

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 487

Introduced by Wallman, 30; Dubas, 34

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to schools; to amend sections 77-2715, 77-3444,
2 and 79-1029, Reissue Revised Statutes of Nebraska, and
3 sections 77-27,132, 79-1008.01, and 79-1008.02, Revised
4 Statutes Cumulative Supplement, 2006; to authorize an
5 income tax for support of schools; to provide for
6 distribution of tax proceeds; to change levy limitations;
7 to provide duties for the Tax Commissioner and the State
8 Treasurer; to create a fund; to harmonize provisions; and
9 to repeal the original sections.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-2715 (1) A tax is hereby imposed for each taxable
4 year on the entire income of every resident individual and
5 on the income of every nonresident individual and partial-year
6 resident individual which is derived from sources within this
7 state, except that any individual who has additions to adjusted
8 gross income pursuant to section 77-2716 of less than five thousand
9 dollars shall not have an individual income tax liability after
10 nonrefundable credits under the Nebraska Revenue Act of 1967 that
11 exceeds his or her individual income tax liability before credits
12 under the Internal Revenue Code of 1986.

13 (2) The tax for each resident individual shall be a
14 percentage of such individual's federal adjusted gross income as
15 modified in sections 77-2716 and 77-2716.01, plus a percentage
16 of the federal alternative minimum tax and the federal tax
17 on premature or lump-sum distributions from qualified retirement
18 plans. The additional taxes shall be recomputed by (a) substituting
19 Nebraska taxable income for federal taxable income, (b) calculating
20 what the federal alternative minimum tax would be on Nebraska
21 taxable income and adjusting such calculations for any items
22 which are reflected differently in the determination of federal
23 taxable income, and (c) applying Nebraska rates to the result. The
24 federal credit for prior year minimum tax, after the recomputations
25 required by the act, shall be allowed as a reduction in the income

1 tax due.

2 (3) The tax for each nonresident individual and
3 partial-year resident individual shall be the portion of the tax
4 imposed on resident individuals which is attributable to the
5 income derived from sources within this state. The tax which is
6 attributable to income derived from sources within this state shall
7 be determined by subtracting from the liability to this state for
8 a resident individual with the same total income the credit for
9 personal exemptions and multiplying the result by a fraction, the
10 numerator of which is the nonresident individual's or partial-year
11 resident individual's Nebraska adjusted gross income as determined
12 by section 77-2733 or 77-2733.01 and the denominator of which
13 is his or her total federal adjusted gross income, after first
14 adjusting each by the amounts provided in section 77-2716. If
15 this determination attributes more or less tax than is reasonably
16 attributable to income derived from sources within this state, the
17 taxpayer may petition for or the Tax Commissioner may require the
18 employment of any other method to attribute an amount of tax which
19 is reasonable and equitable in the circumstances.

20 (4) In addition to the income tax imposed by subsection
21 (1) of this section, commencing January 1, 2008, a local system
22 as defined in section 79-1003, learning community as defined in
23 section 79-2101, or school district may impose a local school
24 support income tax as provided in section 4 of this act for each
25 taxable year on the entire income of every resident individual and

1 on the income of every partial-year resident individual which is
2 derived from sources within this state, except that any individual
3 not subject to the income tax under subsection (1) of this section
4 shall also not be subject to the local school support income tax
5 under this subsection. The local school support income tax shall
6 be a percentage of the income tax liability of the individual as
7 approved by the registered voters of the local system, learning
8 community, or school district under section 4 of this act. The
9 administration of all local school support income taxes shall be
10 by the Tax Commissioner who may prescribe forms and adopt and
11 promulgate rules and regulations for the collection of local school
12 support income taxes. The local system, learning community, or
13 school district shall furnish a certified copy of the adopting or
14 repealing resolution to the Tax Commissioner in accordance with
15 such rules and regulations as he or she may adopt and promulgate.
16 The effective date of the tax shall be the first day of the next
17 calendar year following receipt by the Tax Commissioner of the
18 certified copy of the resolution if the certified copy of the
19 adopted resolution is received sixty days prior to the start of
20 the next calendar year. For resolutions containing a termination
21 date, the termination date shall be the last day of the calendar
22 year. The local system, learning community, or school district
23 shall furnish a certified statement to the Tax Commissioner no more
24 than one hundred twenty days and at least sixty days prior to the
25 termination date that the termination date stated in the resolution

1 is still valid. The Tax Commissioner shall collect the local school
2 support income taxes concurrently, and in the same manner as, the
3 collection of the tax in subsection (1) of this section. The Tax
4 Commissioner shall remit monthly the proceeds of the tax to the
5 State Treasurer for credit to the Local School Support Income Tax
6 Fund. The Tax Commissioner shall keep full and accurate records of
7 all local school support income tax revenue received and credited.

8 (4) (5) The tax for each estate and trust, other than
9 trusts taxed as corporations under the Internal Revenue Code of
10 1986, shall be as determined under section 77-2717.

11 (5) (6) A refund shall be allowed to the extent that the
12 income tax paid by the individual, estate, or trust for the taxable
13 year exceeds the income tax payable, except that no refund shall be
14 made in any amount less than two dollars.

15 Sec. 2. Section 77-27,132, Revised Statutes Cumulative
16 Supplement, 2006, is amended to read:

17 77-27,132 (1) There is hereby created a fund to be
18 designated the Revenue Distribution Fund which shall be set apart
19 and maintained by the Tax Commissioner. Revenue not required to be
20 credited to the General Fund or any other specified fund may be
21 credited to the Revenue Distribution Fund. Credits and refunds of
22 such revenue shall be paid from the Revenue Distribution Fund. The
23 balance of the amount credited, after credits and refunds, shall be
24 allocated as provided by the statutes creating such revenue.

25 (2) The Tax Commissioner shall pay to a depository bank

1 designated by the State Treasurer all amounts collected under the
2 Nebraska Revenue Act of 1967. The Tax Commissioner shall present
3 to the State Treasurer bank receipts showing amounts so deposited
4 in the bank, and of the amounts so deposited the State Treasurer
5 shall credit (a) to the Highway Trust Fund all of the proceeds
6 of the sales and use taxes derived from motor vehicles, trailers,
7 and semitrailers, except that the proceeds equal to any sales tax
8 rate provided for in section 77-2701.02 that is in excess of five
9 percent derived from motor vehicles, trailers, and semitrailers
10 shall be credited to the Highway Allocation Fund, and (b) to the
11 Local School Support Income Tax Fund all of the proceeds of the
12 local school support income taxes. The balance of all amounts
13 collected under the Nebraska Revenue Act of 1967 shall be credited
14 to the General Fund.

15 Sec. 3. Section 77-3444, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 77-3444 (1) A political subdivision, other than a Class
18 # local system as defined in section 79-1003, learning community
19 as defined in section 79-2101, or school district, may exceed
20 the limits provided in section 77-3442 or a final levy allocation
21 determination as provided in section 77-3443 by an amount not to
22 exceed a maximum levy approved by a majority of registered voters
23 voting on the issue in a primary, general, or special election
24 at which the issue is placed before the registered voters. A vote
25 to exceed the limits provided in section 77-3442 or a final levy

1 allocation as provided in section 77-3443 must be approved prior
2 to October 10 of the fiscal year which is to be the first to
3 exceed the limits or final levy allocation. The governing body
4 of the political subdivision may call for the submission of the
5 issue to the voters (a) by passing a resolution calling for
6 exceeding the limits or final levy allocation by a vote of at least
7 two-thirds of the members of the governing body and delivering a
8 copy of the resolution to the county clerk or election commissioner
9 of every county which contains all or part of the political
10 subdivision or (b) upon receipt of a petition by the county clerk
11 or election commissioner of every county containing all or part of
12 the political subdivision requesting an election signed by at least
13 five percent of the registered voters residing in the political
14 subdivision. The resolution or petition shall include the amount
15 of levy which would be imposed in excess of the limits provided
16 in section 77-3442 or the final levy allocation as provided in
17 section 77-3443 and the duration of the excess levy authority. The
18 excess levy authority shall not have a duration greater than five
19 years. Any resolution or petition calling for a special election
20 shall be filed with the county clerk or election commissioner no
21 later than thirty days prior to the date of the election, and the
22 time of publication and providing a copy of the notice of election
23 required in section 32-802 shall be no later than twenty days
24 prior to the election. The county clerk or election commissioner
25 shall place the issue on the ballot at an election as called

1 for in the resolution or petition which is at least thirty days
2 after receipt of the resolution or petition. The election shall be
3 held pursuant to the Election Act. For petitions filed with the
4 county clerk or election commissioner on or after May 1, 1998, the
5 petition shall be in the form as provided in sections 32-628 to
6 32-631. Any excess levy authority approved under this section shall
7 terminate pursuant to its terms, on a vote of the governing body of
8 the political subdivision to terminate the authority to levy more
9 than the limits, at the end of the fourth fiscal year following
10 the first year in which the levy exceeded the limit or the final
11 levy allocation, or as provided in subsection (5) of this section,
12 whichever is earliest. A governing body may pass no more than one
13 resolution calling for an election pursuant to this section during
14 any one calendar year. Only one election may be held in any one
15 calendar year pursuant to a petition initiated under this section.

16 (2) The ballot question may include any terms and
17 conditions set forth in the resolution or petition and shall
18 include the following: "Shall (name of political subdivision) be
19 allowed to levy a property tax not to exceed cents per
20 one hundred dollars of taxable valuation in excess of the limits
21 prescribed by law until fiscal year for the purposes
22 of (general operations; building construction, remodeling, or site
23 acquisition; or both general operations and building construction,
24 remodeling, or site acquisition)?". If a majority of the votes cast
25 upon the ballot question are in favor of such tax, the county board

1 shall authorize a tax in excess of the limits in section 77-3442
2 or the final levy allocation in section 77-3443 but such tax shall
3 not exceed the amount stated in the ballot question. If a majority
4 of those voting on the ballot question are opposed to such tax, the
5 governing body of the political subdivision shall not impose such
6 tax.

7 (3) The county clerk or election commissioner may set
8 a uniform date for a special election to be held before October
9 10, 1998, to submit the issue of exceeding the limits provided
10 in section 77-3442 or the final levy allocation as provided in
11 section 77-3443 to the voters of political subdivisions in the
12 county seeking additional levy authority. Any political subdivision
13 may individually or in conjunction with one or more other political
14 subdivisions conduct a special election on a date different from
15 that set by the county clerk or election commissioner, except that
16 a governing body shall pass a resolution calling for a special
17 election for this purpose and deliver a copy of the resolution to
18 the county clerk or election commissioner no later than thirty days
19 prior to the date of the election.

20 (4) In lieu of the election procedures in subsection
21 (1) of this section, any political subdivision subject to section
22 77-3443, other than a Class F local system, learning community, or
23 school district, and villages may approve a levy in excess of the
24 limits in section 77-3442 or the final levy allocation provided
25 in section 77-3443 for a period of one year at a meeting of the

1 residents of the political subdivision or village, called after
2 notice is published in a newspaper of general circulation in the
3 political subdivision or village at least twenty days prior to the
4 meeting. At least ten percent of the registered voters residing
5 in the political subdivision or village shall constitute a quorum
6 for purposes of taking action to exceed the limits or final levy
7 allocation. If a majority of the registered voters present at
8 the meeting vote in favor of exceeding the limits or final levy
9 allocation, a copy of the record of that action shall be forwarded
10 to the county board prior to October 10 and the county board
11 shall authorize a levy as approved by the residents for the year.
12 If a majority of the registered voters present at the meeting
13 vote against exceeding the limits or final allocation, the limit
14 or allocation shall not be exceeded and the political subdivision
15 shall have no power to call for an election under subsection (1) of
16 this section.

17 (5) A political subdivision, other than a Class I local
18 system as defined in section 79-1003, learning community as defined
19 in section 79-2101, or school district, may rescind or modify a
20 previously approved excess levy authority prior to its expiration
21 by a majority of registered voters voting on the issue in a
22 primary, general, or special election at which the issue is placed
23 before the registered voters. A vote to rescind or modify must be
24 approved prior to October 10 of the fiscal year for which it is
25 to be effective. The governing body of the political subdivision

1 may call for the submission of the issue to the voters (a) by
2 passing a resolution calling for the rescission or modification by
3 a vote of at least two-thirds of the members of the governing body
4 and delivering a copy of the resolution to the county clerk or
5 election commissioner of every county which contains all or part of
6 the political subdivision or (b) upon receipt of a petition by the
7 county clerk or election commissioner of every county containing
8 all or part of the political subdivision requesting an election
9 signed by at least five percent of the registered voters residing
10 in the political subdivision. The resolution or petition shall
11 include the amount and the duration of the previously approved
12 excess levy authority and a statement that either such excess levy
13 authority will be rescinded or such excess levy authority will be
14 modified. If the excess levy authority will be modified, the amount
15 and duration of such modification shall be stated. The modification
16 shall not have a duration greater than five years. The county clerk
17 or election commissioner shall place the issue on the ballot at
18 an election as called for in the resolution or petition which is
19 at least thirty days after receipt of the resolution or petition,
20 and the time of publication and providing a copy of the notice of
21 election required in section 32-802 shall be no later than twenty
22 days prior to the election. The election shall be held pursuant to
23 the Election Act.

24 (6) For purposes of this section, when the political
25 subdivision is a sanitary and improvement district, registered

1 voter means a person qualified to vote as provided in section
2 31-735. Any election conducted under this section for a sanitary
3 and improvement district shall be conducted and counted as provided
4 in sections 31-735 to 31-735.06.

5 (7) For purposes of this section, when the political
6 subdivision is a school district or a multiple-district school
7 system, registered voter includes both (a) persons qualified to
8 vote for the members of the school board of the school district
9 which is voting to exceed the maximum levy limits pursuant to this
10 section and (b) persons in those portions of any Class I district
11 which are affiliated with or a part of the school district which is
12 voting pursuant to this section, if such voter is also qualified to
13 vote for the school board of the affected Class I school district.

14 Sec. 4. (1) A local system as defined in section
15 79-1003, learning community as defined in section 79-2101, or
16 school district, other than a Class I district, may impose a local
17 school support income tax under section 77-2715 by a majority of
18 registered voters voting on the issue in a primary, general, or
19 special election at which the issue is placed before the registered
20 voters. A vote to impose the local school support income tax shall
21 be approved prior to October 1 of the year preceding the year in
22 which the tax is to be imposed. The school board may call for the
23 submission of the issue to the voters (a) by passing a resolution
24 calling for the imposition of a local school support income tax
25 by a vote of at least two-thirds of the members of the board and

1 delivering a copy of the resolution to the county election official
2 of every county which contains all or part of the local system,
3 learning community, or school district or (b) upon receipt of a
4 petition by the county election official of every county containing
5 all or part of the local system, learning community, or school
6 district requesting an election signed by at least five percent
7 of the registered voters residing in the local system, learning
8 community, or school district. The resolution or petition shall
9 include the amount of the income tax which would be imposed and
10 the duration of the tax. The tax shall not have duration greater
11 than five years. Any resolution or petition calling for a special
12 election shall be filed with the county election official no later
13 than thirty days prior to the date of the election and the time of
14 publication and providing a copy of the notice of election required
15 in section 32-802 shall be no later than twenty days prior to the
16 election. The county election official shall place the issue on the
17 ballot at an election as called for in the resolution or petition
18 which is at least thirty days after receipt of the resolution
19 petition. The election shall be held pursuant to the Election Act.
20 The petition shall be in the form as provided in sections 32-628 to
21 32-631. A tax approved under this section shall terminate pursuant
22 to its terms on a vote of the school board to terminate the tax,
23 at the end of the fourth fiscal year following the first year
24 in which the tax is imposed, or as provided in subsection (3) of
25 this section, whichever is earliest. A school board shall pass no

1 more than one resolution calling for an election pursuant to this
2 section during any one calendar year. Only one election shall be
3 held in any one calendar year pursuant to a petition initiated
4 under this section.

5 (2) The ballot question may include any terms and
6 conditions set forth in the resolution or petition and shall
7 include the following: "Shall (name of the local system,
8 learning community, or school district) be allowed to impose an
9 income tax equal to percentage of the Nebraska individual
10 income tax liability for the purposes of (general operations;
11 building constructions, remodeling, or site acquisition; or both
12 general operation and building construction, remodeling, or site
13 acquisition)?" If a majority of the votes cast upon the ballot
14 question are in favor of such tax, the local system, learning
15 community, or school district shall impose the tax as provided
16 in section 77-2715. If a majority of those voting on the ballot
17 question are opposed to such tax, the local system, learning
18 community, or school district shall not impose the tax.

19 (3) A local system, learning community, or school
20 district may rescind or modify a previously approved local school
21 support income tax imposed prior to its expiration by a majority of
22 registered voters voting on the issue in a primary, general, or
23 special election at which the issue is placed before the registered
24 voters. A vote to rescind or modify shall be approved prior to
25 October 1 of the year preceding the year in which it is to be

1 effective. The school board shall call for the submission of the
2 issue to the voters (a) by passing a resolution calling for the
3 rescission or modification by a vote of at least two-thirds of the
4 members of the local system, learning community, or school district
5 and delivering a copy of the resolution to the county election
6 official of every county which contains all or part of the local
7 system, learning community, or school district or (b) upon receipt
8 of a petition by the county election official of every county
9 containing all or part of the local system, learning community,
10 or school district requesting elections signed by at least five
11 percent of the registered voters residing in the local system,
12 learning community, or school district. The resolution or petition
13 shall include the amount and the duration of the previously
14 approved income tax and a statement that either such tax will be
15 rescinded or such tax will be modified. If the tax authority will
16 be modified, the amount and duration of such modification shall be
17 stated. The modification shall not have duration greater than five
18 years. The county election official shall place the issue on the
19 ballot at an election as called for in the resolution or petition
20 which is at least thirty days after receipt of the resolution or
21 petition, and the time of the publication and providing a copy of
22 the notice of election required in section 32-802 shall be no later
23 than twenty days prior to the election. The election shall be held
24 pursuant to the Election Act.

25 (4) For purposes of this section, registered voter

1 includes both (a) persons qualified to vote for the members of
2 the school board of the local system, learning community, or school
3 district which is voting to impose a tax pursuant to this section
4 and (b) persons in those portions of any Class I district which is
5 voting pursuant to this section if such voter is also qualified to
6 vote for the school board of the affected Class I school district.

7 (5) The Local School Support Income Tax Fund is hereby
8 created. The fund shall consist of all of the proceeds of local
9 school support income taxes. The fund shall be used to pay
10 out proceeds to local systems, learning communities, or school
11 districts levying the tax. The State Treasurer shall remit monthly
12 the proceeds of the tax levied by a local system, learning
13 community, or school district to that local system, learning
14 community, or school district. The State Treasurer shall keep
15 full and accurate records of all local school support income tax
16 revenue received and distributed. Any money in the fund available
17 for investment shall be invested by the state investment officer
18 pursuant to the Nebraska Capital Expansion Act and the Nebraska
19 State Funds Investment Act.

20 Sec. 5. Section 79-1008.01, Revised Statutes Cumulative
21 Supplement, 2006, is amended to read:

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

1 79-1007.01 to 79-1007.10, exceeds its total formula resources as
2 determined pursuant to sections 79-1015.01 to 79-1018.01.

3 (2) Except as provided in section 79-1008.02, a local
4 system shall not receive state aid for any school fiscal year,
5 except school fiscal years 2002-03 through 2007-08, which is less
6 than an amount equal to the difference of eighty-five percent of
7 the amount of aid certified in the preceding school fiscal year
8 minus an amount equal to any increase in the adjusted valuation
9 between the adjusted valuation used for the certification of aid in
10 the preceding school fiscal year and the adjusted valuation used
11 for the aid being calculated multiplied by the maximum levy, for
12 the school fiscal year for which aid is being certified, pursuant
13 to subdivision (2)(a) or (b) of section 77-3442. without a vote
14 pursuant to section 77-3444.

15 (3) Except as provided in section 79-1008.02, a local
16 system shall not receive state aid for school fiscal years
17 2002-03 through 2007-08 which is less than an amount equal to
18 the difference of eighty-three and three-fourths percent of the
19 amount of aid certified in the preceding school fiscal year minus
20 an amount equal to any increase in the adjusted valuation between
21 the adjusted valuation used for the certification of aid in the
22 preceding school fiscal year and the adjusted valuation used for
23 the aid being calculated multiplied by the maximum levy, for the
24 school fiscal year for which aid is being certified, pursuant to
25 subdivision (2)(a) of section 77-3442. without a vote pursuant to

1 ~~section 77-3444.~~

2 (4) Except as provided in subsection (2) or (3) of this
3 section, no local system may receive equalization aid such that,
4 when total aid is added to a levy ten cents less than the maximum
5 levy, for the school fiscal year for which aid is being certified,
6 pursuant to subdivision (2)(a) or (b) of section 77-3442 without a
7 vote pursuant to section 77-3444, multiplied by the local system's
8 adjusted valuation, would result in total local system revenue from
9 state aid plus property tax receipts which exceeds the total of:

10 (a) The sum of state aid, receipts from other school
11 districts related to annexation, and property tax receipts received
12 by the local system during the preceding school fiscal year
13 multiplied by the total of (i) 1.01 plus (ii) the applicable
14 allowable growth rate for the local system calculated pursuant
15 to section 79-1026 as determined for the school fiscal year
16 immediately preceding the school fiscal year when aid is to be
17 distributed plus (iii) the percentage growth in formula students
18 from the certification of state aid for the immediately preceding
19 school fiscal year to the formula students for the certification
20 of state aid for the current school fiscal year, except that the
21 percentage growth shall not be less than zero;

22 (b) Unused budget authority authorized pursuant to
23 section 79-1030 for all school districts in the local system;

24 (c) The difference between the other actual receipts
25 included in local system formula resources for the certification

1 of state aid in the preceding school fiscal year and other
2 actual receipts included in local system formula resources for the
3 certification of state aid for the current school fiscal year,
4 except that such difference shall not be less than zero; and

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

7 For local systems that have reorganized, state aid,
8 property tax receipts, and number of formula students shall
9 be attributed based on valuation. The formation of a learning
10 community shall be considered a reorganization for purposes of
11 this subsection. The revenue from property tax receipts shall be
12 calculated by multiplying the reported general fund common levy by
13 the assessed valuation subject to the levy divided by one hundred.

14 (5) For all school fiscal years except school fiscal
15 years 2002-03 through 2007-08, the aid that is not distributed
16 through equalization based on subsection (4) of this section
17 shall be distributed through this subsection to the extent local
18 systems qualify for such distributions. Local systems qualify
19 for distribution under this subsection if they have nine hundred
20 or less formula students and adjusted general fund operating
21 expenditures per formula student less than the average for all
22 local systems with nine hundred or less formula students. The aid
23 shall be distributed proportionally to qualifying districts based
24 on the dollar amount each local system's calculated state aid plus
25 the product of a levy of one dollar multiplied by the assessed

1 valuation divided by one hundred is below ninety percent of state
2 aid plus property tax receipts received by the local system during
3 the preceding school fiscal year. No system shall receive aid
4 pursuant to this subsection such that the calculated state aid plus
5 the product of a levy of one dollar multiplied by the assessed
6 valuation divided by one hundred is ninety percent or more of state
7 aid plus property tax receipts received by the local system during
8 the preceding school fiscal year.

9 (6) For school fiscal years 2002-03 through 2007-08,
10 the aid that is not distributed through equalization based on
11 subsection (3) of this section shall be distributed through
12 this subsection to the extent local systems qualify for such
13 distributions. Local systems qualify for distribution under this
14 subsection if they have nine hundred or less formula students and
15 adjusted general fund operating expenditures per formula student
16 less than the average for all local systems with nine hundred or
17 less formula students. The aid shall be distributed proportionally
18 to qualifying districts based on the dollar amount each local
19 system's calculated state aid plus the product of a levy equal to
20 the maximum levy, for the school fiscal year for which aid is being
21 certified, pursuant to subdivision (2)(a) or (b) of section 77-3442
22 without a vote pursuant to section 77-3444, multiplied by the
23 assessed valuation is below eighty-eight and three-fourths percent
24 of state aid plus property tax receipts received by the local
25 system during the preceding school fiscal year. No system shall

1 receive aid pursuant to this subsection such that the calculated
2 state aid plus the product of a levy equal to the maximum levy, for
3 the school fiscal year for which aid is being certified, pursuant
4 to subdivision (2)(a) or (b) of section 77-3442 without a vote
5 pursuant to section 77-3444, multiplied by the assessed valuation
6 is eighty-eight and three-fourths percent or more of state aid
7 plus property tax receipts received by the local system during the
8 preceding school fiscal year.

9 Sec. 6. Section 79-1008.02, Revised Statutes Cumulative
10 Supplement, 2006, is amended to read:

11 79-1008.02 A minimum levy adjustment shall be calculated
12 and applied to any local system that has a general fund common levy
13 in the calendar year in which aid is certified that is less than
14 ninety percent of the maximum levy allowed pursuant to subdivision
15 (2)(a) or (b) of section 77-3442. without a vote pursuant to
16 section 77-3444. To calculate the minimum levy adjustment, the
17 department shall subtract the local system general fund common levy
18 in the calendar year when aid is certified from ninety percent
19 of the maximum levy allowed pursuant to subdivision (2)(a) or
20 (b) of section 77-3442 without a vote pursuant to section 77-3444
21 and multiply the result by the local system's adjusted valuation
22 divided by one hundred. The minimum levy adjustment shall be added
23 to the formula resources of the local system for the determination
24 of equalization aid pursuant to section 79-1008.01. If the minimum
25 levy adjustment is greater than or equal to the allocated income

1 tax funds calculated pursuant to section 79-1005.01 or 79-1005.02,
2 the local system shall not receive allocated income tax funds. If
3 the minimum levy adjustment is less than the allocated income tax
4 funds calculated pursuant to section 79-1005.01 or 79-1005.02, the
5 local system shall receive allocated income tax funds in the amount
6 of the difference between the allocated income tax funds calculated
7 pursuant to section 79-1005.01 or 79-1005.02 and the minimum levy
8 adjustment. This section does not apply to the calculation of aid
9 for a local system containing a learning community for the first
10 school fiscal year for which aid is calculated for such local
11 system.

12 Sec. 7. Section 79-1029, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 79-1029 (1) A Class II, III, IV, V, or VI district
15 may exceed the basic allowable growth rate prescribed in section
16 79-1025 upon an affirmative vote of at least seventy-five percent
17 of the board. The total growth shall not exceed the applicable
18 allowable growth rate certified for the local system under section
19 79-1026 plus one percent. The vote shall be taken at a public
20 meeting of the board following a special public hearing called for
21 the purpose of receiving testimony on such proposed increase. The
22 board shall give at least five calendar days' notice of such public
23 hearing and shall publish such notice at least once in a newspaper
24 of general circulation in the local system.

25 (2) A Class II, III, IV, V, or VI district may exceed

1 the applicable allowable growth rate prescribed in section 79-1026
2 by an amount approved by a majority of legal voters voting on the
3 issue at a primary, general, or special election called for such
4 purpose upon the recommendation of the board or upon the receipt by
5 the county clerk or election commissioner of a petition requesting
6 an election signed by at least five percent of the legal voters of
7 the district. The recommendation of the board or the petition of
8 the legal voters shall include the amount and percentage by which
9 the board would increase its general fund budget of expenditures
10 for the ensuing school year over and above the current year's
11 general fund budget of expenditures. The county clerk or election
12 commissioner shall place the question on the primary or general
13 election ballot or call for a special election on the issue after
14 the receipt of such board recommendation or legal voter petition.
15 The election shall be held pursuant to the Election Act or section
16 ~~77-3444,~~ and all costs for a special election shall be paid by the
17 district. A vote to exceed the applicable allowable growth rate
18 may be approved on the same question as a vote to ~~exceed the levy~~
19 ~~limits provided in section 77-3444. impose a local school support~~
20 income tax under section 4 of this act.

21 Sec. 8. Original sections 77-2715, 77-3444, and 79-1029,
22 Reissue Revised Statutes of Nebraska, and sections 77-27,132,
23 79-1008.01, and 79-1008.02, Revised Statutes Cumulative Supplement,
24 2006, are repealed.