

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 893

Introduced by Kremer, 34; Aguilar, 35; Johnson, 37; McDonald, 41

Read first time January 5, 2006

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 13-518, Revised Statutes Supplement, 2005; to modify the
3 definition of allowable growth for budgetary purposes; to
4 repeal the original section; and to declare an emergency.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-518, Revised Statutes Supplement,
2 2005, is amended to read:

3 13-518 For purposes of sections 13-518 to 13-522:

4 (1) Allowable growth means (a) for governmental units
5 other than community colleges, the percentage increase in taxable
6 valuation, ~~in excess of the base limitation established under~~
7 ~~section 77-3446,~~ if any, due to improvements to real property as
8 a result of new construction, additions to existing buildings,
9 any improvements to real property which increase the value of
10 such property, and any increase in valuation due to annexation
11 and any personal property valuation over the prior year and (b)
12 for community colleges, (i) for fiscal years prior to fiscal year
13 2003-04 and after fiscal year 2004-05, the percentage increase in
14 excess of the base limitation, if any, in full-time equivalent
15 students from the second year to the first year preceding the
16 year for which the budget is being determined, and (ii) for fiscal
17 year 2003-04 and fiscal year 2004-05, the percentage increase in
18 full-time equivalent students from the second year to the first
19 year preceding the year for which the budget is being determined;

20 (2) Capital improvements means (a) acquisition of real
21 property or (b) acquisition, construction, or extension of any
22 improvements on real property;

23 (3) Governing body has the same meaning as in section
24 13-503;

25 (4) Governmental unit means every political subdivision

1 which has authority to levy a property tax or authority to
2 request levy authority under section 77-3443 except sanitary and
3 improvement districts which have been in existence for five years
4 or less and school districts;

5 (5) Qualified sinking fund means a fund or funds
6 maintained separately from the general fund to pay for acquisition
7 or replacement of tangible personal property with a useful life of
8 five years or more which is to be undertaken in the future but
9 is to be paid for in part or in total in advance using periodic
10 payments into the fund. The term includes sinking funds under
11 subdivision (13) of section 35-508 for firefighting and rescue
12 equipment or apparatus;

13 (6) Restricted funds means (a) property tax, excluding
14 any amounts refunded to taxpayers, (b) payments in lieu of property
15 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)
16 state aid, (f) transfers of surpluses from any user fee, permit
17 fee, or regulatory fee if the fee surplus is transferred to fund a
18 service or function not directly related to the fee and the costs
19 of the activity funded from the fee, (g) any funds excluded from
20 restricted funds for the prior year because they were budgeted for
21 capital improvements but which were not spent and are not expected
22 to be spent for capital improvements, (h) the tax provided in
23 sections 77-27,223 to 77-27,227 beginning in the second fiscal year
24 in which the county will receive a full year of receipts, and (i)
25 any excess tax collections returned to the county under section

1 77-1776; and

2 (7) State aid means:

3 (a) For all governmental units, state aid paid pursuant
4 to sections 60-3,202 and 77-3523;

5 (b) For municipalities, state aid to municipalities
6 paid pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190,
7 77-27,136, and 77-27,139.04 and insurance premium tax paid to
8 municipalities;

9 (c) For counties, state aid to counties paid pursuant
10 to sections 39-2501 to 39-2520, 47-119.01, 60-3,184 to 60-3,190,
11 77-27,136, and 77-3618, insurance premium tax paid to counties,
12 and reimbursements to counties from funds appropriated pursuant to
13 section 29-3933;

14 (d) For community colleges, state aid to community
15 colleges paid under sections 85-1536 to 85-1537;

16 (e) For natural resources districts, state aid to natural
17 resources districts paid pursuant to section 77-27,136;

18 (f) For educational service units, state aid appropriated
19 under section 79-1241; and

20 (g) For local public health departments as defined in
21 section 71-1626, state aid as distributed under section 71-1628.08.

22 Sec. 2. Original section 13-518, Revised Statutes
23 Supplement, 2005, is repealed.

24 Sec. 3. Since an emergency exists, this act takes effect
25 when passed and approved according to law.