

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1124

Introduced by Jensen, 20; Brown, 6; Dierks, 40; D. Pederson, 42;
Price, 26

Read first time January 16, 2002

Committee: Revenue

A BILL

1 FOR AN ACT relating to schools; to amend sections 77-3442 and
2 79-1028, Revised Statutes Supplement, 2001; to provide an
3 exemption to levy and budget limitations for certain
4 medical expenses as prescribed; and to repeal the
5 original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Supplement,
2 2001, is amended to read:

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

7 (2) (a) Except as provided in subdivision (2) (b) of this
8 section, school districts and multiple-district school systems may
9 levy a maximum levy of (i) one dollar and ten cents per one hundred
10 dollars of taxable valuation of property subject to the levy until
11 fiscal year 2001-02 and (ii) one dollar per one hundred dollars of
12 taxable valuation of property subject to the levy for fiscal year
13 2001-02 and all subsequent fiscal years. Excluded from this
14 limitation are amounts levied to pay for sums agreed to be paid by
15 a school district to certificated employees in exchange for a
16 voluntary termination of employment, ~~and~~ amounts levied to pay for
17 special building funds and sinking funds established for projects
18 commenced prior to April 1, 1996, for construction, expansion, or
19 alteration of school district buildings, and amounts levied to fund
20 the cost of salaries and benefits for all health care professionals
21 and health care assistants employed by the district and the cost of
22 all equipment, supplies, and training of health care professionals
23 and health care assistants necessary for emergency response
24 protocols to life-threatening conditions. For purposes of this
25 subsection, commenced means any action taken by the school board on
26 the record which commits the board to expend district funds in
27 planning, constructing, or carrying out the project.

28 (b) Federal aid school districts may exceed the maximum

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

9 (3) Community colleges may levy a maximum levy on each
10 one hundred dollars of taxable property subject to the levy of (a)
11 eight cents for fiscal year 1998-99 and fiscal year 1999-2000 and
12 (b) seven cents for fiscal year 2000-01 and each fiscal year
13 thereafter.

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

17 (5) Educational service units may levy a maximum levy of
18 one and one-half cents per one hundred dollars of taxable valuation
19 of property subject to the levy.

20 (6)(a) Incorporated cities and villages which are not
21 within the boundaries of a municipal county may levy a maximum levy
22 of forty-five cents per one hundred dollars of taxable valuation of
23 property subject to the levy plus an additional five cents per one
24 hundred dollars of taxable valuation to provide financing for the
25 municipality's share of revenue required under an agreement or
26 agreements executed pursuant to the Interlocal Cooperation Act or
27 the Joint Public Agency Act. The maximum levy shall include
28 amounts levied to pay for sums to support a library pursuant to

1 section 51-201, museum pursuant to section 51-501, visiting
2 community nurse, home health nurse, or home health agency pursuant
3 to section 71-1637, or statue, memorial, or monument pursuant to
4 section 80-202.

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

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

24 (8) Counties may levy or authorize a maximum levy of
25 fifty cents per one hundred dollars of taxable valuation of
26 property subject to the levy, except that five cents per one
27 hundred dollars of taxable valuation of property subject to the
28 levy may only be levied to provide financing for the county's share

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

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

28 (10) Property tax levies for judgments obtained against a

1 political subdivision which require or obligate a political
2 subdivision to pay such judgment, to the extent such judgment is
3 not paid by liability insurance coverage of a political
4 subdivision, for preexisting lease-purchase contracts approved
5 prior to July 1, 1998, for bonded indebtedness approved according
6 to law and secured by a levy on property, and for payments by a
7 public airport to retire interest-free loans from the Department of
8 Aeronautics in lieu of bonded indebtedness at a lower cost to the
9 public airport are not included in the levy limits established by
10 this section.

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

16 (12) Tax levies in excess of the limitations in this
17 section shall be considered unauthorized levies under section
18 77-1606 unless approved under section 77-3444.

19 (13) For purposes of sections 77-3442 to 77-3444,
20 political subdivision means a political subdivision of this state
21 and a county agricultural society.

22 Sec. 2. Section 79-1028, Revised Statutes Supplement,
23 2001, is amended to read:

24 79-1028. (1) A Class II, III, IV, V, or VI school
25 district may exceed the local system's allowable growth rate for
26 (a) expenditures in support of a service which is the subject of an
27 agreement or a modification of an existing agreement whether
28 operated by one of the parties to the agreement or an independent

1 joint entity or joint public agency, (b) expenditures to pay for
 2 repairs to infrastructure damaged by a natural disaster which is
 3 declared a disaster emergency pursuant to the Emergency Management
 4 Act, (c) expenditures to pay for judgments, except judgments or
 5 orders from the Commission of Industrial Relations, obtained
 6 against a school district which require or obligate a school
 7 district to pay such judgment, to the extent such judgment is not
 8 paid by liability insurance coverage of a school district, (d)
 9 expenditures to pay for sums agreed to be paid by a school district
 10 to certificated employees in exchange for a voluntary termination
 11 of employment, or (e) expenditures to pay for lease-purchase
 12 contracts approved on or after July 1, 1997, and before July 1,
 13 1998, to the extent the lease payments were not budgeted
 14 expenditures for fiscal year 1997-98.

15 (2) A Class II, III, IV, V, or VI district may exceed its
 16 applicable allowable growth rate by a specific dollar amount if the
 17 district projects an increase in formula students in the district
 18 over the current school year greater than twenty-five students or
 19 greater than those listed in the schedule provided in this
 20 subsection, whichever is less. Districts shall project increases
 21 in formula students on forms prescribed by the department. The
 22 department shall approve, deny, or modify the projected increases.

23	Average daily	Projected increase
24	membership of	of formula students
25	district	by percentage
26	0 - 50	10
27	50.01 - 250	5
28	250.01 - 1,000	3

1 the local system's applicable allowable growth rate for the ensuing
2 school year.

3 (4) A Class II, III, IV, V, or VI district may exceed its
4 applicable allowable growth rate by a specific dollar amount if the
5 district demonstrates to the satisfaction of the department that it
6 will exceed its applicable allowable growth rate as a result of
7 costs pursuant to the Retirement Incentive Plan authorized in
8 section 79-855 or the Staff Development Assistance authorized in
9 section 79-856. The department shall compute the amount by which
10 the increased cost of such program or programs exceeds the
11 district's applicable allowable growth rate and shall allow the
12 district to increase its general fund expenditures by such amount
13 for that fiscal year.

14 (5) A Class II, III, IV, V, or VI district may exceed its
15 applicable allowable growth rate by a specific dollar amount if the
16 district demonstrates to the satisfaction of the department that it
17 will exceed its applicable allowable growth rate as a result of the
18 cost of salaries and benefits for all health care professionals and
19 health care assistants employed by the district and the cost of all
20 equipment, supplies, and training of health care professionals and
21 health care assistants necessary for emergency response protocols
22 to life-threatening conditions. The department shall compute the
23 amount by which such cost exceeds the district's applicable
24 allowable growth rate and shall allow the district to increase its
25 general fund expenditures by such amount for that fiscal year.

26 Sec. 3. Original sections 77-3442 and 79-1028, Revised
27 Statutes Supplement, 2001, are repealed.