

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 1017**

Introduced by Raikes, 25.

Read first time January 17, 2008

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend  
2 sections 44-4317 and 77-3443, Reissue Revised Statutes  
3 of Nebraska, and section 77-3442, Revised Statutes  
4 Supplement, 2007; to change provisions relating to tax  
5 levies of members of risk management pools; to harmonize  
6 provisions; to repeal the original sections; and to  
7 declare an emergency.

8 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 44-4317, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           44-4317 (1) Any public agency which has the authority  
4 to levy a tax shall be authorized to levy a tax, to contract  
5 indebtedness, and to issue general obligation bonds payable from  
6 such a tax levy to pay the premium costs of general liability  
7 insurance, property insurance, workers' compensation insurance,  
8 health, dental, or accident insurance, life insurance, and any  
9 other insurance to protect against any of the losses described in  
10 section 44-4304 and to pay all costs and expenses associated with  
11 membership in a risk management pool, including, but not limited  
12 to, standard insurance coverages, group self-insurance coverages,  
13 assessments levied by the pool, retirement of debt incurred by  
14 the pool, and operating expenses of the pool. A member of a risk  
15 management pool which has the authority to levy a tax shall be  
16 authorized to enter into agreements obligating the member to make  
17 payments beyond its current budget year for any of such purposes.  
18 Taxes levied for the payment of the principal of, premium of, or  
19 interest on such a general obligation bond of such public agency,  
20 the payment of such insurance premium costs, and the payment of all  
21 costs and expenses associated with membership in a risk management  
22 pool ~~may be levied in excess of any tax limitation imposed by~~  
23 ~~statute.~~ shall be subject to the levy limit applicable to such  
24 public agency under section 77-3442.

25           (2) Nothing in the Intergovernmental Risk Management

1 Act shall be construed or interpreted as permitting the State  
2 of Nebraska, represented by the Risk Manager, to enter into any  
3 agreement or contract or do any act in contravention of the  
4 Constitution of the State of Nebraska.

5 Sec. 2. Section 77-3442, Revised Statutes Supplement,  
6 2007, is amended to read:

7 77-3442 (1) Property tax levies for the support of local  
8 governments for fiscal years beginning on or after July 1, 1998,  
9 shall be limited to the amounts set forth in this section except as  
10 provided in section 77-3444.

11 (2)(a) Except as provided in subdivision (2)(e) of this  
12 section, school districts and multiple-district school systems,  
13 except learning communities and school districts that are members  
14 of learning communities, may levy a maximum levy of one dollar and  
15 five cents per one hundred dollars of taxable valuation of property  
16 subject to the levy.

17 (b) For each fiscal year, learning communities may levy  
18 a maximum levy for the general fund budgets of member school  
19 districts equal to the local effort rate prescribed in section  
20 79-1015.01 for such fiscal year. The proceeds from the levy  
21 pursuant to this subdivision shall be distributed pursuant to  
22 section 79-1073.

23 (c) Except as provided in subdivision (2)(e) of this  
24 section, for each fiscal year, school districts that are members  
25 of learning communities may levy for purposes of such districts'

1 general fund budget and special building funds a maximum combined  
2 levy of the difference of one dollar and five cents on each one  
3 hundred dollars of taxable property subject to the levy minus  
4 the learning community levies pursuant to subdivisions (2)(b) and  
5 (2)(g) of this section for such learning community.

6 (d) Excluded from the limitations in subdivisions (2)(a)  
7 and (2)(c) of this section are amounts levied to pay for  
8 sums agreed to be paid by a school district to certificated  
9 employees in exchange for a voluntary termination of employment  
10 and amounts levied to pay for special building funds and sinking  
11 funds established for projects commenced prior to April 1, 1996,  
12 for construction, expansion, or alteration of school district  
13 buildings. For purposes of this subsection, commenced means any  
14 action taken by the school board on the record which commits  
15 the board to expend district funds in planning, constructing, or  
16 carrying out the project.

17 (e) Federal aid school districts may exceed the maximum  
18 levy prescribed by subdivision (2)(a) or (2)(c) of this section  
19 only to the extent necessary to qualify to receive federal aid  
20 pursuant to Title VIII of Public Law 103-382, as such title existed  
21 on September 1, 2001. For purposes of this subdivision, federal  
22 aid school district means any school district which receives ten  
23 percent or more of the revenue for its general fund budget from  
24 federal government sources pursuant to Title VIII of Public Law  
25 103-382, as such title existed on September 1, 2001.

1           (f) For school fiscal year 2002-03 through school fiscal  
2 year 2007-08, school districts and multiple-district school systems  
3 may, upon a three-fourths majority vote of the school board of  
4 the school district, the board of the unified system, or the  
5 school board of the high school district of the multiple-district  
6 school system that is not a unified system, exceed the maximum  
7 levy prescribed by subdivision (2)(a) of this section in an amount  
8 equal to the net difference between the amount of state aid that  
9 would have been provided under the Tax Equity and Educational  
10 Opportunities Support Act without the temporary aid adjustment  
11 factor as defined in section 79-1003 for the ensuing school fiscal  
12 year for the school district or multiple-district school system  
13 and the amount provided with the temporary aid adjustment factor.  
14 The State Department of Education shall certify to the school  
15 districts and multiple-district school systems the amount by which  
16 the maximum levy may be exceeded for the next school fiscal year  
17 pursuant to this subdivision (f) of this subsection on or before  
18 February 15 for school fiscal years 2004-05 through 2007-08.

19           (g) For each fiscal year, learning communities may levy a  
20 maximum levy of two cents on each one hundred dollars of taxable  
21 property subject to the levy for special building funds for member  
22 school districts. The proceeds from the levy pursuant to this  
23 subdivision shall be distributed pursuant to section 79-1073.01.

24           (h) For each fiscal year, learning communities may levy  
25 a maximum levy of five cents on each one hundred dollars of

1 taxable property subject to the levy for elementary learning center  
2 facilities and for up to fifty percent of the estimated cost for  
3 capital projects approved by the learning community coordinating  
4 council pursuant to section 79-2111.

5 (3) Community colleges may levy a maximum levy calculated  
6 pursuant to the Community College Foundation and Equalization Aid  
7 Act on each one hundred dollars of taxable property subject to the  
8 levy.

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

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

22 (c) In addition, natural resources districts located in  
23 a river basin, subbasin, or reach that has been determined to  
24 be fully appropriated pursuant to section 46-714 or designated  
25 as overappropriated pursuant to section 46-713 by the Department

1 of Natural Resources shall also have the power and authority to  
2 levy a tax equal to the dollar amount by which their restricted  
3 funds budgeted to administer and implement ground water management  
4 activities and integrated management activities under the Nebraska  
5 Ground Water Management and Protection Act exceed their restricted  
6 funds budgeted to administer and implement ground water management  
7 activities and integrated management activities for FY2005-06, not  
8 to exceed three cents on each one hundred dollars of taxable  
9 valuation on all of the taxable property within the district for  
10 fiscal year 2006-07 and each fiscal year thereafter through fiscal  
11 year 2011-12.

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

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

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

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

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

22 (8) Counties may levy or authorize a maximum levy of  
23 fifty cents per one hundred dollars of taxable valuation of  
24 property subject to the levy, except that five cents per one  
25 hundred dollars of taxable valuation of property subject to the

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

24 (9) Municipal counties may levy or authorize a maximum  
25 levy of one dollar per one hundred dollars of taxable valuation

1 of property subject to the levy. The municipal county may allocate  
2 levy authority to any political subdivision or entity subject to  
3 allocation under section 77-3443.

4 (10) Property tax levies for judgments, except judgments  
5 or orders from the Commission of Industrial Relations, obtained  
6 against a political subdivision which require or obligate a  
7 political subdivision to pay such judgment, to the extent such  
8 judgment is not paid by liability insurance coverage of a  
9 political subdivision, for preexisting lease-purchase contracts  
10 approved prior to July 1, 1998, for bonded indebtedness approved  
11 according to law and secured by a levy on property except for  
12 bonded indebtedness authorized pursuant to section 44-4317, and for  
13 payments by a public airport to retire interest-free loans from the  
14 Department of Aeronautics in lieu of bonded indebtedness at a lower  
15 cost to the public airport are not included in the levy limits  
16 established by this section.

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

22 (12) Tax levies in excess of the limitations in this  
23 section shall be considered unauthorized levies under section  
24 77-1606 unless approved under section 77-3444.

25 (13) For purposes of sections 77-3442 to 77-3444,

1 political subdivision means a political subdivision of this state  
2 and a county agricultural society.

3           Sec. 3. Section 77-3443, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           77-3443 (1) All political subdivisions, other than (a)  
6 school districts, community colleges, natural resources districts,  
7 educational service units, cities, villages, counties, municipal  
8 counties, and sanitary and improvement districts and (b) political  
9 subdivisions subject to municipal allocation under subsection (2)  
10 of this section, may levy taxes as authorized by law which are  
11 authorized by the county board of the county or the council of a  
12 municipal county in which the greatest portion of the valuation is  
13 located, which are counted in the county or municipal county levy  
14 limit provided in section 77-3442, and which do not collectively  
15 total more than fifteen cents per one hundred dollars of taxable  
16 valuation on any parcel or item of taxable property for all  
17 governments for which allocations are made by the municipality,  
18 county, or municipal county, except that such limitation shall  
19 not apply to property tax levies for preexisting lease-purchase  
20 contracts approved prior to July 1, 1998, for bonded indebtedness  
21 approved according to law and secured by a levy on property except  
22 for bonded indebtedness authorized pursuant to section 44-4317, and  
23 for payments by a public airport to retire interest-free loans from  
24 the Department of Aeronautics in lieu of bonded indebtedness at  
25 a lower cost to the public airport. The county board or council

1 shall review and approve or disapprove the levy request of all  
2 political subdivisions subject to this subsection. The county board  
3 or council may approve all or a portion of the levy request  
4 and may approve a levy request that would allow the requesting  
5 political subdivision to levy a tax at a levy greater than that  
6 permitted by law. The county board of a county or the council  
7 of a municipal county which contains a transit authority created  
8 pursuant to section 14-1803 shall allocate no less than three  
9 cents per one hundred dollars of taxable property within the city  
10 or municipal county subject to the levy to the transit authority  
11 if requested by such authority. For any political subdivision  
12 subject to this subsection that receives taxes from more than one  
13 county or municipal county, the levy shall be allocated only by  
14 the county or municipal county in which the greatest portion of  
15 the valuation is located. The county board of equalization shall  
16 certify all levies by October 15 to insure that the taxes levied  
17 by political subdivisions subject to this subsection do not exceed  
18 the allowable limit for any parcel or item of taxable property. The  
19 levy allocated by the county or municipal county may be exceeded as  
20 provided in section 77-3444.

21 (2) All city airport authorities established under  
22 the Cities Airport Authorities Act, community redevelopment  
23 authorities established under the Community Development Law,  
24 transit authorities established under the Transit Authority Law,  
25 and offstreet parking districts established under the Offstreet

1 Parking District Act may be allocated property taxes as authorized  
2 by law which are authorized by the city, village, or municipal  
3 county and are counted in the city or village levy limit or  
4 municipal county levy limit provided by section 77-3442, except  
5 that such limitation shall not apply to property tax levies for  
6 preexisting lease-purchase contracts approved prior to July 1,  
7 1998, for bonded indebtedness approved according to law and secured  
8 by a levy on property except for bonded indebtedness authorized  
9 pursuant to section 44-4317, and for payments by a public airport  
10 to retire interest-free loans from the Department of Aeronautics in  
11 lieu of bonded indebtedness at a lower cost to the public airport.  
12 For offstreet parking districts established under the Offstreet  
13 Parking District Act, the tax shall be counted in the allocation by  
14 the city proportionately, by dividing the total taxable valuation  
15 of the taxable property within the district by the total taxable  
16 valuation of the taxable property within the city multiplied by  
17 the levy of the district. The city council of a city which has  
18 created a transit authority pursuant to section 14-1803 or the  
19 council of a municipal county which contains a transit authority  
20 shall allocate no less than three cents per one hundred dollars  
21 of taxable property subject to the levy to the transit authority  
22 if requested by such authority. The city council, village board,  
23 or council shall review and approve or disapprove the levy request  
24 of the political subdivisions subject to this subsection. The city  
25 council, village board, or council may approve all or a portion of

1 the levy request and may approve a levy request that would allow  
2 a levy greater than that permitted by law. The levy allocated by  
3 the municipality or municipal county may be exceeded as provided  
4 in section 77-3444.

5 (3) On or before August 1, all political subdivisions  
6 subject to county, municipal, or municipal county levy authority  
7 under this section shall submit a preliminary request for levy  
8 allocation to the county board, city council, village board, or  
9 council that is responsible for levying such taxes. The preliminary  
10 request of the political subdivision shall be in the form of a  
11 resolution adopted by a majority vote of members present of the  
12 political subdivision's governing body. The failure of a political  
13 subdivision to make a preliminary request shall preclude such  
14 political subdivision from using procedures set forth in section  
15 77-3444 to exceed the final levy allocation as determined in  
16 subsection (4) of this section.

17 (4) Each county board, city council, village board, or  
18 council shall (a) adopt a resolution by a majority vote of members  
19 present which determines a final allocation of levy authority  
20 to its political subdivisions and (b) forward a copy of such  
21 resolution to the chairperson of the governing body of each of its  
22 political subdivisions. No final levy allocation shall be changed  
23 after September 1 except by agreement between both the county  
24 board, city council, village board, or council which determined the  
25 amount of the final levy allocation and the governing body of the

1 political subdivision whose final levy allocation is at issue.

2           Sec. 4. Original sections 44-4317 and 77-3443, Reissue  
3 Revised Statutes of Nebraska, and section 77-3442, Revised Statutes  
4 Supplement, 2007, are repealed.

5           Sec. 5. Since an emergency exists, this act takes effect  
6 when passed and approved according to law.