

LEGISLATURE OF NEBRASKA  
NINETY-SEVENTH LEGISLATURE  
FIRST SPECIAL SESSION

**LEGISLATIVE BILL 13**

Introduced by Kristensen, 37

Read first time October 26, 2001

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-3442 and 79-1008.01, Revised Statutes Supplement,  
3 2001; to change property tax levy restrictions and state  
4 aid calculations; to harmonize provisions; and to repeal  
5 the 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 (iii) one dollar and two and one-half cents per one  
14 hundred dollars of taxable valuation of property subject to the  
15 levy for fiscal year 2002-03 and all subsequent fiscal years.  
16 Excluded from this limitation are amounts levied to pay for sums  
17 agreed to be paid by a school district to certificated employees in  
18 exchange for a voluntary termination of employment and amounts  
19 levied to pay for special building funds and sinking funds  
20 established for projects commenced prior to April 1, 1996, for  
21 construction, expansion, or alteration of school district  
22 buildings. For purposes of this subsection, commenced means any  
23 action taken by the school board on the record which commits the  
24 board to expend district funds in planning, constructing, or  
25 carrying out the project.

26           (b) Federal aid school districts may exceed the maximum  
27 levy prescribed by subdivision (2) (a) of this section only to the  
28 extent necessary to qualify to receive federal aid pursuant to

1 Title VIII of Public Law 103-382, as such title existed on  
2 September 1, 2001. For purposes of this subdivision, federal aid  
3 school district means any school district which receives ten  
4 percent or more of the revenue for its general fund budget from  
5 federal government sources pursuant to Title VIII of Public Law  
6 103-382, as such title existed on September 1, 2001.

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

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

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

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

1 to section 71-1637, or statue, memorial, or monument pursuant to  
2 section 80-202.

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

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

22 (8) Counties may levy or authorize a maximum levy of  
23 fifty cents per one hundred dollars of taxable valuation of  
24 property subject to the levy, except that five cents per one  
25 hundred dollars of taxable valuation of property subject to the  
26 levy may only be levied to provide financing for the county's share  
27 of revenue required under an agreement or agreements executed  
28 pursuant to the Interlocal Cooperation Act or the Joint Public

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

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

26 (10) Property tax levies for judgments obtained against a  
27 political subdivision which require or obligate a political  
28 subdivision to pay such judgment, to the extent such judgment is

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

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

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

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

20 Sec. 2. Section 79-1008.01, Revised Statutes Supplement,  
21 2001, is amended to read:

22 79-1008.01. (1) Except as provided in subsection (2) of  
23 this section and sections 79-1008.02 to 79-1010, each local system  
24 shall receive equalization aid in the amount that the total formula  
25 need of each local system, as determined pursuant to sections  
26 79-1007.01 and 79-1007.02, exceeds its total formula resources as  
27 determined pursuant to sections 79-1015.01 to 79-1018.01.

28 (2) Except as provided in section 79-1008.02, a local

1 system shall not receive state aid for any school fiscal year which  
2 is less than an amount equal to the difference of eighty-five  
3 percent of the amount of aid certified in the preceding school  
4 fiscal year minus an amount equal to any increase in the adjusted  
5 valuation between the adjusted valuation used for the certification  
6 of aid in the preceding school fiscal year and the adjusted  
7 valuation used for the aid being calculated multiplied by the  
8 maximum levy, for the school fiscal year for which aid is being  
9 certified, pursuant to subdivision (2)(a) of section 77-3442  
10 without a vote pursuant to section 77-3444.

11 (3) Except as provided in subsection (2) of this section,  
12 no local system may receive equalization aid such that, when total  
13 aid is added to a levy of one dollar for state aid to be  
14 distributed in school fiscal years 1998-99 and 1999-00, ~~or~~ of  
15 ninety cents for state aid to be distributed in school fiscal year  
16 2000-01, or of ninety-two and one-half cents for state aid to be  
17 distributed in school fiscal years 2001-02 and each school fiscal  
18 year thereafter, multiplied by the local system's adjusted  
19 valuation divided by one hundred, would result in total local  
20 system revenue from state aid plus property tax receipts which  
21 exceeds the total of:

22 (a) State aid plus property tax receipts received by the  
23 local system during the preceding school fiscal year multiplied by  
24 the total of (i) 1.01 plus (ii) the applicable allowable growth  
25 rate for the local system calculated pursuant to section 79-1026 as  
26 determined for the school fiscal year immediately preceding the  
27 school fiscal year when aid is to be distributed plus (iii) the  
28 percentage growth in formula students from the certification of

1 state aid for the immediately preceding school fiscal year to the  
2 formula students for the certification of state aid for the current  
3 school fiscal year, except that the percentage growth shall not be  
4 less than zero;

5 (b) Unused budget authority authorized pursuant to  
6 section 79-1030;

7 (c) The difference between the other actual receipts  
8 included in local system formula resources for the certification of  
9 state aid in the preceding school fiscal year and other actual  
10 receipts included in local system formula resources for the  
11 certification of state aid for the current school fiscal year,  
12 except that such difference shall not be less than zero; and

13 (d) The absolute value of any negative prior year  
14 adjustment pursuant to section 79-1065.

15 For local systems that have reorganized, state aid,  
16 property tax receipts, and number of formula students shall be  
17 attributed based on valuation. The revenue from property tax  
18 receipts shall be calculated by multiplying the reported general  
19 fund common levy by the assessed valuation subject to the levy  
20 divided by one hundred.

21 (4) The aid that is not distributed through equalization  
22 based on subsection (3) of this section shall be distributed  
23 through this subsection. Local systems qualify for distribution  
24 under this subsection if they have nine hundred or less formula  
25 students and adjusted general fund operating expenditures per  
26 formula student less than the average for all local systems with  
27 nine hundred or less formula students. The aid shall be  
28 distributed proportionally to qualifying districts based on the

1 dollar amount each local system's calculated state aid plus the  
2 product of a levy of one dollar and ten cents for school fiscal  
3 years 1998-99 and 1999-00, ~~and~~ of one dollar for school fiscal year  
4 2000-01, and of one dollar and two and one-half cents for school  
5 fiscal year 2001-02 and each school fiscal year thereafter  
6 multiplied by the assessed valuation divided by one hundred is  
7 below ninety percent of state aid plus property tax receipts  
8 received by the local system during the preceding school fiscal  
9 year. No system shall receive aid pursuant to this subsection such  
10 that the calculated state aid plus the product of a levy of one  
11 dollar and ten cents for school fiscal years 1998-99 and 1999-00,  
12 ~~and~~ of one dollar for school fiscal year 2000-01, and of one dollar  
13 and two and one-half cents for school fiscal year 2001-02 and each  
14 school fiscal year thereafter multiplied by the assessed valuation  
15 divided by one hundred is ninety percent or more of state aid plus  
16 property tax receipts received by the local system during the  
17 preceding school fiscal year. Any aid available for distribution  
18 pursuant to this subsection that is not distributed pursuant to  
19 this subsection shall be distributed as equalization aid.

20           Sec. 3. Original sections 77-3442 and 79-1008.01,  
21 Revised Statutes Supplement, 2001, are repealed.