

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 243

FINAL READING

Introduced by Briese, 41; Ballard, 21; Lippincott, 34.

Read first time January 10, 2023

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-5003, 77-5015.02, 85-1517, and 85-2231, Reissue Revised Statutes
3 of Nebraska, and sections 77-1632, 77-1633, 77-1736.06, 77-3442,
4 77-4212, 77-5004, 77-6702, 77-6703, and 77-6706, Revised Statutes
5 Cumulative Supplement, 2022; to adopt the School District Property
6 Tax Limitation Act; to change provisions of the Property Tax Request
7 Act, the interest rate for refunds or claims relating to taxes,
8 community college area levying authority, provisions of the Property
9 Tax Credit Act, provisions relating to the Tax Equalization and
10 Review Commission, and provisions of the Nebraska Property Tax
11 Incentive Act; to provide for distribution of aid and levying
12 authority to community college areas as prescribed; to create a
13 fund; to provide duties for the Coordinating Commission for
14 Postsecondary Education and the State Treasurer; to harmonize
15 provisions; to provide operative dates; to provide severability; to
16 repeal the original sections; and to declare an emergency.
17 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 8 of this act shall be known and may be
2 cited as the School District Property Tax Limitation Act.

3 Sec. 2. For purposes of the School District Property Tax Limitation
4 Act, unless the context otherwise requires:

5 (1) Approved bonds means (a) bonds that are issued by a school
6 district after the question of issuing such bonds has been approved by
7 the voters of such school district and (b) bonds that are issued by a
8 school district pursuant to section 79-10,110, 79-10,110.01, or
9 79-10,110.02;

10 (2) Average daily membership has the same meaning as in section
11 79-1003;

12 (3) Base growth percentage means the sum of:

13 (a) Three percent;

14 (b) The annual percentage increase in the student enrollment of the
15 school district multiplied by:

16 (i) One if the school district's student enrollment has grown by an
17 average of at least three percent and by at least one hundred fifty
18 students over the preceding three years;

19 (ii) Seven-tenths if the school district's student enrollment has
20 grown by an average of at least three percent over the preceding three
21 years; or

22 (iii) Four-tenths if subdivisions (3)(b)(i) and (3)(b)(ii) of this
23 section do not apply;

24 (c) The percentage obtained by first dividing the annual increase in
25 the total number of limited English proficiency students in the school
26 district by the student enrollment of the school district and then
27 multiplying the quotient by fifteen hundredths; and

28 (d) The percentage obtained by first dividing the annual increase in
29 the total number of poverty students in the school district by the
30 student enrollment of the school district and then multiplying the
31 quotient by fifteen hundredths;

1 (4) Department means the State Department of Education;

2 (5) Non-property-tax revenue means revenue of a school district from
3 all state and local sources other than real and personal property taxes.

4 Non-property-tax revenue does not include grants, donations, bonds, all
5 revenue from a school district that has been merged into another school
6 district or dissolved, activity funds, bond funds, cooperative funds,
7 depreciation funds, employee benefit funds, nutrition funds, qualified
8 capital purpose undertaking funds, or student fee funds, insurance
9 proceeds, proceeds from the sale of property including land, buildings,
10 or capital assets in special building funds, or proceeds of financing;

11 (6) Property tax request means the total amount of property taxes
12 for the general and special building funds requested to be raised for a
13 school district through the levy imposed pursuant to section 77-1601;

14 (7) Property tax request authority means the amount that may be
15 included in a property tax request for the general or special building
16 funds of the school district as determined pursuant to the School
17 District Property Tax Limitation Act;

18 (8) School board has the same meaning as in section 79-101;

19 (9) School district has the same meaning as in section 79-101; and

20 (10) Student enrollment means the total number of students in the
21 school district according to the fall school district membership report
22 described in subsection (4) of section 79-528.

23 Sec. 3. (1) Except as provided in sections 4 and 5 of this act, a
24 school district's property tax request for any year shall not exceed the
25 school district's property tax request authority.

26 (2) The department shall calculate each school district's property
27 tax request authority on an annual basis as follows:

28 (a) The school district's property tax request from the prior year
29 shall be added to the non-property-tax revenue from the prior year minus
30 any investment income from special building funds from the prior year,
31 and the total shall be increased by the school district's base growth

1 percentage; and

2 (b) The amount determined under subdivision (2)(a) of this section
3 shall then be decreased by the amount of total non-property-tax revenue
4 for the current year and adjusted for any known or documented errors in
5 documentation received by the department from the school district. In
6 determining the total non-property-tax revenue for the current year, any
7 category of non-property-tax revenue for which there is insufficient data
8 as of June 1 to make an accurate determination shall be deemed to be
9 equal to the prior year's amount.

10 (3) The department shall certify the amount determined for each
11 school district under this section to the school board of such school
12 district. Such certified amount shall be the school district's property
13 tax request authority.

14 Sec. 4. The School District Property Tax Limitation Act shall not
15 apply to that portion of a school district's property tax request that is
16 needed to pay the principal and interest on approved bonds.

17 Sec. 5. (1) A school district's property tax request may exceed its
18 property tax request authority by an amount approved by a sixty percent
19 majority of legal voters voting on the issue at a special election called
20 for such purpose upon the recommendation of the school board of such
21 school district or upon the receipt by the county clerk or election
22 commissioner of a petition requesting an election signed by at least five
23 percent of the legal voters of the school district. The recommendation of
24 the school board or the petition of the legal voters shall include the
25 amount by which the school board would increase its property tax request
26 for the year over and above the property tax request authority of such
27 school district. The county clerk or election commissioner shall call for
28 a special election on the issue within thirty days after the receipt of
29 such school board recommendation or legal voter petition. The election
30 shall be held pursuant to the Election Act, and all costs shall be paid
31 by the school district.

1 (2)(a) A school district may increase the base growth percentage
2 used to determine its property tax request authority under section 3 of
3 this act by a percentage approved by an affirmative vote of at least
4 seventy percent of the school board of such school district. The maximum
5 base growth percentage that may be approved under this subsection shall
6 be:

7 (i) The base growth percentage that would otherwise be applicable
8 plus an additional seven percent for school districts with an average
9 daily membership of no more than four hundred seventy-one students;

10 (ii) The base growth percentage that would otherwise be applicable
11 plus an additional six percent for school districts with an average daily
12 membership of more than four hundred seventy-one students but no more
13 than three thousand forty-four students;

14 (iii) The base growth percentage that would otherwise be applicable
15 plus an additional five percent for school districts with an average
16 daily membership of more than three thousand forty-four students but no
17 more than ten thousand students; or

18 (iv) The base growth percentage that would otherwise be applicable
19 plus an additional four percent for school districts with an average
20 daily membership of more than ten thousand students.

21 (b) Before a school board votes to increase a school district's base
22 growth percentage under this subsection, the school board shall publish
23 notice of the upcoming vote in a legal newspaper of general circulation
24 in the school district. Such publication shall occur at least one week
25 prior to the public meeting at which the vote will be taken.

26 (3) A school district's property tax request may exceed its property
27 tax request authority pursuant to any property tax authority approved by
28 the voters at a levy override election under section 77-3444 held prior
29 to January 1, 2024.

30 Sec. 6. A school district may choose not to increase its property
31 tax request by the full amount allowed by the school district's property

1 tax request authority in a particular year. In such cases, the school
2 district may carry forward to future years the amount of unused property
3 tax request authority. The department shall calculate each school
4 district's unused property tax request authority and shall submit an
5 accounting of such amount to the school board of the school district.
6 Such unused property tax request authority may then be used in later
7 years for increases in the school district's property tax request.

8 Sec. 7. The department shall prepare documents to be submitted by
9 school districts to aid the department in calculating each school
10 district's property tax request authority and unused property tax request
11 authority. Each school district shall submit such documents to the
12 department on or before September 30 of each year. If a school district
13 fails to submit such documents to the department or if the department
14 determines from such documents that a school district is not complying
15 with the limits provided in the School District Property Tax Limitation
16 Act, the department shall notify the school district of its
17 determination. The Commissioner of Education shall then direct that any
18 state aid granted pursuant to the Tax Equity and Educational
19 Opportunities Support Act be withheld until such time as the school
20 district submits the required documents or complies with the School
21 District Property Tax Limitation Act. The state aid shall be held for six
22 months. If the school district complies within the six-month period, it
23 shall receive the suspended state aid. If the school district fails to
24 comply within the six-month period, the suspended state aid shall revert
25 to the General Fund.

26 Sec. 8. The department may adopt and promulgate rules and
27 regulations to carry out the School District Property Tax Limitation Act.

28 Sec. 9. Section 77-1632, Revised Statutes Cumulative Supplement,
29 2022, is amended to read:

30 77-1632 (1) If the annual assessment of property would result in an
31 increase in the total property taxes levied by a county, city, village,

1 school district, learning community, sanitary and improvement district,
2 natural resources district, educational service unit, or community
3 college, as determined using the previous year's rate of levy, such
4 political subdivision's property tax request for the current year shall
5 be no more than its property tax request in the prior year, and the
6 political subdivision's rate of levy for the current year shall be
7 decreased accordingly when such rate is set by the county board of
8 equalization pursuant to section 77-1601. The governing body of the
9 political subdivision shall pass a resolution or ordinance to set the
10 amount of its property tax request after holding the public hearing
11 required in subsection (3) of this section. If the governing body of a
12 political subdivision seeks to set its property tax request at an amount
13 that exceeds its property tax request in the prior year, it may do so to
14 the extent allowed by law after holding the public hearing required in
15 subsection (3) of this section and by passing a resolution or ordinance
16 that complies with subsection (4) of this section. If any county, city,
17 school district, or community college seeks to increase its property tax
18 request by more than the allowable growth percentage, such political
19 subdivision shall comply with the requirements of section 77-1633 in lieu
20 of the requirements in subsections (3) and (4) of this section.

21 (2) If the annual assessment of property would result in no change
22 or a decrease in the total property taxes levied by a county, city,
23 village, school district, learning community, sanitary and improvement
24 district, natural resources district, educational service unit, or
25 community college, as determined using the previous year's rate of levy,
26 such political subdivision's property tax request for the current year
27 shall be no more than its property tax request in the prior year, and the
28 political subdivision's rate of levy for the current year shall be
29 adjusted accordingly when such rate is set by the county board of
30 equalization pursuant to section 77-1601. The governing body of the
31 political subdivision shall pass a resolution or ordinance to set the

1 amount of its property tax request after holding the public hearing
2 required in subsection (3) of this section. If the governing body of a
3 political subdivision seeks to set its property tax request at an amount
4 that exceeds its property tax request in the prior year, it may do so to
5 the extent allowed by law after holding the public hearing required in
6 subsection (3) of this section and by passing a resolution or ordinance
7 that complies with subsection (4) of this section. If any county, city,
8 school district, or community college seeks to increase its property tax
9 request by more than the allowable growth percentage, such political
10 subdivision shall comply with the requirements of section 77-1633 in lieu
11 of the requirements in subsections (3) and (4) of this section.

12 (3) The resolution or ordinance required under this section shall
13 only be passed after a special public hearing called for such purpose is
14 held and after notice is published in a newspaper of general circulation
15 in the area of the political subdivision at least four calendar days
16 prior to the hearing. For purposes of such notice, the four calendar days
17 shall include the day of publication but not the day of hearing. If the
18 political subdivision's total operating budget, not including reserves,
19 does not exceed ten thousand dollars per year or twenty thousand dollars
20 per biennial period, the notice may be posted at the governing body's
21 principal headquarters. The hearing notice shall contain the following
22 information: The certified taxable valuation under section 13-509 for the
23 prior year, the certified taxable valuation under section 13-509 for the
24 current year, and the percentage increase or decrease in such valuations
25 from the prior year to the current year; the dollar amount of the prior
26 year's tax request and the property tax rate that was necessary to fund
27 that tax request; the property tax rate that would be necessary to fund
28 last year's tax request if applied to the current year's valuation; the
29 proposed dollar amount of the tax request for the current year and the
30 property tax rate that will be necessary to fund that tax request; the
31 percentage increase or decrease in the property tax rate from the prior

1 year to the current year; and the percentage increase or decrease in the
2 total operating budget from the prior year to the current year.

3 (4) Any resolution or ordinance setting a political subdivision's
4 property tax request under this section at an amount that exceeds the
5 political subdivision's property tax request in the prior year shall
6 include, but not be limited to, the following information:

7 (a) The name of the political subdivision;

8 (b) The amount of the property tax request;

9 (c) The following statements:

10 (i) The total assessed value of property differs from last year's
11 total assessed value by percent;

12 (ii) The tax rate which would levy the same amount of property taxes
13 as last year, when multiplied by the new total assessed value of
14 property, would be \$..... per \$100 of assessed value;

15 (iii) The (name of political subdivision) proposes to adopt a
16 property tax request that will cause its tax rate to be \$..... per \$100
17 of assessed value; and

18 (iv) Based on the proposed property tax request and changes in other
19 revenue, the total operating budget of (name of political subdivision)
20 will (increase or decrease) last year's budget by percent; and

21 (d) The record vote of the governing body in passing such resolution
22 or ordinance.

23 (5) Any resolution or ordinance setting a property tax request under
24 this section shall be certified and forwarded to the county clerk on or
25 before October 15 of the year for which the tax request is to apply.

26 Sec. 10. Section 77-1633, Revised Statutes Cumulative Supplement,
27 2022, is amended to read:

28 77-1633 (1) For purposes of this section, political subdivision
29 means any county, city, school district, or community college.

30 (2) If any political subdivision seeks to increase its property tax
31 request by more than the allowable growth percentage, such political

1 subdivision may do so to the extent allowed by law if:

2 (a) A public hearing is held and notice of such hearing is provided
3 in compliance with subsection (3) of this section; and

4 (b) The governing body of such political subdivision passes a
5 resolution or an ordinance that complies with subsection (4) of this
6 section.

7 (3)(a) Each political subdivision within a county that seeks to
8 increase its property tax request by more than the allowable growth
9 percentage shall participate in a joint public hearing. Each such
10 political subdivision shall designate one representative to attend the
11 joint public hearing on behalf of the political subdivision. If a
12 political subdivision includes area in more than one county, the
13 political subdivision shall be deemed to be within the county in which
14 the political subdivision's principal headquarters are located. At such
15 hearing, there shall be no items on the agenda other than discussion on
16 each political subdivision's intent to increase its property tax request
17 by more than the allowable growth percentage.

18 (b) The joint public hearing shall be held on or after September 17
19 and prior to September 29 and before any of the participating political
20 subdivisions file their adopted budget statement pursuant to section
21 13-508.

22 (c) The joint public hearing shall be held after 6 p.m. local time
23 on the relevant date.

24 (d) The joint public hearing shall be organized by the county clerk
25 or his or her designee. At the joint public hearing, the representative
26 of each political subdivision shall give a brief presentation on the
27 political subdivision's intent to increase its property tax request by
28 more than the allowable growth percentage and the effect of such request
29 on the political subdivision's budget. The presentation shall include:

30 (i) The name of the political subdivision;

31 (ii) The amount of the property tax request; and

1 (iii) The following statements:

2 (A) The total assessed value of property differs from last year's
3 total assessed value by percent;

4 (B) The tax rate which would levy the same amount of property taxes
5 as last year, when multiplied by the new total assessed value of
6 property, would be \$..... per \$100 of assessed value;

7 (C) The (name of political subdivision) proposes to adopt a property
8 tax request that will cause its tax rate to be \$..... per \$100 of
9 assessed value;

10 (D) Based on the proposed property tax request and changes in other
11 revenue, the total operating budget of (name of political subdivision)
12 will exceed last year's by percent; and

13 (E) To obtain more information regarding the increase in the
14 property tax request, citizens may contact the (name of political
15 subdivision) at (telephone number and email address of political
16 subdivision).

17 (e) Any member of the public shall be allowed to speak at the joint
18 public hearing and shall be given a reasonable amount of time to do so.

19 (f) Notice of the joint public hearing shall be provided:

20 (i) By sending a postcard to all affected property taxpayers. The
21 postcard shall be sent to the name and address to which the property tax
22 statement is mailed;

23 (ii) By posting notice of the hearing on the home page of the
24 relevant county's website, except that this requirement shall only apply
25 if the county has a population of more than twenty-five thousand
26 inhabitants; and

27 (iii) By publishing notice of the hearing in a legal newspaper in or
28 of general circulation in the relevant county.

29 (g) Each political subdivision that participates in the joint public
30 hearing shall send the information prescribed in subdivision (3)(h) of
31 this section to the county clerk by September 5. The county clerk shall

1 transmit the information to the county assessor no later than September
2 10. The county clerk shall notify each participating political
3 subdivision of the date, time, and location of the joint public hearing.
4 The county assessor shall send the information required to be included on
5 the postcards pursuant to subdivision (3)(h) of this section to a
6 printing service designated by the county board. The initial cost for
7 printing the postcards shall be paid from the county general fund. Such
8 postcards shall be mailed at least seven calendar days before the joint
9 public hearing. The cost of creating and mailing the postcards, including
10 staff time, materials, and postage, shall be charged proportionately to
11 the political subdivisions participating in the joint public hearing
12 based on the total number of parcels in each participating political
13 subdivision.

14 (h) The postcard sent under this subsection and the notice posted on
15 the county's website, if required under subdivision (3)(f)(ii) of this
16 section, and published in the newspaper shall include the date, time, and
17 location for the joint public hearing, a listing of and telephone number
18 for each political subdivision that will be participating in the joint
19 public hearing, and the amount of each participating political
20 subdivision's property tax request. The postcard shall also contain the
21 following information:

22 (i) The following words in capitalized type at the top of the
23 postcard: NOTICE OF PROPOSED TAX INCREASE;

24 (ii) The name of the county that will hold the joint public hearing,
25 which shall appear directly underneath the capitalized words described in
26 subdivision (3)(h)(i) of this section;

27 (iii) The following statement: The following political subdivisions
28 are proposing a revenue increase which would result in an overall
29 increase in property taxes in (insert current tax year). THE ACTUAL TAX
30 ON YOUR PROPERTY MAY INCREASE OR DECREASE. This notice contains estimates
31 of the tax on your property as a result of this revenue increase. These

1 estimates are calculated on the basis of the proposed (insert current tax
2 year) data. The actual tax on your property may vary from these
3 estimates.

4 (iv) The parcel number for the property;

5 (v) The name of the property owner and the address of the property;

6 (vi) The property's assessed value in the previous tax year;

7 (vii) The amount of property taxes due in the previous tax year for
8 each participating political subdivision;

9 (viii) The property's assessed value for the current tax year;

10 (ix) The amount of property taxes due for the current tax year for
11 each participating political subdivision;

12 (x) The change in the amount of property taxes due for each
13 participating political subdivision from the previous tax year to the
14 current tax year; and

15 (xi) The following statement: To obtain more information regarding
16 the tax increase, citizens may contact the political subdivision at the
17 telephone number provided in this notice.

18 (4) After the joint public hearing required in subsection (3) of
19 this section, the governing body of each participating political
20 subdivision shall pass an ordinance or resolution to set such political
21 subdivision's property tax request. If the political subdivision is
22 increasing its property tax request over the amount from the prior year,
23 including any increase in excess of the allowable growth percentage, then
24 such ordinance or resolution shall include, but not be limited to, the
25 following information:

26 (a) The name of the political subdivision;

27 (b) The amount of the property tax request;

28 (c) The following statements:

29 (i) The total assessed value of property differs from last year's
30 total assessed value by percent;

31 (ii) The tax rate which would levy the same amount of property taxes

1 as last year, when multiplied by the new total assessed value of
2 property, would be \$..... per \$100 of assessed value;

3 (iii) The (name of political subdivision) proposes to adopt a
4 property tax request that will cause its tax rate to be \$..... per \$100
5 of assessed value; and

6 (iv) Based on the proposed property tax request and changes in other
7 revenue, the total operating budget of (name of political subdivision)
8 will exceed last year's by percent; and

9 (d) The record vote of the governing body in passing such resolution
10 or ordinance.

11 (5) Any resolution or ordinance setting a property tax request under
12 this section shall be certified and forwarded to the county clerk on or
13 before October 15 of the year for which the tax request is to apply.

14 (6) The county clerk, or his or her designee, shall prepare a report
15 which shall include (a) the names of the representatives of the political
16 subdivisions participating in the joint public hearing and (b) the name
17 and address of each individual who spoke at the joint public hearing,
18 unless the address requirement is waived to protect the security of the
19 individual, and the name of any organization represented by each such
20 individual. Such report shall be delivered to the political subdivisions
21 participating in the joint public hearing within ten days after such
22 hearing.

23 Sec. 11. Section 77-1736.06, Revised Statutes Cumulative Supplement,
24 2022, is amended to read:

25 77-1736.06 The following procedure shall apply when making a
26 property tax refund:

27 (1) Within thirty days of the entry of a final nonappealable order,
28 an unprotested determination of a county assessor, an unappealed decision
29 of a county board of equalization, or other final action requiring a
30 refund of real or personal property taxes paid or, for property valued by
31 the state, within thirty days of a recertification of value by the

1 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
2 county assessor shall determine the amount of refund due the person
3 entitled to the refund, certify that amount to the county treasurer, and
4 send a copy of such certification to the person entitled to the refund.
5 Within thirty days from the date the county assessor certifies the amount
6 of the refund, the county treasurer shall notify each political
7 subdivision, including any school district receiving a distribution
8 pursuant to section 79-1073 and any land bank receiving real property
9 taxes pursuant to subdivision (3)(a) of section 18-3411, of its
10 respective share of the refund, except that for any political subdivision
11 whose share of the refund is two hundred dollars or less, the county
12 board may waive this notice requirement. Notification shall be by first-
13 class mail, postage prepaid, to the last-known address of record of the
14 political subdivision. The county treasurer shall pay the refund from
15 funds in his or her possession belonging to any political subdivision,
16 including any school district receiving a distribution pursuant to
17 section 79-1073 and any land bank receiving real property taxes pursuant
18 to subdivision (3)(a) of section 18-3411, which received any part of the
19 tax or penalty being refunded. If sufficient funds are not available, the
20 county treasurer shall register the refund or portion thereof which
21 remains unpaid as a claim against such political subdivision and shall
22 issue the person entitled to the refund a receipt for the registration of
23 the claim;

24 (2) The refund of a tax or penalty or the receipt for the
25 registration of a claim made or issued pursuant to this section shall be
26 satisfied in full as soon as practicable. If a receipt for the
27 registration of a claim is given:

28 (a) The governing body of the political subdivision shall make
29 provisions in its next budget for the amount of such claim; or

30 (b) If mutually agreed to by the governing body of the political
31 subdivision and the person holding the receipt, such receipt shall be

1 applied to satisfy any tax levied or assessed by that political
2 subdivision which becomes due from the person holding the receipt until
3 the claim is satisfied in full;

4 (3) The county treasurer shall mail the refund or the receipt by
5 first-class mail, postage prepaid, to the last-known address of the
6 person entitled thereto. Multiple refunds to the same person may be
7 combined into one refund. If a refund is not claimed by June 1 of the
8 year following the year of mailing, the refund shall be canceled and the
9 resultant amount credited to the various funds originally charged;

10 (4) When the refund involves property valued by the state, the Tax
11 Commissioner shall be authorized to negotiate a settlement of the amount
12 of the refund or claim due pursuant to this section on behalf of the
13 political subdivision from which such refund or claim is due. Any
14 political subdivision which does not agree with the settlement terms as
15 negotiated may reject such terms, and the refund or claim due from the
16 political subdivision then shall be satisfied as set forth in this
17 section as if no such negotiation had occurred;

18 (5) In the event that the Legislature appropriates state funds to be
19 disbursed for the purposes of satisfying all or any portion of any refund
20 or claim, the Tax Commissioner shall order the county treasurer to
21 disburse such refund amounts directly to the persons entitled to the
22 refund in partial or total satisfaction of such persons' claims. The
23 county treasurer shall disburse such amounts within forty-five days after
24 receipt thereof;

25 (6) If all or any portion of the refund is reduced by way of
26 settlement or forgiveness by the person entitled to the refund, the
27 proportionate amount of the refund that was paid by an appropriation of
28 state funds shall be reimbursed by the county treasurer to the State
29 Treasurer within forty-five days after receipt of the settlement
30 agreement or receipt of the forgiven refund. The amount so reimbursed
31 shall be credited to the General Fund; and

1 (7) For any refund or claim due under this section, interest shall
2 accrue on the unpaid balance at the rate of fourteen ~~nine~~ percent
3 beginning thirty days after the date the county assessor certifies the
4 amount of refund based upon the final nonappealable order or other action
5 approving the refund.

6 Sec. 12. Section 77-3442, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

8 77-3442 (1) Property tax levies for the support of local governments
9 for fiscal years beginning on or after July 1, 1998, shall be limited to
10 the amounts set forth in this section except as provided in section
11 77-3444.

12 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
13 section, school districts and multiple-district school systems may levy a
14 maximum levy of one dollar and five cents per one hundred dollars of
15 taxable valuation of property subject to the levy.

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

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

30 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
31 of this section are (i) amounts levied to pay for current and future sums

1 agreed to be paid by a school district to certificated employees in
2 exchange for a voluntary termination of employment occurring prior to
3 September 1, 2017, (ii) amounts levied by a school district otherwise at
4 the maximum levy pursuant to subdivision (2)(a) of this section to pay
5 for current and future qualified voluntary termination incentives for
6 certificated teachers pursuant to subsection (3) of section 79-8,142 that
7 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
8 of this section, (iii) amounts levied by a school district otherwise at
9 the maximum levy pursuant to subdivision (2)(a) of this section to pay
10 for seventy-five percent of the current and future sums agreed to be paid
11 to certificated employees in exchange for a voluntary termination of
12 employment occurring between September 1, 2017, and August 31, 2018, as a
13 result of a collective-bargaining agreement in force and effect on
14 September 1, 2017, that are not otherwise included in an exclusion
15 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
16 school district otherwise at the maximum levy pursuant to subdivision (2)
17 (a) of this section to pay for fifty percent of the current and future
18 sums agreed to be paid to certificated employees in exchange for a
19 voluntary termination of employment occurring between September 1, 2018,
20 and August 31, 2019, as a result of a collective-bargaining agreement in
21 force and effect on September 1, 2017, that are not otherwise included in
22 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
23 levied by a school district otherwise at the maximum levy pursuant to
24 subdivision (2)(a) of this section to pay for twenty-five percent of the
25 current and future sums agreed to be paid to certificated employees in
26 exchange for a voluntary termination of employment occurring between
27 September 1, 2019, and August 31, 2020, as a result of a collective-
28 bargaining agreement in force and effect on September 1, 2017, that are
29 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
30 this section, (vi) amounts levied in compliance with sections 79-10,110
31 and 79-10,110.02, and (vii) amounts levied to pay for special building

1 funds and sinking funds established for projects commenced prior to April
2 1, 1996, for construction, expansion, or alteration of school district
3 buildings. For purposes of this subsection, commenced means any action
4 taken by the school board on the record which commits the board to expend
5 district funds in planning, constructing, or carrying out the project.

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

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

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

29 (3) For each fiscal year through fiscal year 2023-24, community
30 college areas may levy the levies provided in subdivisions (2)(a) through
31 (c) of section 85-1517, in accordance with the provisions of such

1 subdivisions. For fiscal year 2024-25 and each fiscal year thereafter,
2 community college areas may levy the levies provided in subdivisions (2)
3 (a) and (b) of section 85-1517, in accordance with the provisions of such
4 subdivisions. A community college area may exceed the levy provided in
5 subdivision (2)(a) of section 85-1517 by the amount necessary to generate
6 sufficient revenue as described in section 21 or 23 of this act. A
7 community college area may exceed the levy provided in subdivision (2)(b)
8 of section 85-1517 by the amount necessary to retire general obligation
9 bonds assumed by the community college area or issued pursuant to section
10 85-1515 according to the terms of such bonds or for any obligation
11 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

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

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

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

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

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

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

31 (7) Sanitary and improvement districts which have been in existence

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

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

1 may exceed the levy authority in order to levy the amount allocated.

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

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

18 (11) A regional metropolitan transit authority may levy a maximum
19 levy of ten cents per one hundred dollars of taxable valuation of
20 property subject to the levy for each fiscal year that commences on the
21 January 1 that follows the effective date of the conversion of the
22 transit authority established under the Transit Authority Law into the
23 regional metropolitan transit authority.

24 (12) Property tax levies (a) for judgments, except judgments or
25 orders from the Commission of Industrial Relations, obtained against a
26 political subdivision which require or obligate a political subdivision
27 to pay such judgment, to the extent such judgment is not paid by
28 liability insurance coverage of a political subdivision, (b) for
29 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
30 for bonds as defined in section 10-134 approved according to law and
31 secured by a levy on property except as provided in section 44-4317 for

1 bonded indebtedness issued by educational service units and school
2 districts, (d) for payments by a public airport to retire interest-free
3 loans from the Division of Aeronautics of the Department of
4 Transportation in lieu of bonded indebtedness at a lower cost to the
5 public airport, and (e) to pay for cancer benefits provided on or after
6 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not
7 included in the levy limits established by this section.

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

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

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

19 (16) For school districts that file a binding resolution on or
20 before May 9, 2008, with the county assessors, county clerks, and county
21 treasurers for all counties in which the school district has territory
22 pursuant to subsection (7) of section 79-458, if the combined levies,
23 except levies for bonded indebtedness approved by the voters of the
24 school district and levies for the refinancing of such bonded
25 indebtedness, are in excess of the greater of (a) one dollar and twenty
26 cents per one hundred dollars of taxable valuation of property subject to
27 the levy or (b) the maximum levy authorized by a vote pursuant to section
28 77-3444, all school district levies, except levies for bonded
29 indebtedness approved by the voters of the school district and levies for
30 the refinancing of such bonded indebtedness, shall be considered
31 unauthorized levies under section 77-1606.

1 Sec. 13. Section 77-4212, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-4212 (1) For tax year 2007, the amount of relief granted under
4 the Property Tax Credit Act shall be one hundred five million dollars.
5 For tax year 2008, the amount of relief granted under the act shall be
6 one hundred fifteen million dollars. It is the intent of the Legislature
7 to fund the Property Tax Credit Act for tax years after tax year 2008
8 using available revenue. For tax year 2017, the amount of relief granted
9 under the act shall be two hundred twenty-four million dollars. For tax
10 year 2020 through tax year 2022 ~~2020~~ and each tax year thereafter, the
11 minimum amount of relief granted under the act shall be two hundred
12 seventy-five million dollars. For tax year 2023, the minimum amount of
13 relief granted under the act shall be three hundred sixty million
14 dollars. For tax year 2024, the minimum amount of relief granted under
15 the act shall be three hundred ninety-five million dollars. For tax year
16 2025, the minimum amount of relief granted under the act shall be four
17 hundred thirty million dollars. For tax year 2026, the minimum amount of
18 relief granted under the act shall be four hundred forty-five million
19 dollars. For tax year 2027, the minimum amount of relief granted under
20 the act shall be four hundred sixty million dollars. For tax year 2028,
21 the minimum amount of relief granted under the act shall be four hundred
22 seventy-five million dollars. For tax year 2029, the minimum amount of
23 relief granted under the act shall be the minimum amount from the prior
24 tax year plus a percentage increase equal to the percentage increase, if
25 any, in the total assessed value of all real property in the state from
26 the prior year to the current year, as determined by the Department of
27 Revenue, plus an additional seventy-five million dollars. For tax year
28 2030 and each tax year thereafter, the minimum amount of relief granted
29 under the act shall be the minimum amount from the prior tax year plus a
30 percentage increase equal to the percentage increase, if any, in the
31 total assessed value of all real property in the state from the prior

1 year to the current year, as determined by the Department of Revenue. If
2 money is transferred or credited to the Property Tax Credit Cash Fund
3 pursuant to any other state law, such amount shall be added to the
4 minimum amount required under this subsection when determining the total
5 amount of relief granted under the act. The relief shall be in the form
6 of a property tax credit which appears on the property tax statement.

7 (2)(a) For tax years prior to tax year 2017, to determine the amount
8 of the property tax credit, the county treasurer shall multiply the
9 amount disbursed to the county under subdivision (4)(a) of this section
10 by the ratio of the real property valuation of the parcel to the total
11 real property valuation in the county. The amount determined shall be the
12 property tax credit for the property.

13 (b) Beginning with tax year 2017, to determine the amount of the
14 property tax credit, the county treasurer shall multiply the amount
15 disbursed to the county under subdivision (4)(b) of this section by the
16 ratio of the credit allocation valuation of the parcel to the total
17 credit allocation valuation in the county. The amount determined shall be
18 the property tax credit for the property.

19 (3) If the real property owner qualifies for a homestead exemption
20 under sections 77-3501 to 77-3529, the owner shall also be qualified for
21 the relief provided in the act to the extent of any remaining liability
22 after calculation of the relief provided by the homestead exemption. If
23 the credit results in a property tax liability on the homestead that is
24 less than zero, the amount of the credit which cannot be used by the
25 taxpayer shall be returned to the Property Tax Administrator by July 1 of
26 the year the amount disbursed to the county was disbursed. The Property
27 Tax Administrator shall immediately credit any funds returned under this
28 subsection to the Property Tax Credit Cash Fund. Upon the return of any
29 funds under this subsection, the county treasurer shall electronically
30 file a report with the Property Tax Administrator, on a form prescribed
31 by the Tax Commissioner, indicating the amount of funds distributed to

1 each taxing unit in the county in the year the funds were returned, any
2 collection fee retained by the county in such year, and the amount of
3 unused credits returned.

4 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
5 each county shall be equal to the amount available for disbursement
6 determined under subsection (1) of this section multiplied by the ratio
7 of the real property valuation in the county to the real property
8 valuation in the state. By September 15, the Property Tax Administrator
9 shall determine the amount to be disbursed under this subdivision to each
10 county and certify such amounts to the State Treasurer and to each
11 county. The disbursements to the counties shall occur in two equal
12 payments, the first on or before January 31 and the second on or before
13 April 1. After retaining one percent of the receipts for costs, the
14 county treasurer shall allocate the remaining receipts to each taxing
15 unit levying taxes on taxable property in the tax district in which the
16 real property is located in the same proportion that the levy of such
17 taxing unit bears to the total levy on taxable property of all the taxing
18 units in the tax district in which the real property is located.

19 (b) Beginning with tax year 2017, the amount disbursed to each
20 county shall be equal to the amount available for disbursement determined
21 under subsection (1) of this section multiplied by the ratio of the
22 credit allocation valuation in the county to the credit allocation
23 valuation in the state. By September 15, the Property Tax Administrator
24 shall determine the amount to be disbursed under this subdivision to each
25 county and certify such amounts to the State Treasurer and to each
26 county. The disbursements to the counties shall occur in two equal
27 payments, the first on or before January 31 and the second on or before
28 April 1. After retaining one percent of the receipts for costs, the
29 county treasurer shall allocate the remaining receipts to each taxing
30 unit based on its share of the credits granted to all taxpayers in the
31 taxing unit.

1 (5) For purposes of this section, credit allocation valuation means
2 the taxable value for all real property except agricultural land and
3 horticultural land, one hundred twenty percent of taxable value for
4 agricultural land and horticultural land that is not subject to special
5 valuation, and one hundred twenty percent of taxable value for
6 agricultural land and horticultural land that is subject to special
7 valuation.

8 (6) The State Treasurer shall transfer from the General Fund to the
9 Property Tax Credit Cash Fund one hundred five million dollars by August
10 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

11 (7) The Legislature shall have the power to transfer funds from the
12 Property Tax Credit Cash Fund to the General Fund.

13 Sec. 14. Section 77-5003, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 77-5003 (1) The Tax Equalization and Review Commission is created.
16 The Tax Commissioner has no supervision, authority, or control over the
17 actions or decisions of the commission relating to its duties prescribed
18 by law. Beginning July 1, 2023 ~~Prior to July 1, 2011,~~ the commission
19 shall have four commissioners, one commissioner from each congressional
20 district and one at-large commissioner. ~~On July 1, 2011, the term of each~~
21 ~~commissioner shall expire, and thereafter the commission shall have three~~
22 ~~commissioners, one from each congressional district,~~ with terms as
23 provided in subsection (2) of this section. All commissioners shall be
24 appointed by the Governor with the approval of a majority of the members
25 of the Legislature. ~~The salaries of the commissioners shall be fixed by~~
26 ~~the Governor.~~

27 (2) The term of the commissioner from district 1 expires January 1,
28 2028 ~~2016~~, the term of the commissioner from district 2 expires January
29 1, 2024 ~~2018~~, and the term of the commissioner from district 3 expires
30 January 1, 2026, and the term of the at-large commissioner expires
31 January 1, 2028 ~~2014~~. After the terms of the commissioners are completed

1 as provided in this subsection, each subsequent term shall be for six
2 years beginning and ending on January 1 of the applicable year. Vacancies
3 occurring during a term shall be filled by appointment for the unexpired
4 term. Upon the expiration of his or her term of office, a commissioner
5 shall continue to serve until his or her successor has been appointed.

6 (3) The commission shall designate pursuant to rule and regulation
7 its chairperson and vice-chairperson on a two-year, rotating basis.

8 (4) A commissioner may be removed by the Governor for misfeasance,
9 malfeasance, or willful neglect of duty or other cause after notice and a
10 public hearing unless notice and hearing are expressly waived in writing
11 by the commissioner.

12 Sec. 15. Section 77-5004, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 77-5004 (1) Each commissioner shall be a qualified voter and
15 resident of the state and a domiciliary of the district from which he or
16 she is appointed ~~represents~~.

17 (2) Each commissioner shall devote his or her full time and efforts
18 to the discharge of his or her duties and shall not hold any other office
19 under the laws of this state, any city or county in this state, or the
20 United States Government while serving on the commission. Each
21 commissioner shall possess:

22 (a) Appropriate knowledge of terms commonly used in or related to
23 real property appraisal and of the writing of appraisal reports;

24 (b) Adequate knowledge of depreciation theories, cost estimating,
25 methods of capitalization, and real property appraisal mathematics;

26 (c) An understanding of the principles of land economics, appraisal
27 processes, and problems encountered in the gathering, interpreting, and
28 evaluating of data involved in the valuation of real property, including
29 complex industrial properties and mass appraisal techniques;

30 (d) Knowledge of the law relating to taxation, civil and
31 administrative procedure, due process, and evidence in Nebraska;

1 (e) At least thirty hours of successfully completed class hours in
2 courses of study, approved by the Real Property Appraiser Board, which
3 relate to appraisal and which include the fifteen-hour National Uniform
4 Standards of Professional Appraisal Practice Course. If a commissioner
5 has not received such training prior to his or her appointment, such
6 training shall be completed within one year after appointment; and

7 (f) Such other qualifications and skills as reasonably may be
8 requisite for the effective and reliable performance of the commission's
9 duties.

10 (3) At least one commissioner shall possess the certification or
11 training required to become a licensed residential real property
12 appraiser as set forth in section 76-2230.

13 (4) At least two commissioners ~~one commissioner~~ shall have been
14 engaged in the practice of law in the State of Nebraska for at least five
15 years, which may include prior service as a judge, and shall be currently
16 admitted to practice before the Nebraska Supreme Court. The attorney
17 commissioners shall be presiding hearing officers for commission
18 proceedings involving appeal hearings and other proceedings involving
19 panels of more than one commissioner.

20 (5) No commissioner or employee of the commission shall hold any
21 position of profit or engage in any occupation or business interfering
22 with or inconsistent with his or her duties as a commissioner or
23 employee. A person is not eligible for appointment and may not hold the
24 office of commissioner or be appointed by the commission to or hold any
25 office or position under the commission if he or she holds any official
26 office or position.

27 (6) Each commissioner shall annually attend a seminar or class of at
28 least two days' duration that is:

29 (a) Sponsored by a recognized assessment or appraisal organization,
30 in each of these areas: Utility and railroad appraisal; appraisal of
31 complex industrial properties; appraisal of other hard to assess

1 properties; and mass appraisal, residential or agricultural appraisal, or
2 assessment administration; or

3 (b) Pertaining to management, law, civil or administrative
4 procedure, or other knowledge or skill necessary for performing the
5 duties of the office.

6 (7) Each commissioner shall within two years after his or her
7 appointment attend at least thirty hours of instruction that constitutes
8 training for judges or administrative law judges.

9 (8) The commissioners shall be considered employees of the state for
10 purposes of sections 81-1320 to 81-1328 and 84-1601 to 84-1615.

11 (9) The commissioners shall be reimbursed as prescribed in sections
12 81-1174 to 81-1177 for expenses in the performance of their official
13 duties pursuant to the Tax Equalization and Review Commission Act.

14 (10) Due to the domicile requirements of subsection (1) of this
15 section and subsection (1) of section 77-5003, each commissioner shall be
16 reimbursed for mileage at the rate provided in section 81-1176 for actual
17 round trip travel from the commissioner's residence to the state office
18 building described in section 81-1108.37 or to the location of any
19 hearing or other official business of the commission. Reimbursements
20 under this subsection shall be made from the Tax Equalization and Review
21 Commission Cash Fund.

22 (11) The salary for commissioners serving as a presiding hearing
23 officer for commission hearings and proceedings involving a panel of more
24 than one commissioner shall be in an amount equal to eighty-five percent
25 of the salary set for the Chief Justice and judges of the Supreme Court.
26 The salary for commissioners not serving as a presiding hearing officer
27 for commission hearings or proceedings involving a panel of more than one
28 commissioner shall be in an amount equal to seventy percent of the salary
29 set for the Chief Justice and judges of the Supreme Court.

30 Sec. 16. Section 77-5015.02, Reissue Revised Statutes of Nebraska,
31 is amended to read:

1 77-5015.02 (1) A single commissioner may hear an appeal and cross
2 appeal and appeals and cross appeals consolidated with any such appeal
3 and cross appeal when:

4 (a) The taxable value of each parcel is two ~~one~~ million dollars or
5 less as determined by the county board of equalization; and

6 (b) The appeal and cross appeal has been designated for hearing
7 pursuant to this section by the chairperson of the commission or in such
8 manner as the commission may provide in its rules and regulations.

9 (2) A proceeding held before a single commissioner shall be
10 informal. The usual common-law or statutory rules of evidence, including
11 rules of hearsay, shall not apply, and the commissioner may consider and
12 utilize all matters presented at the proceeding in making his or her
13 determination.

14 (3) Any party to an appeal designated for hearing before a single
15 commissioner pursuant to this section may, prior to a hearing, elect in
16 writing to have the appeal heard by the commission. The commissioner
17 conducting a proceeding pursuant to this section may at any time
18 designate the appeal for hearing by the commission.

19 (4) Documents necessary to establish jurisdiction of the commission
20 shall constitute the record of a proceeding before a single commissioner.
21 No recording shall be made of a proceeding before a single commissioner.

22 (5) A party to a proceeding before a single commissioner may request
23 a rehearing pursuant to section 77-5005.

24 (6) An order entered by a single commissioner pursuant to this
25 section may not be appealed pursuant to section 77-5019 or any other
26 provision of law.

27 (7) Subdivisions (3), (6), (8), (9), (10), (11), and (12) of section
28 77-5016 apply to proceedings before a single commissioner.

29 Sec. 17. Section 77-6702, Revised Statutes Cumulative Supplement,
30 2022, is amended to read:

31 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

1 (1) Allowable growth percentage means the percentage increase, if
2 any, in the total assessed value of all real property in the state from
3 the prior year to the current year, as determined by the department,
4 ~~except that in no case shall the allowable growth percentage exceed five~~
5 ~~percent in any one year;~~

6 (2) Community college taxes means property taxes levied on real
7 property in this state by a community college area, excluding any
8 property taxes levied for bonded indebtedness and any property taxes
9 levied as a result of an override of limits on property tax levies
10 approved by voters pursuant to section 77-3444;

11 (3) Department means the Department of Revenue;

12 (4) Eligible taxpayer means any individual, corporation,
13 partnership, limited liability company, trust, estate, or other entity
14 that pays school district taxes or community college taxes during a
15 taxable year; and

16 (5) School district taxes means property taxes levied on real
17 property in this state by a school district or multiple-district school
18 system, excluding any property taxes levied for bonded indebtedness and
19 any property taxes levied as a result of an override of limits on
20 property tax levies approved by voters pursuant to section 77-3444.

21 Sec. 18. Section 77-6703, Revised Statutes Cumulative Supplement,
22 2022, is amended to read:

23 77-6703 (1) For taxable years beginning or deemed to begin on or
24 after January 1, 2020, under the Internal Revenue Code of 1986, as
25 amended, there shall be allowed to each eligible taxpayer a refundable
26 credit against the income tax imposed by the Nebraska Revenue Act of 1967
27 or against the franchise tax imposed by sections 77-3801 to 77-3807. The
28 credit shall be equal to the credit percentage for the taxable year, as
29 set by the department under subsection (2) of this section, multiplied by
30 the amount of school district taxes paid by the eligible taxpayer during
31 such taxable year.

1 (2)(a) For taxable years beginning or deemed to begin during
2 calendar year 2020, the department shall set the credit percentage so
3 that the total amount of credits for such taxable years shall be one
4 hundred twenty-five million dollars;

5 (b) For taxable years beginning or deemed to begin during calendar
6 year 2021, the department shall set the credit percentage so that the
7 total amount of credits for such taxable years shall be one hundred
8 twenty-five million dollars plus either (i) the amount calculated for
9 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
10 (ii) the amount calculated for such calendar year under subdivision (3)
11 (c)(ii)(B) of section 77-4602, whichever is applicable;

12 (c) For taxable years beginning or deemed to begin during calendar
13 year 2022, the department shall set the credit percentage so that the
14 total amount of credits for such taxable years shall be five hundred
15 forty-eight million dollars;

16 (d) For taxable years beginning or deemed to begin during calendar
17 year 2023, the department shall set the credit percentage so that the
18 total amount of credits for such taxable years shall be five hundred
19 sixty million seven hundred thousand dollars; ~~and~~

20 (e) For taxable years beginning or deemed to begin during calendar
21 year 2024 through ~~and each~~ calendar year 2028 thereafter, the department
22 shall set the credit percentage so that the total amount of credits for
23 such taxable years shall be the maximum amount of credits allowed in the
24 prior year increased by the allowable growth percentage; ~~-~~

25 (f) For taxable years beginning or deemed to begin during calendar
26 year 2029, the department shall set the credit percentage so that the
27 total amount of credits for such taxable years shall be the maximum
28 amount of credits allowed in the prior year increased by the allowable
29 growth percentage plus an additional seventy-five million dollars; and

30 (g) For taxable years beginning or deemed to begin during calendar
31 year 2030 and each calendar year thereafter, the department shall set the

1 credit percentage so that the total amount of credits for such taxable
2 years shall be the maximum amount of credits allowed in the prior year
3 increased by the allowable growth percentage.

4 (3) If the school district taxes are paid by a corporation having an
5 election in effect under subchapter S of the Internal Revenue Code, a
6 partnership, a limited liability company, a trust, or an estate, the
7 amount of school district taxes paid during the taxable year may be
8 allocated to the shareholders, partners, members, or beneficiaries in the
9 same proportion that income is distributed for taxable years beginning or
10 deemed to begin before January 1, 2021, under the Internal Revenue Code
11 of 1986, as amended. The department shall provide forms and schedules
12 necessary for verifying eligibility for the credit provided in this
13 section and for allocating the school district taxes paid. For taxable
14 years beginning or deemed to begin on or after January 1, 2021, under the
15 Internal Revenue Code of 1986, as amended, the refundable credit shall be
16 claimed by the corporation having an election in effect under subchapter
17 S of the Internal Revenue Code, the partnership, the limited liability
18 company, the trust, or the estate that paid the school district taxes.

19 (4) For any fiscal year or short year taxpayer, the credit may be
20 claimed in the first taxable year that begins following the calendar year
21 for which the credit percentage was determined. The credit shall be taken
22 for the school district taxes paid by the taxpayer during the immediately
23 preceding calendar year.

24 (5) For the first taxable year beginning or deemed to begin on or
25 after January 1, 2021, and before January 1, 2022, under the Internal
26 Revenue Code of 1986, as amended, for a corporation having an election in
27 effect under subchapter S of the Internal Revenue Code, a partnership, a
28 limited liability company, a trust, or an estate that paid school
29 district taxes in calendar year 2020 but did not claim the credit
30 directly or allocate such school district taxes to the shareholders,
31 partners, members, or beneficiaries as permitted under subsection (3) of

1 this section, there shall be allowed an additional refundable credit.
2 This credit shall be equal to six percent, multiplied by the amount of
3 school district taxes paid during 2020 by the eligible taxpayer.

4 Sec. 19. Section 77-6706, Revised Statutes Cumulative Supplement,
5 2022, is amended to read:

6 77-6706 (1) For taxable years beginning or deemed to begin on or
7 after January 1, 2022, under the Internal Revenue Code of 1986, as
8 amended, there shall be allowed to each eligible taxpayer a refundable
9 credit against the income tax imposed by the Nebraska Revenue Act of 1967
10 or against the franchise tax imposed by sections 77-3801 to 77-3807. ~~The~~
11 ~~credit shall be equal to the credit percentage for the taxable year, as~~
12 ~~set by the department under subsection (2) of this section, multiplied by~~
13 ~~the amount of community college taxes paid by the eligible taxpayer~~
14 ~~during such taxable year.~~

15 (2) (2)(a) For taxable years beginning or deemed to begin during
16 calendar year 2022, the credit shall be equal to the credit percentage
17 for the taxable year, as set by the department under this subsection,
18 multiplied by the amount of community college taxes paid by the eligible
19 taxpayer during such taxable year. The the department shall set the
20 credit percentage so that the total amount of credits for such taxable
21 years shall be fifty million dollars. ÷

22 (3) For taxable years beginning or deemed to begin during calendar
23 year 2023, the credit shall be equal to the credit percentage for the
24 taxable year, as set by the department under this subsection, multiplied
25 by the amount of community college taxes paid by the eligible taxpayer
26 during such taxable year. The department shall set the credit percentage
27 so that the total amount of credits for such taxable years shall be one
28 hundred million dollars.

29 (4) For taxable years beginning or deemed to begin on or after
30 January 1, 2024, the credit shall be equal to one hundred percent of the
31 community college taxes paid by the eligible taxpayer during the taxable

1 ~~year.~~

2 ~~(b) For taxable years beginning or deemed to begin during calendar~~
3 ~~year 2023, the department shall set the credit percentage so that the~~
4 ~~total amount of credits for such taxable years shall be one hundred~~
5 ~~million dollars;~~

6 ~~(c) For taxable years beginning or deemed to begin during calendar~~
7 ~~year 2024, the department shall set the credit percentage so that the~~
8 ~~total amount of credits for such taxable years shall be one hundred~~
9 ~~twenty-five million dollars;~~

10 ~~(d) For taxable years beginning or deemed to begin during calendar~~
11 ~~year 2025, the department shall set the credit percentage so that the~~
12 ~~total amount of credits for such taxable years shall be one hundred fifty~~
13 ~~million dollars;~~

14 ~~(e) For taxable years beginning or deemed to begin during calendar~~
15 ~~year 2026, the department shall set the credit percentage so that the~~
16 ~~total amount of credits for such taxable years shall be one hundred~~
17 ~~ninety-five million dollars; and~~

18 ~~(f) For taxable years beginning or deemed to begin during calendar~~
19 ~~year 2027 and each calendar year thereafter, the department shall set the~~
20 ~~credit percentage so that the total amount of credits for such taxable~~
21 ~~years shall be the maximum amount of credits allowed in the prior year~~
22 ~~increased by the allowable growth percentage.~~

23 ~~(5) (3) If the community college taxes are paid by a corporation~~
24 ~~having an election in effect under subchapter S of the Internal Revenue~~
25 ~~Code, a partnership, a limited liability company, a trust, or an estate,~~
26 ~~the refundable credit shall be claimed by such corporation, partnership,~~
27 ~~limited liability company, trust, or estate.~~

28 ~~(6) (4) For any fiscal year or short year taxpayer, the credit~~
29 ~~allowed under subsection (2) or (3) of this section may be claimed in the~~
30 ~~first taxable year that begins following the calendar year for which the~~
31 ~~credit percentage was determined. The credit shall be taken for the~~

1 community college taxes paid by the taxpayer during the immediately
2 preceding calendar year.

3 Sec. 20. Section 85-1517, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 85-1517 (1) For fiscal years 2011-12 and 2012-13:

6 (a) The board may certify to the county board of equalization of
7 each county within the community college area a tax levy not to exceed
8 ten and one-quarter cents on each one hundred dollars on the taxable
9 valuation of all property subject to the levy within the community
10 college area, uniform throughout the area, for the purpose of supporting
11 operating expenditures of the community college area;

12 (b) In addition to the levies provided in subdivisions (1)(a) and
13 (c) of this section, the board may certify to the county board of
14 equalization of each county within the community college area a tax levy
15 not to exceed one cent on each one hundred dollars on the taxable
16 valuation of all property within the community college area, uniform
17 throughout such area, for the purposes of paying off bonds issued under
18 sections 85-1520 to 85-1527 and establishing a capital improvement and
19 bond sinking fund as provided in section 85-1515. The levy provided by
20 this subdivision may be exceeded by that amount necessary to retire the
21 general obligation bonds assumed by the community college area or issued
22 pursuant to section 85-1515 according to the terms of such bonds or for
23 any obligation pursuant to section 85-1535 entered into prior to January
24 1, 1997; and

25 (c) In addition to the levies provided in subdivisions (1)(a) and
26 (b) of this section, the board may also certify to the county board of
27 equalization of each county within the community college area a tax levy
28 on each one hundred dollars on the taxable valuation of all property
29 within the community college area, uniform throughout such area, in the
30 amount which will produce funds only in the amount necessary to pay for
31 funding accessibility barrier elimination project costs and abatement of

1 environmental hazards as such terms are defined in section 79-10,110.
2 Such tax levy shall not be so certified unless approved by an affirmative
3 vote of a majority of the board taken at a public meeting of the board
4 following notice and a hearing. The board shall give at least seven days'
5 notice of such public hearing and shall publish such notice once in a
6 newspaper of general circulation in the area to be affected by the
7 increase. The proceeds of such tax levy shall be deposited in the capital
8 improvement and bond sinking fund provided for in section 85-1515 for use
9 in funding the projects authorized pursuant to this subdivision.

10 ~~(2) For fiscal year 2013-14 and each fiscal year thereafter:~~

11 (2)(a) For fiscal years 2013-14 through 2023-24, the (a) The board
12 may certify to the county board of equalization of each county within the
13 community college area a tax levy not to exceed the difference between
14 eleven and one-quarter cents and the rate levied for such fiscal year
15 pursuant to subdivision (b) of this subsection on each one hundred
16 dollars on the taxable valuation of all property subject to the levy
17 within the community college area, uniform throughout the area, for the
18 purpose of supporting operating expenditures of the community college
19 area. For purposes of calculating the amount of levy authority available
20 for operating expenditures pursuant to this subdivision, the rate levied
21 pursuant to subdivision (b) of this subsection shall not include amounts
22 to retire general obligation bonds assumed by the community college area
23 or issued pursuant to section 85-1515 according to the terms of such
24 bonds or for any obligation pursuant to section 85-1535 entered into
25 prior to January 1, 1997. For fiscal year 2024-25 and each fiscal year
26 thereafter, the board may certify a levy under this subdivision only if
27 such levy is authorized under section 21 or 23 of this act. If so
28 authorized, the levy provided by this subdivision may be exceeded by the
29 amount necessary to generate sufficient revenue as described in section
30 21 or 23 of this act. ÷

31 (b) For fiscal year 2013-14 and each fiscal year thereafter, in In

1 addition to the levies provided in subdivisions (a) and (c) of this
2 subsection, the board may certify to the county board of equalization of
3 each county within the community college area a tax levy not to exceed
4 two cents on each one hundred dollars on the taxable valuation of all
5 property within the community college area, uniform throughout such area,
6 for the purposes of paying off bonds issued under sections 85-1520 to
7 85-1527 and establishing a capital improvement and bond sinking fund as
8 provided in section 85-1515. The levy provided by this subdivision may be
9 exceeded by that 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, ~~and~~

13 (c) For fiscal years 2013-14 through 2023-24, in ~~In~~ addition to the
14 levies provided in subdivisions (a) and (b) of this subsection, the board
15 of a community college area with a campus located on the site of a former
16 ammunition depot may certify to the county board of equalization of each
17 county within the community college area a tax levy not to exceed three-
18 quarters of one cent on each one hundred dollars on the taxable valuation
19 of all property within the community college area, uniform throughout
20 such area, to pay for funding accessibility barrier elimination project
21 costs and abatement of environmental hazards as such terms are defined in
22 section 79-10,110. Such tax levy shall not be so certified unless
23 approved by an affirmative vote of a majority of the board taken at a
24 public meeting of the board following notice and a hearing. The board
25 shall give at least seven days' notice of such public hearing and shall
26 publish such notice once in a newspaper of general circulation in the
27 area to be affected by the increase. The proceeds of such tax levy shall
28 be deposited in the capital improvement and bond sinking fund provided
29 for in section 85-1515 for use in funding accessibility barrier
30 elimination project costs and abatement of environmental hazards as such
31 terms are defined in section 79-10,110.

1 (3) The taxes provided by this section shall be levied and assessed
2 in the same manner as other property taxes and entered on the books of
3 the county treasurer. The proceeds of the tax, as collected, shall be
4 remitted to the treasurer of the board not less frequently than once each
5 month.

6 Sec. 21. (1) Beginning in fiscal year 2024-25, funds shall be
7 distributed to community college areas as provided in this section in
8 order to offset the funds lost by community college areas due to the
9 elimination of their levy authority under subdivisions (2)(a) and (c) of
10 section 85-1517.

11 (2) The amount to be distributed to each community college area
12 under this section shall be equal to:

13 (a) For fiscal year 2024-25, the amount of property taxes levied by
14 such community college area for fiscal year 2023-24 pursuant to
15 subdivisions (2)(a) and (c) of section 85-1517 or the amount of property
16 taxes that would have been generated from a levy of seven and one-half
17 cents per one hundred dollars of taxable valuation, whichever is greater,
18 with such amount then increased by three and one-half percent or the
19 percentage increase in the reimbursable educational units of the
20 community college area, whichever is greater. Such amount shall be
21 calculated by the Coordinating Commission for Postsecondary Education and
22 certified to the community college area and to the budget administrator
23 of the budget division of the Department of Administrative Services by
24 August 15, 2024; and

25 (b) For fiscal year 2025-26 and each fiscal year thereafter, the
26 amount distributed under this section to such community college area in
27 the prior fiscal year, increased by three and one-half percent or the
28 percentage increase in the reimbursable educational units of the
29 community college area, whichever is greater. Such amount shall be
30 calculated by the Coordinating Commission for Postsecondary Education and
31 certified to the community college area and to the budget administrator

1 of the budget division of the Department of Administrative Services by
2 August 15 of each year.

3 (3) The Coordinating Commission for Postsecondary Education shall
4 annually certify the total amount to be distributed to all community
5 college areas under subsection (2) of this section to the State
6 Treasurer. The State Treasurer shall transfer the certified amount from
7 the General Fund to the Community College Future Fund in ten equal
8 payments distributed monthly beginning in September of the fiscal year
9 and continuing through June.

10 (4) The Coordinating Commission for Postsecondary Education shall
11 annually make distributions to the community college areas in the amounts
12 determined pursuant to subsection (2) of this section. The distributions
13 shall be made in ten equal payments distributed monthly beginning in
14 September of the fiscal year and continuing through June. Community
15 college areas shall receive no payments during the months of July and
16 August.

17 (5) The Community College Future Fund is created. The fund shall be
18 administered by the Coordinating Commission for Postsecondary Education
19 and shall be used to provide state distributions to community college
20 areas pursuant to this section. The fund shall consist of transfers
21 authorized by the Legislature. Any money in the fund available for
22 investment shall be invested by the state investment officer pursuant to
23 the Nebraska Capital Expansion Act and the Nebraska State Funds
24 Investment Act.

25 (6) Beginning in fiscal year 2024-25, if the state fails to provide
26 full funding of the amounts described in subsection (2) of this section
27 for any fiscal year, each community college area may, if approved by a
28 majority vote of the community college board of governors, levy an amount
29 for such fiscal year under subdivision (2)(a) of section 85-1517
30 sufficient to generate revenue equal to the amount that would have been
31 provided to the community college area under subsection (2) of this

1 section if fully funded minus the amount that was actually provided to
2 the community college area. The property tax levy provided for in this
3 subsection is in addition to the maximum allowable property tax levy
4 described in subdivision (2)(b) of section 85-1517 and any property tax
5 levied for funding accessibility barrier elimination project costs and
6 abatement of environmental hazards as such terms are defined in section
7 79-10,110.

8 (7) For purposes of this section, reimbursable educational unit has
9 the same meaning as in section 85-1503.

10 Sec. 22. Section 85-2231, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 85-2231 Sections 85-2231 to 85-2237 and section 23 of this act shall
13 be known and may be cited as the Community College Aid Act.

14 Sec. 23. For fiscal year 2024-25 and each fiscal year thereafter,
15 if the amount of aid provided to a community college area pursuant to the
16 Community College Aid Act is less than the amount of aid provided to such
17 community college area in the immediately preceding fiscal year or the
18 amount of aid provided to such community college area in fiscal year
19 2022-23, whichever is greater, the community college area may, if
20 approved by a majority vote of the community college board of governors,
21 levy an amount under subdivision (2)(a) of section 85-1517 sufficient to
22 generate revenue equal to the difference in aid from the immediately
23 preceding fiscal year or fiscal year 2022-23, whichever is applicable.
24 The property tax levy provided for in this section is in addition to the
25 maximum allowable property tax levy described in subdivision (2)(b) of
26 section 85-1517 and any property tax levied for funding accessibility
27 barrier elimination project costs and abatement of environmental hazards
28 as such terms are defined in section 79-10,110.

29 Sec. 24. Sections 14, 15, 16, and 26 of this act become operative
30 on July 1, 2023. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 28 of this
31 act become operative on January 1, 2024. Sections 11, 12, 13, 17, 18, 19,

1 20, 21, 22, 23, and 27 of this act become operative three calendar months
2 after the adjournment of this legislative session. The other sections of
3 this act become operative on their effective date.

4 Sec. 25. If any section in this act or any part of any section is
5 declared invalid or unconstitutional, the declaration shall not affect
6 the validity or constitutionality of the remaining portions.

7 Sec. 26. Original sections 77-5003 and 77-5015.02, Reissue Revised
8 Statutes of Nebraska, and section 77-5004, Revised Statutes Cumulative
9 Supplement, 2022, are repealed.

10 Sec. 27. Original sections 85-1517 and 85-2231, Reissue Revised
11 Statutes of Nebraska, and sections 77-1736.06, 77-3442, 77-4212, 77-6702,
12 77-6703, and 77-6706, Revised Statutes Cumulative Supplement, 2022, are
13 repealed.

14 Sec. 28. Original sections 77-1632 and 77-1633, Revised Statutes
15 Cumulative Supplement, 2022, are repealed.

16 Sec. 29. Since an emergency exists, this act takes effect when
17 passed and approved according to law.