 Sec. 3. Section 79-1005.01, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 79-1005.01 (1) An amount equal to the amount appropriated to the  
16 School District Income Tax Fund for distribution in school fiscal year  
17 1992-93 shall be disbursed as option payments as determined under section  
18 79-1009 and as allocated income tax funds as determined in this section  
19 and sections 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, except  
20 as provided in section 79-1008.02 for school fiscal years prior to school  
21 fiscal year 2017-18. For school fiscal years prior to school fiscal year  
22 2017-18, funds —Funds not distributed as allocated income tax funds due  
23 to minimum levy adjustments shall not increase the amount available to  
24 local systems for distribution as allocated income tax funds.

25 (2) Not later than November 15 of each year, the Tax Commissioner  
26 shall certify to the department for the preceding tax year the income tax  
27 liability of resident individuals for each local system. The 1996 income  
28 tax liability of resident individuals of Class I districts that are  
29 affiliated with multiple high school districts shall be divided between  
30 local systems based on the percentage of the Class I district's valuation  
31 affiliated with each high school district.

1           (3) Using the data certified by the Tax Commissioner pursuant to  
2 subsection (2) of this section, the department shall calculate the  
3 allocation percentage and each local system's allocated income tax funds.  
4 The allocation percentage shall be an amount equal to the amount  
5 appropriated to the School District Income Tax Fund for distribution in  
6 school fiscal year 1992-93 minus the total amount paid for option  
7 students pursuant to section 79-1009 and (a) for aid calculated for  
8 school fiscal year 2010-11, minus twenty million dollars and (b) for aid  
9 calculated for school fiscal years 2011-12 and 2012-13, minus twenty-one  
10 million dollars with the difference divided by the aggregate statewide  
11 income tax liability of all resident individuals certified pursuant to  
12 subsection (2) of this section. Each local system's allocated income tax  
13 funds shall be calculated by multiplying the allocation percentage times  
14 the local system's income tax liability certified pursuant to subsection  
15 (2) of this section.

16           Sec. 4. Section 79-1007.18, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18           79-1007.18 (1) For school fiscal years prior to school fiscal year  
19 2017-18:

20           (a) The department shall calculate an averaging adjustment for  
21 districts if the basic funding per formula student is less than the  
22 averaging adjustment threshold and the general fund levy for the school  
23 fiscal year immediately preceding the school fiscal year for which aid is  
24 being calculated was at least one dollar per one hundred dollars of  
25 taxable valuation. For school districts that are members of a learning  
26 community, the general fund levy for purposes of this section includes  
27 both the common general fund levy and the school district general fund  
28 levy authorized pursuant to subdivisions (2)(b) and (2)(c) of section  
29 77-3442. The averaging adjustment shall equal the district's formula  
30 students multiplied by the percentage specified in this subsection  
31 ~~section~~ for such district of the difference between the averaging

1 adjustment threshold minus such district's basic funding per formula  
2 student; -

3 ~~(2)(a) For school fiscal years 2012-13 and 2013-14, the averaging~~  
4 ~~adjustment threshold shall equal the lesser of (i) the averaging~~  
5 ~~adjustment threshold for the school fiscal year immediately preceding the~~  
6 ~~school fiscal year for which aid is being calculated increased by the~~  
7 ~~basic allowable growth rate or (ii) the statewide average basic funding~~  
8 ~~per formula student for the school fiscal year for which aid is being~~  
9 ~~calculated.~~

10 (b) ~~The~~ For school fiscal year 2014-15 and each school fiscal year  
11 thereafter, the averaging adjustment threshold shall equal the aggregate  
12 basic funding for all districts with nine hundred or more formula  
13 students divided by the aggregate formula students for all districts with  
14 nine hundred or more formula students for the school fiscal year for  
15 which aid is being calculated; and -

16 (c ~~3~~) The percentage to be used in the calculation of an averaging  
17 adjustment shall be based on the general fund levy for the school fiscal  
18 year immediately preceding the school fiscal year for which aid is being  
19 calculated and shall be as follows: -

20 ~~(4) The percentages to be used in the calculation of averaging~~  
21 ~~adjustments shall be as follows:~~

22 (i ~~a~~) If such levy was at least one dollar per one hundred dollars  
23 of taxable valuation but less than one dollar and one cent per one  
24 hundred dollars of taxable valuation, the percentage shall be fifty  
25 percent;

26 (ii ~~b~~) If such levy was at least one dollar and one cent per one  
27 hundred dollars of taxable valuation but less than one dollar and two  
28 cents per one hundred dollars of taxable valuation, the percentage shall  
29 be sixty percent;

30 (iii ~~c~~) If such levy was at least one dollar and two cents per one  
31 hundred dollars of taxable valuation but less than one dollar and three

1 cents per one hundred dollars of taxable valuation, the percentage shall  
2 be seventy percent;

3 (iv d) If such levy was at least one dollar and three cents per one  
4 hundred dollars of taxable valuation but less than one dollar and four  
5 cents per one hundred dollars of taxable valuation, the percentage shall  
6 be eighty percent; and

7 (v e) If such levy was at least one dollar and four cents per one  
8 hundred dollars of taxable valuation, the percentage shall be ninety  
9 percent.

10 (2) For school fiscal year 2017-18 and each school fiscal year  
11 thereafter, the department shall calculate an averaging adjustment for  
12 districts with at least nine hundred formula students if the basic  
13 funding per formula student is less than the averaging adjustment  
14 threshold. The averaging adjustment shall equal the district's formula  
15 students multiplied by ninety percent of the difference of the averaging  
16 adjustment threshold minus such district's basic funding per formula  
17 student. The averaging adjustment threshold shall equal the aggregate  
18 basic funding for all districts with nine hundred or more formula  
19 students divided by the aggregate formula students for all districts with  
20 nine hundred or more formula students for the school fiscal year for  
21 which aid is being calculated.

22 Sec. 5. Section 79-1008.01, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 79-1008.01 ~~Except For all school fiscal years except school fiscal~~  
25 ~~year 2010-11, except~~ as provided in section ~~sections~~ 79-1008.02 for  
26 school fiscal years prior to school fiscal year 2017-18 and section  
27 79-1009, each local system shall receive equalization aid in the amount  
28 that the total formula need of each local system, as determined pursuant  
29 to sections 79-1007.04 to 79-1007.23 and 79-1007.25, exceeds its total  
30 formula resources as determined pursuant to sections 79-1015.01 to  
31 79-1018.01.

1           ~~For school fiscal year 2010-11, except as provided in sections~~  
2 ~~79-1008.02 and 79-1009, each local system shall receive equalization aid~~  
3 ~~in the amount by which one hundred two and twenty-three hundredths~~  
4 ~~percent of the total formula need of each local system, as determined~~  
5 ~~pursuant to sections 79-1007.04 to 79-1007.23 and 79-1007.25, exceeds its~~  
6 ~~total formula resources as determined pursuant to sections 79-1015.01 to~~  
7 ~~79-1018.01.~~

8           Sec. 6. Section 79-1008.02, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10           79-1008.02   For school fiscal years prior to school fiscal year  
11 2017-18, a A minimum levy adjustment shall be calculated and applied to  
12 any local system that has a general fund common levy for the fiscal year  
13 during which aid is certified that is less than the maximum levy, for  
14 such fiscal year for such local system, allowed pursuant to subdivision  
15 (2)(a) or (b) of section 77-3442 without a vote pursuant to section  
16 77-3444 less five cents for learning communities and less ten cents for  
17 all other local systems. To calculate the minimum levy adjustment, the  
18 department shall subtract the local system general fund common levy for  
19 such fiscal year for such local system from the maximum levy allowed  
20 pursuant to subdivision (2)(a) or (b) of section 77-3442 without a vote  
21 pursuant to section 77-3444 less five cents for learning communities and  
22 less ten cents for all other local systems and multiply the result by the  
23 local system's adjusted valuation divided by one hundred. The minimum  
24 levy adjustment shall be added to the formula resources of the local  
25 system for the determination of equalization aid pursuant to section  
26 79-1008.01. If the minimum levy adjustment is greater than or equal to  
27 the allocated income tax funds calculated pursuant to section 79-1005.01,  
28 the local system shall not receive allocated income tax funds. If the  
29 minimum levy adjustment is less than the allocated income tax funds  
30 calculated pursuant to section 79-1005.01, the local system shall receive  
31 allocated income tax funds in the amount of the difference between the

1 allocated income tax funds calculated pursuant to section 79-1005.01 and  
2 the minimum levy adjustment. This section does not apply to the  
3 calculation of aid for a local system containing a learning community for  
4 the first school fiscal year for which aid is calculated for such local  
5 system.

6 Sec. 7. Section 79-1017.01, Revised Statutes Supplement, 2015, is  
7 amended to read:

8 79-1017.01 (1) For state aid calculated for school fiscal years  
9 2014-15 and 2015-16, local system formula resources includes teacher  
10 education aid determined for each district pursuant to section  
11 79-1007.25, instructional time aid determined pursuant to subsection (2)  
12 of section 79-1007.23, allocated income tax funds determined for each  
13 district pursuant to section 79-1005.01, and adjustments pursuant to  
14 section 79-1008.02 and is reduced by amounts paid by the district in the  
15 most recently available complete data year as property tax refunds  
16 pursuant to or in the manner prescribed by section 77-1736.06.

17 (2) For state aid calculated for school fiscal year 2016-17 and each  
18 school fiscal year thereafter, local system formula resources includes  
19 best practices aid pursuant to section 79-1004, if any districts in the  
20 local system qualify, allocated income tax funds determined for each  
21 district pursuant to section 79-1005.01, and adjustments pursuant to  
22 section 79-1008.02 for school fiscal years prior to school fiscal year  
23 2017-18, and is reduced by amounts paid by the district in the most  
24 recently available complete data year as property tax refunds pursuant to  
25 or in the manner prescribed by section 77-1736.06.

26 Sec. 8. Section 79-1075, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 79-1075 (1) The county board of the county in which is located the  
29 schoolhouse or the administrative office of any joint school district or  
30 learning community shall make a levy for the school district or learning  
31 community, as may be necessary, and the county clerk of that headquarters

1 county shall certify the levy, on or before the date prescribed in  
2 section 77-1601, to the county clerk of each county in which is situated  
3 any portion of the joint school district or learning community. This  
4 section shall apply to all taxes levied on behalf of school districts,  
5 including, but not limited to, taxes authorized by sections 10-304,  
6 10-711, 10-716.01, 77-1601, 79-747, 79-1077, 79-1084, 79-1085, 79-1086,  
7 79-10,100, 79-10,110, 79-10,118, 79-10,120, 79-10,122, and 79-10,126 and  
8 section 11 of this act.

9 (2) The county board of the county in which is located the  
10 schoolhouse or the administrative office of the high school district of a  
11 joint affiliated school system shall make a levy for the joint affiliated  
12 school system, as may be necessary, and the county clerk of that  
13 headquarters county shall certify the levy, on or before the date  
14 prescribed in section 77-1601, to the county clerk of each county in  
15 which is situated any portion of the joint affiliated school system. This  
16 section shall apply to all taxes levied on behalf of affiliated school  
17 systems, including, but not limited to, taxes authorized by sections  
18 10-716.01, 79-1077, and 79-10,110 and section 11 of this act.

19 Sec. 9. Section 79-10,110, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 79-10,110 (1) Prior to the effective date of this act, after After  
22 making a determination that an actual or potential environmental hazard  
23 or accessibility barrier exists, that a life safety code violation  
24 exists, or that expenditures are needed for indoor air quality or mold  
25 abatement and prevention within the school buildings or grounds under its  
26 control, a school board may make and deliver to the county clerk of such  
27 county in which any part of the school district is situated, not later  
28 than the date provided in section 13-508, an itemized estimate of the  
29 amounts necessary to be expended for the abatement of such environmental  
30 hazard, for accessibility barrier elimination, or for modifications for  
31 life safety code violations, indoor air quality, or mold abatement and

1 prevention in such school buildings or grounds. The board shall designate  
2 the particular environmental hazard abatement project, accessibility  
3 barrier elimination project, or modification for life safety code  
4 violations, indoor air quality, or mold abatement and prevention for  
5 which the tax levy provided for by this section will be expended, the  
6 period of years, which shall not exceed ten years, for which the tax will  
7 be levied for such project, and the estimated amount of the levy for each  
8 year of the period based on the taxable valuation of the district at the  
9 time of issuance.

10 (2) Prior to the effective date of this act, after ~~After~~ a public  
11 hearing, a school board may undertake any qualified capital purpose in  
12 any qualified zone academy under its control and may levy a tax as  
13 provided in this section to repay a qualified zone academy bond issued  
14 for such undertaking. The board shall designate: (a) The particular  
15 qualified capital purpose for which the qualified zone academy bond was  
16 issued and for which the tax levy provided for by this section will be  
17 expended; (b) the period of years for which the tax will be levied to  
18 repay such qualified zone academy bond, not exceeding the maturity term  
19 for such qualified zone academy bond established pursuant to federal law  
20 or, for any such bond issued prior to May 20, 2009, fifteen years; and  
21 (c) the estimated amount of the levy for each year of the period based on  
22 the taxable valuation of the district at the time of issuance. The  
23 hearing required by this subsection shall be held only after notice of  
24 such hearing has been published for three consecutive weeks prior to the  
25 hearing in a legal newspaper published or of general circulation in the  
26 school district.

27 (3) Prior to the effective date of this act, after ~~After~~ a public  
28 hearing, a school board may undertake any American Recovery and  
29 Reinvestment Act of 2009 purpose and may levy a tax to repay any American  
30 Recovery and Reinvestment Act of 2009 bond issued for such undertaking.  
31 The board shall designate: (a) The American Recovery and Reinvestment Act

1 of 2009 purpose for which the American Recovery and Reinvestment Act of  
2 2009 bond will be issued and for which the tax levy provided by this  
3 section will be expended; (b) the period of years for which the tax will  
4 be levied to repay such American Recovery and Reinvestment Act of 2009  
5 bond, not exceeding the maturity term for the type of American Recovery  
6 and Reinvestment Act of 2009 bond established pursuant to federal law or,  
7 if no such term is established, thirty years; and (c) the estimated  
8 amount of the levy for each year of such period based on the taxable  
9 valuation of the district at the time of issuance. Prior to the public  
10 hearing, the school board shall prepare an itemized estimate of the  
11 amounts necessary to be expended for the American Recovery and  
12 Reinvestment Act of 2009 purpose. The hearing required by this subsection  
13 shall be held only after notice of such hearing has been published for  
14 three consecutive weeks prior to the hearing in a legal newspaper  
15 published or of general circulation in the school district.

16 (4) Prior to the effective date of this act, the ~~The~~ board may  
17 designate more than one project under subsection (1) of this section,  
18 more than one qualified capital purpose under subsection (2) of this  
19 section, or more than one American Recovery and Reinvestment Act of 2009  
20 purpose under subsection (3) of this section and levy a tax pursuant to  
21 this section for each such project, qualified capital purpose, or  
22 American Recovery and Reinvestment Act of 2009 purpose, concurrently or  
23 consecutively, as the case may be, if the aggregate levy in each year and  
24 the duration of each such levy will not exceed the limitations specified  
25 in this section. Each levy for a project, a qualified capital purpose, or  
26 an American Recovery and Reinvestment Act of 2009 purpose which is  
27 authorized by this section may be imposed for such duration as the board  
28 specifies, notwithstanding the contemporaneous existence or subsequent  
29 imposition of any other levy for another project, qualified capital  
30 purpose, or American Recovery and Reinvestment Act of 2009 purpose  
31 imposed pursuant to this section and notwithstanding the subsequent

1 issuance by the district of bonded indebtedness payable from its general  
2 fund levy.

3 (5) The county clerk shall levy such taxes, not to exceed five and  
4 one-fifth cents per one hundred dollars of taxable valuation for Class  
5 II, III, IV, V, and VI districts, and not to exceed the limits set for  
6 Class I districts in section 79-10,124, on the taxable property of the  
7 district necessary to (a) cover the environmental hazard abatement or  
8 accessibility barrier elimination project costs or costs for modification  
9 for life safety code violations, indoor air quality, or mold abatement  
10 and prevention itemized by the board pursuant to subsection (1) of this  
11 section and (b) repay any qualified zone academy bonds or American  
12 Recovery and Reinvestment Act of 2009 bonds pursuant to subsection (2) or  
13 (3) of this section. Such taxes shall be collected by the county  
14 treasurer at the same time and in the same manner as county taxes are  
15 collected and when collected shall be paid to the treasurer of the  
16 district and used to cover the project costs.

17 (6) If such board operates grades nine through twelve as part of an  
18 affiliated school system, it shall designate the fraction of the project  
19 or undertaking to be conducted for the benefit of grades nine through  
20 twelve. Such fraction shall be raised by a levy placed upon all of the  
21 taxable value of all taxable property in the affiliated school system  
22 pursuant to subsection (2) of section 79-1075. The balance of the project  
23 or undertaking to be conducted for the benefit of grades kindergarten  
24 through eight shall be raised by a levy placed upon all of the taxable  
25 value of all taxable property in the district which is governed by such  
26 board. The combined rate for both levies in the high school district, to  
27 be determined by such board, shall not exceed five and one-fifth cents on  
28 each one hundred dollars of taxable value.

29 (7) Each board which submits an itemized estimate shall establish an  
30 environmental hazard abatement and accessibility barrier elimination  
31 project account, a life safety code modification project account, an

1 indoor air quality project account, or a mold abatement and prevention  
2 project account, each board which undertakes a qualified capital purpose  
3 shall establish a qualified capital purpose undertaking account, within  
4 the qualified capital purpose undertaking fund, and each board which  
5 undertakes an American Recovery and Reinvestment Act of 2009 purpose  
6 shall establish an American Recovery and Reinvestment Act of 2009 purpose  
7 undertaking account. Taxes collected pursuant to this section shall be  
8 credited to the appropriate account to cover the project or undertaking  
9 costs. Such estimates may be presented to the county clerk and taxes  
10 levied accordingly.

11 (8) For purposes of this section:

12 (a) Abatement includes, but is not limited to, any inspection and  
13 testing regarding environmental hazards, any maintenance to reduce,  
14 lessen, put an end to, diminish, moderate, decrease, control, dispose of,  
15 or eliminate environmental hazards, any removal or encapsulation of  
16 environmentally hazardous material or property, any related restoration  
17 or replacement of material or property, any related architectural and  
18 engineering services, and any other action to reduce or eliminate  
19 environmental hazards in the school buildings or on the school grounds  
20 under the board's control, except that abatement does not include the  
21 encapsulation of any material containing more than one percent friable  
22 asbestos;

23 (b) Accessibility barrier means anything which impedes entry into,  
24 exit from, or use of any building or facility by all people;

25 (c) Accessibility barrier elimination includes, but is not limited  
26 to, inspection for and removal of accessibility barriers, maintenance to  
27 reduce, lessen, put an end to, diminish, control, dispose of, or  
28 eliminate accessibility barriers, related restoration or replacement of  
29 facilities or property, any related architectural and engineering  
30 services, and any other action to eliminate accessibility barriers in the  
31 school buildings or grounds under the board's control;

1 (d) American Recovery and Reinvestment Act of 2009 bond means any  
2 type or form of bond permitted by the federal American Recovery and  
3 Reinvestment Act of 2009, as such act or bond may be amended and  
4 supplemented, including the federal Hiring Incentives to Restore  
5 Employment Act, as amended and supplemented, for use by schools, except  
6 qualified zone academy bonds;

7 (e) American Recovery and Reinvestment Act of 2009 purpose means any  
8 construction of a new public school facility or the acquisition of land  
9 on which such a facility is to be constructed or any expansion,  
10 rehabilitation, modernization, renovation, or repair of any existing  
11 school facilities financed in whole or in part with an American Recovery  
12 and Reinvestment Act of 2009 bond;

13 (f) Environmental hazard means any contamination of the air, water,  
14 or land surface or subsurface caused by any substance adversely affecting  
15 human health or safety if such substance has been declared hazardous by a  
16 federal or state statute, rule, or regulation;

17 (g) Modification for indoor air quality includes, but is not limited  
18 to, any inspection and testing regarding indoor air quality, any  
19 maintenance to reduce, lessen, put an end to, diminish, moderate,  
20 decrease, control, dispose of, or eliminate indoor air quality problems,  
21 any related restoration or replacement of material or related  
22 architectural and engineering services, and any other action to reduce or  
23 eliminate indoor air quality problems or to enhance air quality  
24 conditions in new or existing school buildings or on school grounds under  
25 the control of a school board;

26 (h) Modification for life safety code violation includes, but is not  
27 limited to, any inspection and testing regarding life safety codes, any  
28 maintenance to reduce, lessen, put an end to, diminish, moderate,  
29 decrease, control, dispose of, or eliminate life safety hazards, any  
30 related restoration or replacement of material or property, any related  
31 architectural and engineering services, and any other action to reduce or

1 eliminate life safety hazards in new or existing school buildings or on  
2 school grounds under the control of a school board;

3 (i) Modification for mold abatement and prevention includes, but is  
4 not limited to, any inspection and testing regarding mold abatement and  
5 prevention, any maintenance to reduce, lessen, put an end to, diminish,  
6 moderate, decrease, control, dispose of, or eliminate mold problems, any  
7 related restoration or replacement of material or related architectural  
8 and engineering services, and any other action to reduce or eliminate  
9 mold problems or to enhance air quality conditions in new or existing  
10 school buildings or on school grounds under the control of a school  
11 board;

12 (j) Qualified capital purpose means (i) rehabilitating or repairing  
13 the public school facility in which the qualified zone academy is  
14 established or (ii) providing equipment for use at such qualified zone  
15 academy;

16 (k) Qualified zone academy has the meaning found in (i) 26 U.S.C.  
17 1397E(d)(4), as such section existed on October 3, 2008, for qualified  
18 zone academy bonds issued on or before such date, and (ii) 26 U.S.C.  
19 54E(d)(1), as such section existed on October 4, 2008, for qualified zone  
20 academy bonds issued on or after such date;

21 (l) Qualified zone academy allocation means the allocation of the  
22 qualified zone academy bond limitation by the State Department of  
23 Education to the qualified zone academies pursuant to (i) 26 U.S.C.  
24 1397E(e)(2), as such section existed on October 3, 2008, for allocations  
25 relating to qualified zone academy bonds issued on or before such date,  
26 and (ii) 26 U.S.C. 54E(c)(2), as such section existed on October 4, 2008,  
27 for allocations relating to qualified zone academy bonds issued on or  
28 after such date; and

29 (m) Qualified zone academy bond has the meaning found in (i) 26  
30 U.S.C. 1397E(d)(1), as such section existed on October 3, 2008, for such  
31 bonds issued on or before such date, and (ii) 26 U.S.C. 54E(a), as such

1 section existed on and after October 4, 2008, for such bonds issued on or  
2 after such date, as such section or bonds may be amended or supplemented.

3 (9) Accessibility barrier elimination project costs includes, but is  
4 not limited to, inspection, maintenance, accounting, emergency services,  
5 consultation, or any other action to reduce or eliminate accessibility  
6 barriers.

7 (10)(a) For the purpose of paying amounts necessary for the  
8 abatement of environmental hazards, for accessibility barrier  
9 elimination, for modifications for life safety code violations, indoor  
10 air quality, or mold abatement and prevention, for a qualified capital  
11 purpose, or for an American Recovery and Reinvestment Act of 2009  
12 purpose, the board may borrow money, establish a sinking fund, and issue  
13 bonds and other evidences of indebtedness of the district, which bonds  
14 and other evidences of indebtedness shall be secured by and payable from  
15 an irrevocable pledge by the district of amounts received in respect of  
16 the tax levy provided for by this section and any other funds of the  
17 district available therefor. Bonds issued for a qualified capital purpose  
18 or an American Recovery and Reinvestment Act of 2009 purpose shall be  
19 limited to the type or types of bonds authorized for each purpose in  
20 subsections (2) and (3) of this section, respectively. Bonds and other  
21 evidences of indebtedness issued by a district pursuant to this  
22 subsection shall not constitute a general obligation of the district or  
23 be payable from any portion of its general fund levy.

24 (b) A district may exceed the maximum levy of five and one-fifth  
25 cents per one hundred dollars of taxable valuation authorized by  
26 subsections (5) and (6) of this section in any year in which (i) the  
27 taxable valuation of the district is lower than the taxable valuation in  
28 the year in which the district last issued bonds pursuant to this section  
29 and (ii) such maximum levy is insufficient to meet the combined annual  
30 principal and interest obligations for all bonds issued pursuant to this  
31 section. The amount generated from a district's levy in excess of the

1 maximum levy upon the taxable valuation of the district shall not exceed  
2 the combined annual principal and interest obligations for such bonds  
3 minus the amount generated by levying the maximum levy upon the taxable  
4 valuation of the district and minus any federal payments or subsidies  
5 associated with such bonds.

6 (11) The total principal amount of bonds for modifications to  
7 correct life safety code violations, for indoor air quality problems, for  
8 mold abatement and prevention, or for an American Recovery and  
9 Reinvestment Act of 2009 purpose which may be issued pursuant to this  
10 section shall not exceed the total amount specified in the itemized  
11 estimate described in subsections (1) and (3) of this section.

12 (12) The total principal amount of qualified zone academy bonds  
13 which may be issued pursuant to this section for qualified capital  
14 purposes with respect to a qualified zone academy shall not exceed the  
15 qualified zone academy allocation granted to the board by the department.  
16 The total amount that may be financed by qualified zone academy bonds  
17 pursuant to this section for qualified purposes with respect to a  
18 qualified zone academy shall not exceed seven and one-half million  
19 dollars statewide in a single year. In any year that the Nebraska  
20 qualified zone academy allocations exceed seven and one-half million  
21 dollars for qualified capital purposes to be financed with qualified zone  
22 academy bonds issued pursuant to this section, (a) the department shall  
23 reduce such allocations proportionally such that the statewide total for  
24 such allocations equals seven and one-half million dollars and (b) the  
25 difference between the Nebraska allocation and seven and one-half million  
26 dollars shall be available to qualified zone academies for requests that  
27 will be financed with qualified zone academy bonds issued without the  
28 benefit of this section.

29 Nothing in this section directs the State Department of Education to  
30 give any preference to allocation requests that will be financed with  
31 qualified zone academy bonds issued pursuant to this section.

1           (13) The State Department of Education shall establish procedures  
2 for allocating bond authority to school boards as may be necessary  
3 pursuant to an American Recovery and Reinvestment Act of 2009 bond.

4           Sec. 10. Section 79-10,110.01, Reissue Revised Statutes of Nebraska,  
5 is amended to read:

6           79-10,110.01 (1) If a school board has issued or shall issue bonds  
7 pursuant to section 79-10,110 or section 11 of this act and such bonds or  
8 any part of such bonds are unpaid, are a legal liability against the  
9 school district governed by such school board, and are bearing interest,  
10 the school board may issue refunding bonds with which to call and redeem  
11 all or any part of such outstanding bonds at or before the date of  
12 maturity or the redemption date of such bonds. Such school board may  
13 include various series and issues of the outstanding bonds in a single  
14 issue of refunding bonds and may issue refunding bonds to pay any  
15 redemption premium and interest to accrue and become payable on the  
16 outstanding bonds being refunded. The refunding bonds may be issued and  
17 delivered at any time prior to the date of maturity or the redemption  
18 date of the bonds to be refunded that the school board determines to be  
19 in the best interests of the school district. The proceeds derived from  
20 the sale of the refunding bonds issued pursuant to this section may be  
21 invested in obligations of or guaranteed by the United States Government  
22 pending the time the proceeds are required for the purposes for which  
23 such refunding bonds were issued. To further secure the refunding bonds,  
24 the school board may enter into a contract with any bank or trust company  
25 within or without the state with respect to the safekeeping and  
26 application of the proceeds of the refunding bonds and the safekeeping  
27 and application of the earnings on the investment. All bonds issued under  
28 this section shall be redeemable at such times and under such conditions  
29 as the school board shall determine at the time of issuance.

30           (2) Any outstanding bonds or other evidences of indebtedness issued  
31 by a school board for which sufficient funds or obligations of or

1 guaranteed by the United States Government have been pledged and set  
2 aside in safekeeping to be applied for the complete payment of such bonds  
3 or other evidences of indebtedness at maturity or upon redemption prior  
4 to maturity, interest thereon, and redemption premium, if any, shall not  
5 be considered as outstanding and unpaid.

6 (3) Each refunding bond issued under this section shall state on the  
7 bond (a) the object of its issue, (b) this section or the sections of the  
8 law under which such issue was made, including a statement that the issue  
9 is made in pursuance of such section or sections, and (c) the date and  
10 principal amount of the bond or bonds for which the refunding bonds are  
11 being issued.

12 (4) The refunding bonds shall be paid, and the levy made and the tax  
13 collected for their payment in the same manner and under the same  
14 authorization for levy of taxes as applied for the bonds being refunded,  
15 in accordance with section 79-10,110 or section 11 of this act.

16 Sec. 11. (1) On and after the effective date of this act, the  
17 school board of any Class II, III, IV, or V school district may make a  
18 determination that an additional property tax levy is necessary for a  
19 specific abatement project to address an actual or potential  
20 environmental hazard, accessibility barrier, life safety code violation,  
21 life safety hazard, or mold which exists within one or more existing  
22 school buildings or the school grounds of existing school buildings  
23 controlled by the school district if the need for such abatement project  
24 was not known to exist prior to the effective date of this act and could  
25 not have been reasonably foreseen or prevented. Such determination shall  
26 not include abatement projects related to the acquisition of new  
27 property, the construction of a new building, the expansion of an  
28 existing building, or the remodeling of an existing building for purposes  
29 other than the abatement of environmental hazards, accessibility  
30 barriers, life safety code violations, life safety hazards, or mold. Upon  
31 such determination, the school board may, not later than the date

1 provided in section 13-508, make and deliver to the county clerk of such  
2 county in which any part of the school district is situated an itemized  
3 estimate of the amounts necessary to be expended for such abatement  
4 project, any insurance proceeds or other anticipated funds that will be  
5 received by the school district related to the abatement project, the  
6 period of years for which the property tax will be levied for such  
7 project, and the estimated amount of the levy for each year of the period  
8 based on the taxable valuation of the district at the time of issuance.  
9 The period of years for such levy shall not exceed ten years and the levy  
10 for such project when combined with all other levies pursuant to this  
11 section and section 79-10,110 shall not exceed three cents per one  
12 hundred dollars of taxable valuation. Nothing in this section shall  
13 affect levies pursuant to section 79-10,110.

14 (2) The county clerk shall levy such taxes and such taxes shall be  
15 collected by the county treasurer at the same time and in the same manner  
16 as county taxes are collected and when collected shall be paid to the  
17 treasurer of the district. A separate abatement project account shall be  
18 established for each project by the school district. Taxes collected  
19 pursuant to this section shall be credited to the appropriate account to  
20 cover the project costs.

21 (3) For purposes of this section:

22 (a) Abatement includes, but is not limited to, any related  
23 inspection and testing, any maintenance to reduce, lessen, put an end to,  
24 diminish, moderate, decrease, control, dispose of, eliminate, or remove  
25 the issue causing the need for abatement, any related restoration or  
26 replacement of material or property, any related architectural and  
27 engineering services, and any other action to reduce or eliminate the  
28 issue causing the need for abatement in existing school buildings or on  
29 the school grounds of existing school buildings under the board's  
30 control;

31 (b) Accessibility barrier means anything which impedes entry into,

1 exit from, or use of any building or facility by all people; and

2 (c) Environmental hazard means any contamination of the air, water,  
3 or land surface or subsurface caused by any substance adversely affecting  
4 human health or safety if such substance has been declared hazardous by a  
5 federal or state statute, rule, or regulation.

6 (4) For the purpose of paying amounts necessary for the abatement  
7 project, the board may borrow money, establish a sinking fund, and issue  
8 bonds and other evidences of indebtedness of the district, which bonds  
9 and other evidences of indebtedness shall be secured by and payable from  
10 an irrevocable pledge by the district of amounts received in respect of  
11 the tax levy provided for by this section and any other funds of the  
12 district available therefor. Bonds and other evidences of indebtedness  
13 issued by a district pursuant to this subsection shall not constitute a  
14 general obligation of the district or be payable from any portion of its  
15 general fund levy. The total principal amount of bonds for abatement  
16 projects pursuant to this section shall not exceed the total amount  
17 specified in the itemized estimate described in subsection (1) of this  
18 section.

19 (5) A district may exceed the maximum levy of three cents per one  
20 hundred dollars of taxable valuation authorized by this section in any  
21 year in which (a) the taxable valuation of the district is lower than the  
22 taxable valuation in the year in which the district last issued bonds  
23 pursuant to this section and (b) such maximum levy is insufficient to  
24 meet the combined annual principal and interest obligations for all bonds  
25 issued pursuant to this section and section 79-10,110. The amount  
26 generated from a district's levy in excess of three cents per one hundred  
27 dollars of taxable valuation shall not exceed the combined annual  
28 principal and interest obligations for such bonds minus the amount  
29 generated by levying three cents per one hundred dollars of taxable  
30 valuation.

31 Sec. 12. Original sections 79-1005.01, 79-1007.18, 79-1008.01,

1 79-1008.02, 79-1075, 79-10,110, and 79-10,110.01, Reissue Revised  
2 Statutes of Nebraska, and sections 77-3442, 79-1003, and 79-1017.01,  
3 Revised Statutes Supplement, 2015, are repealed.

4 Sec. 13. Since an emergency exists, this act takes effect when  
5 passed and approved according to law.