

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 569

Introduced by Louden, 49; Carlson, 38; Hansen, 42

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend
2 sections 23-3552 and 77-3443, Reissue Revised Statutes
3 of Nebraska, and section 77-3442, Revised Statutes
4 Cumulative Supplement, 2006; to change tax levy authority
5 of hospital districts; to provide an operative date;
6 to repeal the original sections; and to declare an
7 emergency.

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

1 Section 1. Section 23-3552, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 23-3552 (1) The board of directors may, after the
4 adoption of the budget statement, levy and collect an annual
5 tax which the district requires under the adopted budget statement
6 to be received from taxation for the ensuing fiscal year not to
7 exceed three and five-tenths cents on each one hundred dollars of
8 the taxable value of the taxable property within such district. ~~On~~
9 ~~and after July 1, 1998, the tax levy provided in this subsection is~~
10 ~~subject to section 77-3443.~~

11 (2) In addition to the levy authorized in subsection (1)
12 of this section, the board of directors of a hospital district
13 may authorize an additional annual tax not to exceed three and
14 five-tenths cents on each one hundred dollars of the taxable value
15 of the taxable property within such district. ~~On and after July~~
16 ~~1, 1998, the tax levy provided in this subsection is subject~~
17 ~~to section 77-3443.~~ Such tax shall not be authorized until the
18 question of such additional tax has been submitted to the qualified
19 electors of the district at a primary or general election or a
20 special election called for that purpose and a majority of those
21 voting approve the additional tax. Notice of the time and place
22 of the special election shall be given by publication at least
23 once each week in a legal newspaper of general circulation in
24 the district for three successive weeks immediately preceding such
25 election.

1 (3) ~~Until July 1, 1998, the taxes authorized by~~
2 ~~subsections (1) and (2) of this section shall not be included~~
3 ~~within the levy limitations for general county purposes prescribed~~
4 ~~in section 23-119 or Article VIII, section 5, of the Constitution~~
5 ~~of Nebraska. On and after July 1, 1998, the The taxes authorized~~
6 ~~by subsections (1) and (2) of this section shall not be included~~
7 ~~within the levy limitations for general county purposes prescribed~~
8 ~~in section 77-3442 or Article VIII, section 5, of the Constitution~~
9 ~~of Nebraska. On and after July 1, 1998, for purposes of section~~
10 ~~77-3443, the county board of each of the counties having land~~
11 ~~embraced within the district shall approve the tax levy.~~

12 (4) The taxes authorized by subsections (1) and (2)
13 of this section shall not be used to support or supplement the
14 operations of health care services or facilities located outside
15 the geographic boundaries of the district.

16 (5) The board shall annually, on or before September 20,
17 certify the taxes authorized by this section to the county clerk
18 of each of the counties having land embraced within such district.
19 The county clerk shall extend such levies on the tax list, and
20 the county treasurer shall collect the tax in the same manner as
21 county taxes and shall remit the taxes collected to the county
22 treasurer of the county in which the petition for the formation of
23 the district was filed. The county treasurer shall credit the local
24 hospital district with the amount thereof and make disbursements
25 therefrom on warrants of the district signed by the chairperson and

1 secretary-treasurer of the board of directors.

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

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

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

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

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

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

17 (d) Federal aid school districts may exceed the maximum
18 levy prescribed by subdivision (2)(a) or (b) 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 (e) 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 (e) of this subsection on or before
18 February 15 for school fiscal years 2004-05 through 2007-08.

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

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

1 levy for the learning community budget and for projects approved by
2 the learning community coordinating council.

3 (3) Community colleges may levy a maximum levy on each
4 one hundred dollars of taxable property subject to the levy of
5 seven cents, plus amounts allowed under subsection (7) of section
6 85-1536.01, except that any community college whose valuation per
7 reported aid equivalent student as defined in section 85-1503 was
8 less than eighty-two percent of the average valuation per statewide
9 reimbursable reported aid equivalent total as defined in section
10 85-1503 for all community colleges for fiscal year 1997-98 may levy
11 up to an additional one-half cent for each of fiscal years 2005-06
12 and 2006-07 upon a three-fourths majority vote 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) Hospital districts may levy a maximum levy of three
9 and five-tenths cents on each one hundred dollars of the taxable
10 value of the property subject to the levy as provided in subsection
11 (1) of section 23-3552, plus amounts allowed under subsection (2)
12 of section 23-3552 and section 23-3565.

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

25 ~~(11)~~ (12) The limitations on tax levies provided in

1 this section are to include all other general or special levies
2 provided by law. Notwithstanding other provisions of law, the only
3 exceptions to the limits in this section are those provided by or
4 authorized by sections 77-3442 to 77-3444.

5 ~~(12)~~ (13) Tax levies in excess of the limitations in
6 this section shall be considered unauthorized levies under section
7 77-1606 unless approved under section 77-3444.

8 ~~(13)~~ (14) For purposes of sections 77-3442 to 77-3444,
9 political subdivision means a political subdivision of this state
10 and a county agricultural society.

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

13 77-3443 (1) All political subdivisions, other than (a)
14 school districts, community colleges, natural resources districts,
15 educational service units, cities, villages, counties, municipal
16 counties, hospital districts, and sanitary and improvement
17 districts and (b) political subdivisions subject to municipal
18 allocation under subsection (2) of this section, may levy taxes
19 as authorized by law which are authorized by the county board
20 of the county or the council of a municipal county in which the
21 greatest portion of the valuation is located, which are counted
22 in the county or municipal county levy limit provided in section
23 77-3442, and which do not collectively total more than fifteen
24 cents per one hundred dollars of taxable valuation on any parcel or
25 item of taxable property for all governments for which allocations

1 are made by the municipality, county, or municipal county, except
2 that such limitation shall not apply to property tax levies for
3 preexisting lease-purchase contracts approved prior to July 1,
4 1998, for bonded indebtedness approved according to law and secured
5 by a levy on property, and for payments by a public airport to
6 retire interest-free loans from the Department of Aeronautics in
7 lieu of bonded indebtedness at a lower cost to the public airport.
8 The county board or council shall review and approve or disapprove
9 the levy request of all political subdivisions subject to this
10 subsection. The county board or council may approve all or a
11 portion of the levy request and may approve a levy request that
12 would allow the requesting political subdivision to levy a tax
13 at a levy greater than that permitted by law. The county board
14 of a county or the council of a municipal county which contains
15 a transit authority created pursuant to section 14-1803 shall
16 allocate no less than three cents per one hundred dollars of
17 taxable property within the city or municipal county subject to the
18 levy to the transit authority if requested by such authority. For
19 any political subdivision subject to this subsection that receives
20 taxes from more than one county or municipal county, the levy shall
21 be allocated only by the county or municipal county in which the
22 greatest portion of the valuation is located. The county board
23 of equalization shall certify all levies by October 15 to insure
24 that the taxes levied by political subdivisions subject to this
25 subsection do not exceed the allowable limit for any parcel or item

1 of taxable property. The levy allocated by the county or municipal
2 county may be exceeded as provided in section 77-3444.

3 (2) All city airport authorities established under
4 the Cities Airport Authorities Act, community redevelopment
5 authorities established under the Community Development Law,
6 transit authorities established under the Transit Authority Law,
7 and offstreet parking districts established under the Offstreet
8 Parking District Act may be allocated property taxes as authorized
9 by law which are authorized by the city, village, or municipal
10 county and are counted in the city or village levy limit or
11 municipal county levy limit provided by section 77-3442, except
12 that such limitation shall not apply to property tax levies for
13 preexisting lease-purchase contracts approved prior to July 1,
14 1998, for bonded indebtedness approved according to law and secured
15 by a levy on property, and for payments by a public airport to
16 retire interest-free loans from the Department of Aeronautics in
17 lieu of bonded indebtedness at a lower cost to the public airport.
18 For offstreet parking districts established under the Offstreet
19 Parking District Act, the tax shall be counted in the allocation by
20 the city proportionately, by dividing the total taxable valuation
21 of the taxable property within the district by the total taxable
22 valuation of the taxable property within the city multiplied by
23 the levy of the district. The city council of a city which has
24 created a transit authority pursuant to section 14-1803 or the
25 council of a municipal county which contains a transit authority

1 shall allocate no less than three cents per one hundred dollars
2 of taxable property subject to the levy to the transit authority
3 if requested by such authority. The city council, village board,
4 or council shall review and approve or disapprove the levy request
5 of the political subdivisions subject to this subsection. The city
6 council, village board, or council may approve all or a portion of
7 the levy request and may approve a levy request that would allow
8 a levy greater than that permitted by law. The levy allocated by
9 the municipality or municipal county may be exceeded as provided
10 in section 77-3444.

11 (3) On or before August 1, all political subdivisions
12 subject to county, municipal, or municipal county levy authority
13 under this section shall submit a preliminary request for levy
14 allocation to the county board, city council, village board, or
15 council that is responsible for levying such taxes. The preliminary
16 request of the political subdivision shall be in the form of a
17 resolution adopted by a majority vote of members present of the
18 political subdivision's governing body. The failure of a political
19 subdivision to make a preliminary request shall preclude such
20 political subdivision from using procedures set forth in section
21 77-3444 to exceed the final levy allocation as determined in
22 subsection (4) of this section.

23 (4) Each county board, city council, village board, or
24 council shall (a) adopt a resolution by a majority vote of members
25 present which determines a final allocation of levy authority

1 to its political subdivisions and (b) forward a copy of such
2 resolution to the chairperson of the governing body of each of its
3 political subdivisions. No final levy allocation shall be changed
4 after September 1 except by agreement between both the county
5 board, city council, village board, or council which determined the
6 amount of the final levy allocation and the governing body of the
7 political subdivision whose final levy allocation is at issue.

8 Sec. 4. This act becomes operative on July 1, 2007.

9 Sec. 5. Original sections 23-3552 and 77-3443, Reissue
10 Revised Statutes of Nebraska, and section 77-3442, Revised Statutes
11 Cumulative Supplement, 2006, are repealed.

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