

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 409

Introduced by Preister, 5

Read first time January 16, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 77-3442 and 85-1517, Revised Statutes Cumulative
3 Supplement, 2006; to change tax levy authority of
4 community colleges; to provide an operative date; and to
5 repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

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

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

13 (b) Except as provided in subdivision (2) (d) of this
14 section, for fiscal year 2008-09 and each fiscal year thereafter,
15 (i) learning communities may levy a maximum levy for the general
16 fund budgets of member school districts equal to the ratio of the
17 aggregate difference of one hundred ten percent of the formula
18 needs as calculated pursuant to section 79-1007.02 minus the amount
19 of state aid certified pursuant to section 79-1022 and minus the
20 other actual receipts included in local system formula resources
21 pursuant to section 79-1018.01 for each member school district for
22 such school fiscal year divided by each one hundred dollars of
23 taxable property subject to the levy, except that such levy shall
24 not exceed one dollar and two cents on each one hundred dollars
25 of taxable property subject to the levy, and (ii) school districts

1 that are members of learning communities may levy a maximum levy
2 of the difference of one dollar and two cents on each one hundred
3 dollars of taxable property subject to the levy minus the learning
4 community levy pursuant to this subdivision for purposes of such
5 school district's general fund budget and special building funds.

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

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

25 (e) For school fiscal year 2002-03 through school fiscal

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

18 (f) For fiscal year 2008-09 and each fiscal year
19 thereafter, learning communities may levy a maximum levy of two
20 cents on each one hundred dollars of taxable property subject to
21 the levy for special building funds for member school districts.

22 (g) For fiscal year 2008-09 and each fiscal year
23 thereafter, learning communities may levy a maximum levy of one
24 cent on each one hundred dollars of taxable property subject to the
25 levy for the learning community budget and for projects approved by

1 the learning community coordinating council.

2 (3) Community colleges may levy a maximum levy on each
3 one hundred dollars of taxable property subject to the levy of
4 ~~seven~~ eight cents, plus amounts allowed under subsection (7)
5 of section 85-1536.01, except that any community college whose
6 valuation per reported aid equivalent student as defined in section
7 85-1503 was less than eighty-two percent of the average valuation
8 per statewide reimbursable reported aid equivalent total as defined
9 in section 85-1503 for all community colleges for fiscal year
10 1997-98 may levy up to an additional one-half cent for each of
11 fiscal years 2005-06 and 2006-07 upon a three-fourths majority vote
12 of the board.

13 (4) Natural resources districts may levy a maximum levy
14 of four and one-half cents per one hundred dollars of taxable
15 valuation of property subject to the levy. Natural resources
16 districts shall also have the power and authority to levy a
17 tax equal to the dollar amount by which their restricted funds
18 budgeted to administer and implement ground water management
19 activities and integrated management activities under the Nebraska
20 Ground Water Management and Protection Act exceed their restricted
21 funds budgeted to administer and implement ground water management
22 activities and integrated management activities for FY2003-04,
23 not to exceed one cent on each one hundred dollars of taxable
24 valuation annually on all of the taxable property within the
25 district. In addition, natural resources districts located in a

1 river basin, subbasin, or reach that has been determined to be
2 fully appropriated pursuant to section 46-714 or designated as
3 overappropriated pursuant to section 46-713 by the Department of
4 Natural Resources shall also have the power and authority to
5 levy a tax equal to the dollar amount by which their restricted
6 funds budgeted to administer and implement ground water management
7 activities and integrated management activities under the Nebraska
8 Ground Water Management and Protection Act exceed their restricted
9 funds budgeted to administer and implement ground water management
10 activities and integrated management activities for FY2005-06, not
11 to exceed three cents on each one hundred dollars of taxable
12 valuation on all of the taxable property within the district for
13 fiscal year 2006-07 and not to exceed two cents on each one
14 hundred dollars of taxable valuation annually on all of the taxable
15 property within the district for fiscal years 2007-08 and 2008-09.

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

19 (6)(a) Incorporated cities and villages which are not
20 within the boundaries of a municipal county may levy a maximum levy
21 of forty-five cents per one hundred dollars of taxable valuation
22 of property subject to the levy plus an additional five cents per
23 one hundred dollars of taxable valuation to provide financing for
24 the municipality's share of revenue required under an agreement
25 or agreements executed pursuant to the Interlocal Cooperation Act

1 or the Joint Public Agency Act. The maximum levy shall include
2 amounts levied to pay for sums to support a library pursuant
3 to section 51-201, museum pursuant to section 51-501, visiting
4 community nurse, home health nurse, or home health agency pursuant
5 to section 71-1637, or statue, memorial, or monument pursuant to
6 section 80-202.

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

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

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

1 levy authority under this section, the second county may exceed the
2 levy authority in order to levy the amount allocated.

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

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

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

25 (12) Tax levies in excess of the limitations in this

1 section shall be considered unauthorized levies under section
2 77-1606 unless approved under section 77-3444.

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

6 Sec. 2. Section 85-1517, Revised Statutes Cumulative
7 Supplement, 2006, is amended to read:

8 85-1517 (1) The board may certify to the county board of
9 equalization of each county within the community college area a
10 tax levy not to exceed six cents on each one hundred dollars on
11 the taxable valuation of all property subject to the levy within
12 the community college area, uniform throughout such area, for
13 the purpose of supporting operating expenditures of the community
14 college area.

15 (2) (a) In addition to the levies provided in subsection
16 (1) of this section and this subsection, the board may certify
17 to the county board of equalization of each county within the
18 community college area a tax levy of not to exceed ~~one cent~~ two
19 cents on each one hundred dollars on the taxable valuation of all
20 property within the community college area, uniform throughout such
21 area, for the purpose of establishing a capital improvement fund
22 and bond sinking fund as provided in section 85-1515.

23 (b) In addition to the levies provided in subsection (1)
24 of this section and this subsection, the board may also certify
25 to the county board of equalization of each county within the

1 community college area a tax levy on each one hundred dollars on
2 the taxable valuation of all property within the community college
3 area, uniform throughout such area, in the amount which will
4 produce funds only in the amount necessary to pay for funding
5 accessibility barrier elimination project costs and abatement
6 of environmental hazards as such terms are defined in section
7 79-10,110. Such tax levy shall not be so certified unless approved
8 by an affirmative vote of a majority of the board taken at a
9 public meeting of the board following notice and a hearing. The
10 board shall give at least seven days' notice of such public hearing
11 and shall publish such notice once in a newspaper of general
12 circulation in the area to be affected by the increase.

13 (c) In addition to the levies provided in subsection (1)
14 of this section and this subsection, the board of any community
15 college area whose valuation per reported aid equivalent student
16 was less than eighty-two percent of the statewide average of all
17 community colleges for fiscal year 1997-98 may also certify to the
18 county board of equalization of each county within the community
19 college area a tax levy up to an additional one-half cent for each
20 of fiscal years 2005-06 and 2006-07, on each one hundred dollars on
21 the taxable valuation of all property within the community college
22 area, uniform throughout such area. Such tax levy shall not be so
23 certified unless approved by an affirmative vote of three-fourths
24 of the board taken at a public meeting of the board following
25 notice and a hearing. The board shall give at least seven days'

1 notice of such public hearing and shall publish such notice once in
2 a newspaper of general circulation in the area to be affected by
3 the increase.

4 (3) The levy provided by subdivision (2)(a) of this
5 section may be exceeded by that amount necessary to retire the
6 general obligation bonds assumed by the community college area or
7 issued pursuant to section 85-1515 according to the terms of such
8 bonds or for any obligation pursuant to section 85-1535 entered
9 into prior to January 1, 1997.

10 (4) The tax shall be levied and assessed in the same
11 manner as other property taxes and entered on the books of the
12 county treasurer. The proceeds of the tax, as collected, shall be
13 remitted to the treasurer of the board not less frequently than
14 once each month.

15 Sec. 3. This act becomes operative on January 1, 2008.

16 Sec. 4. Original sections 77-3442 and 85-1517, Revised
17 Statutes Cumulative Supplement, 2006, are repealed.