

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 326**

Introduced by Kolowski, 31.

Read first time January 12, 2017

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-3442 and 79-1022, Revised Statutes Cumulative Supplement, 2016;
- 3 to provide and change levy authority for certain school districts as
- 4 prescribed; to provide a duty for the State Department of Education;
- 5 and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

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

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

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

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

25 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
26 of this section are amounts levied to pay for sums agreed to be paid by a  
27 school district to certificated employees in exchange for a voluntary  
28 termination of employment, amounts levied in compliance with sections  
29 79-10,110 and 79-10,110.02, and amounts levied to pay for special  
30 building funds and sinking funds established for projects commenced prior  
31 to April 1, 1996, for construction, expansion, or alteration of school

1 district buildings. For purposes of this subsection, commenced means any  
2 action taken by the school board on the record which commits the board to  
3 expend district funds in planning, constructing, or carrying out the  
4 project.

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

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

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

28 (h) Any school district for which the calculation of total  
29 disbursements divided by the average daily membership for the most  
30 recently available complete data year is below the statewide median of  
31 such calculation for all school districts as certified pursuant to

1 section 79-1022 may levy up to an additional three cents per one hundred  
2 dollars of taxable valuation of property subject to the levy if such  
3 additional levy is approved for each fiscal year by a two-thirds majority  
4 vote of the school board after a public hearing.

5 (3) For each fiscal year, community college areas may levy the  
6 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in  
7 accordance with the provisions of such subdivisions. A community college  
8 area may exceed the levy provided in subdivision (2)(b) of section  
9 85-1517 by the amount necessary to retire general obligation bonds  
10 assumed by the community college area or issued pursuant to section  
11 85-1515 according to the terms of such bonds or for any obligation  
12 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

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

25 (c) In addition, natural resources districts located in a river  
26 basin, subbasin, or reach that has been determined to be fully  
27 appropriated pursuant to section 46-714 or designated as overappropriated  
28 pursuant to section 46-713 by the Department of Natural Resources shall  
29 also have the power and authority to levy a tax equal to the dollar  
30 amount by which their restricted funds budgeted to administer and  
31 implement ground water management activities and integrated management

1 activities under the Nebraska Ground Water Management and Protection Act  
2 exceed their restricted funds budgeted to administer and implement ground  
3 water management activities and integrated management activities for  
4 FY2005-06, not to exceed three cents on each one hundred dollars of  
5 taxable valuation on all of the taxable property within the district for  
6 fiscal year 2006-07 and each fiscal year thereafter through fiscal year  
7 2017-18.

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

12 (6)(a) Incorporated cities and villages which are not within the  
13 boundaries of a municipal county may levy a maximum levy of forty-five  
14 cents per one hundred dollars of taxable valuation of property subject to  
15 the levy plus an additional five cents per one hundred dollars of taxable  
16 valuation to provide financing for the municipality's share of revenue  
17 required under an agreement or agreements executed pursuant to the  
18 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum  
19 levy shall include amounts levied to pay for sums to support a library  
20 pursuant to section 51-201, museum pursuant to section 51-501, visiting  
21 community nurse, home health nurse, or home health agency pursuant to  
22 section 71-1637, or statue, memorial, or monument pursuant to section  
23 80-202.

24 (b) Incorporated cities and villages which are within the boundaries  
25 of a municipal county may levy a maximum levy of ninety cents per one  
26 hundred dollars of taxable valuation of property subject to the levy. The  
27 maximum levy shall include amounts paid to a municipal county for county  
28 services, amounts levied to pay for sums to support a library pursuant to  
29 section 51-201, a museum pursuant to section 51-501, a visiting community  
30 nurse, home health nurse, or home health agency pursuant to section  
31 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

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

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

1 county to exceed its levy authority under this section, the second county  
2 may exceed the levy authority in order to levy the amount allocated.

3 (9) Municipal counties may levy or authorize a maximum levy of one  
4 dollar per one hundred dollars of taxable valuation of property subject  
5 to the levy. The municipal county may allocate levy authority to any  
6 political subdivision or entity subject to allocation under section  
7 77-3443.

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

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

1 (12) The limitations on tax levies provided in this section are to  
2 include all other general or special levies provided by law.  
3 Notwithstanding other provisions of law, the only exceptions to the  
4 limits in this section are those provided by or authorized by sections  
5 77-3442 to 77-3444.

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

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

12 (15) For school districts that file a binding resolution on or  
13 before May 9, 2008, with the county assessors, county clerks, and county  
14 treasurers for all counties in which the school district has territory  
15 pursuant to subsection (7) of section 79-458, if the combined levies,  
16 except levies for bonded indebtedness approved by the voters of the  
17 school district and levies for the refinancing of such bonded  
18 indebtedness, are in excess of the greater of (a) one dollar and twenty  
19 cents per one hundred dollars of taxable valuation of property subject to  
20 the levy or (b) the maximum levy authorized by a vote pursuant to section  
21 77-3444, all school district levies, except levies for bonded  
22 indebtedness approved by the voters of the school district and levies for  
23 the refinancing of such bonded indebtedness, shall be considered  
24 unauthorized levies under section 77-1606.

25 Sec. 2. Section 79-1022, Revised Statutes Cumulative Supplement,  
26 2016, is amended to read:

27 79-1022 (1) On or before March 1 of each year for each ensuing  
28 fiscal year, the department shall determine the amounts to be distributed  
29 to each local system and each district for the ensuing school fiscal year  
30 pursuant to the Tax Equity and Educational Opportunities Support Act and  
31 shall certify the amounts to the Director of Administrative Services, the

1 Auditor of Public Accounts, each learning community for school fiscal  
2 years prior to school fiscal year 2017-18, and each district. Except as  
3 otherwise provided in this section, the amount to be distributed to each  
4 district from the amount certified for a local system shall be  
5 proportional based on the formula students attributed to each district in  
6 the local system. For school fiscal years prior to school fiscal year  
7 2017-18, the amount to be distributed to each district that is a member  
8 of a learning community from the amount certified for the local system  
9 shall be proportional based on the formula needs calculated for each  
10 district in the local system. On or before March 1 of each year for each  
11 ensuing fiscal year, the department shall report the necessary funding  
12 level for the ensuing school fiscal year to the Governor, the  
13 Appropriations Committee of the Legislature, and the Education Committee  
14 of the Legislature. The report submitted to the committees of the  
15 Legislature shall be submitted electronically. Except as otherwise  
16 provided in this subsection, certified state aid amounts, including  
17 adjustments pursuant to section 79-1065.02, shall be shown as budgeted  
18 non-property-tax receipts and deducted prior to calculating the property  
19 tax request in the district's general fund budget statement as provided  
20 to the Auditor of Public Accounts pursuant to section 79-1024.

21 (2) Except as provided in this subsection, subsection (8) of section  
22 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts  
23 certified pursuant to subsection (1) of this section shall be distributed  
24 in ten as nearly as possible equal payments on the last business day of  
25 each month beginning in September of each ensuing school fiscal year and  
26 ending in June of the following year, except that when a school district  
27 is to receive a monthly payment of less than one thousand dollars, such  
28 payment shall be one lump-sum payment on the last business day of  
29 December during the ensuing school fiscal year.

30 (3) On or before September 15, 2017, and on or before March 1 of  
31 each year thereafter, the department shall determine the total

1 disbursements divided by the average daily membership for the most  
2 recently available complete data year for each school district and the  
3 statewide median of such calculation for all school districts and shall  
4 certify such amounts to the Director of Administrative Services, the  
5 Auditor of Public Accounts, and each school district.

6       Sec. 3. Original sections 77-3442 and 79-1022, Revised Statutes  
7 Cumulative Supplement, 2016, are repealed.