

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 645

Introduced by Raikes, 25; Connealy, 16; Hartnett, 45

Read first time January 19, 1999

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 13-520 and 77-3442, Revised Statutes Supplement, 1998; to
3 provide an exception to budget and levy limits for
4 education service units as prescribed; to harmonize
5 provisions; and to repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-520, Revised Statutes Supplement,
2 1998, is amended to read:

3 13-520. The limitations in section 13-519 shall not
4 apply to (1) restricted funds budgeted for capital improvements,
5 (2) restricted funds expended from a qualified sinking fund for
6 acquisition or replacement of tangible personal property with a
7 useful life of five years or more, (3) restricted funds pledged to
8 retire bonded indebtedness, (4) restricted funds budgeted in
9 support of a service which is the subject of an interlocal
10 cooperation agreement or a modification of an existing agreement
11 whether operated by one of the parties to the agreement or an
12 independent joint entity, (5) restricted funds budgeted to pay for
13 repairs to infrastructure damaged by a natural disaster which is
14 declared a disaster emergency pursuant to the Emergency Management
15 Act, ~~or~~ (6) restricted funds budgeted to pay for judgments, except
16 judgments or orders from the Commission of Industrial Relations,
17 obtained against a governmental unit which require or obligate a
18 governmental unit to pay such judgment, to the extent such judgment
19 is not paid by liability insurance coverage of a governmental unit,
20 or (7) funds budgeted to pay sums agreed to be paid by an
21 educational service unit to certificated employees in exchange for
22 a voluntary termination of employment.

23 Sec. 2. Section 77-3442, Revised Statutes Supplement,
24 1998, is amended to read:

25 77-3442. (1) Property tax levies for the support of
26 local governments for fiscal years beginning on or after July 1,
27 1998, shall be limited to the amounts set forth in this section
28 except as provided in section 77-3444.

1 (2)(a) Except as provided in subdivision (2)(b) of this
2 section, school districts and multiple-district school systems may
3 levy a maximum levy of (i) one dollar and ten cents per one hundred
4 dollars of taxable valuation of property subject to the levy until
5 fiscal year 2001-02 and (ii) one dollar per one hundred dollars of
6 taxable valuation of property subject to the levy for fiscal year
7 2001-02 and all subsequent fiscal years. Excluded from this
8 limitation are amounts levied to pay for sums agreed to be paid by
9 a school district to certificated employees in exchange for a
10 voluntary termination of employment and amounts levied to pay for
11 special building funds and sinking funds established for projects
12 commenced prior to April 1, 1996, for construction, expansion, or
13 alteration of school district buildings. For purposes of this
14 subsection, commenced means any action taken by the school board on
15 the record which commits the board to expend district funds in
16 planning, constructing, or carrying out the project.

17 (b) Federal aid school districts may exceed the maximum
18 levy prescribed by subdivision (2)(a) of this section only to the
19 extent necessary to qualify to receive federal aid pursuant to
20 Title VIII of Public Law 103-382. For purposes of this
21 subdivision, federal aid school district means any school district
22 which receives ten percent or more of the revenue for its general
23 fund budget from federal government sources pursuant to Title VIII
24 of Public Law 103-382.

25 (3) Community colleges may levy a maximum levy on each
26 one hundred dollars of taxable property subject to the levy of (a)
27 eight cents for fiscal year 1998-99 and fiscal year 1999-2000 and
28 (b) seven cents for fiscal year 2000-01 and each fiscal year

1 thereafter.

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

5 (5) Educational service units may levy a maximum levy of
6 one and one-half cents per one hundred dollars of taxable valuation
7 of property subject to the levy. Excluded from this limitation are
8 amounts levied to pay for sums agreed to be paid by an educational
9 service unit to certificated employees in exchange for a voluntary
10 termination of employment.

11 (6) Incorporated cities and villages may levy a maximum
12 levy of forty-five cents per one hundred dollars of taxable
13 valuation of property subject to the levy plus an additional five
14 cents per one hundred dollars of taxable valuation to provide
15 financing for the municipality's share of revenue required under an
16 agreement or agreements executed pursuant to the Interlocal
17 Cooperation Act. The maximum levy shall include amounts levied to
18 pay for sums to support a library pursuant to section 51-201,
19 museum pursuant to section 51-501, visiting community nurse, home
20 health nurse, or home health agency pursuant to section 71-1637, or
21 statue, memorial, or monument pursuant to section 80-202.

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

28 (8) Counties may levy or authorize a maximum levy of

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

27 (9) Property tax levies for judgments obtained against a
28 political subdivision which require or obligate a political

1 subdivision to pay such judgment, to the extent such judgment is
2 not paid by liability insurance coverage of a political
3 subdivision, for preexisting lease-purchase contracts approved
4 prior to July 1, 1998, and for bonded indebtedness approved
5 according to law and secured by a levy on property are not included
6 in the levy limits established by this section.

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

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

15 Sec. 3. Original sections 13-520 and 77-3442, Revised
16 Statutes Supplement, 1998, are repealed.