

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 903**

Introduced by Lathrop, 12; Adams, 24; Ashford, 20; Carlson, 38;  
Karpisek, 32; Louden, 49.

Read first time January 14, 2008

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend section 77-3443, Reissue  
2 Revised Statutes of Nebraska, and sections 77-3442,  
3 77-3444, 79-1028, 79-1073.01, 79-10,120, and 79-2111,  
4 Revised Statutes Supplement, 2007; to adopt the Nebraska  
5 Elementary Attendance Region Act; to provide for tax  
6 levies as prescribed; to change provisions relating  
7 to applicable allowable growth rate; to harmonize  
8 provisions; and to repeal the original sections.  
9 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 6 of this act shall be known and  
2 may be cited as the Nebraska Elementary Attendance Region Act.

3           Sec. 2. For purposes of the Nebraska Elementary  
4 Attendance Region Act, Nebraska elementary attendance region means  
5 the area served by a site and an attendance facility established  
6 by residents of a Class II, III, or IV school district with the  
7 primary purpose of assuring community educational governance of  
8 elementary grades in sparsely populated areas of the state.

9           Sec. 3. (1) A resident or group of residents of a Class  
10 II, III, or IV school district may develop a plan to create a  
11 Nebraska elementary attendance region. The plan shall include a map  
12 of the proposed Nebraska elementary attendance region, a proposed  
13 site and attendance facility, the initial attendance facility cost  
14 and estimated property tax levy necessary to fund the initial  
15 attendance facility cost, and a list of resident students of the  
16 proposed Nebraska elementary attendance region who will attend such  
17 attendance facility as attested to in writing by the parents or  
18 legal guardians of such students.

19           (2) The proposed Nebraska elementary attendance region  
20 shall consist of compact and contiguous territory of at least  
21 thirty-six square miles if the proposed attendance facility is  
22 located in a city, a village, or an unincorporated village. The  
23 proposed Nebraska elementary attendance region shall consist of  
24 contiguous territory of at least one hundred square miles if the  
25 proposed attendance facility is located outside the limits of

1 a city, a village, or an unincorporated village. The proposed  
2 Nebraska elementary attendance region shall consist of territory in  
3 only a single Class II, III, or IV school district.

4 (3) The proposed site and attendance facility may be an  
5 existing elementary attendance center owned by the Class II, III,  
6 or IV school district, or a proposed site and attendance facility  
7 may be donated or purchased by the Class II, III, or IV school  
8 district or by the proposed Nebraska elementary attendance region.  
9 Any initial site and attendance facility costs incurred up to a  
10 maximum of fifty thousand dollars shall be funded from the proceeds  
11 of a property tax levy on property subject to the levy as provided  
12 in subdivision (2)(g) or (h) of section 77-3442. The boundary of  
13 a proposed elementary attendance region shall not be closer than  
14 seven miles to an existing elementary attendance center in the same  
15 school district.

16 (4) The minimum number of resident students whose parents  
17 or legal guardians attest will attend a proposed attendance  
18 facility shall be not less than twenty-five students if the  
19 proposed attendance facility is located in a city, a village, or  
20 an unincorporated village and not less than five students if the  
21 proposed attendance facility is located outside the limits of a  
22 city, a village, or an unincorporated village.

23 (5) The resident or group of residents proposing a plan  
24 to create a Nebraska elementary attendance region may submit the  
25 plan to the school board of the Class II, III, or IV school

1 district. The school board has up to forty-five days to consider  
2 the plan. The school board may:

3 (a) Authorize the creation of the Nebraska elementary  
4 attendance region and appoint the initial Nebraska elementary  
5 attendance region council; or

6 (b) Require the resident or group of residents proposing  
7 the plan to circulate a petition in the proposed Nebraska  
8 elementary attendance region. The petition shall include the  
9 elements required under subsection (1) of this section and a  
10 disclosure of estimated attendance facility cost and the proposed  
11 method to finance the cost according to the plan. Petition signers  
12 and circulators shall conform to the requirements of sections  
13 32-629 and 32-630. If the board requires such a petition and

14 (i) a petition containing the valid signatures of at least  
15 fifty-five percent of the registered voters in the proposed  
16 Nebraska elementary attendance region is submitted by the resident  
17 or group of residents and all other required elements of the  
18 plan are met, the school board shall authorize the creation of  
19 the Nebraska elementary attendance region and appoint the initial  
20 Nebraska elementary attendance region council or (ii) the petition  
21 submitted contains signatures of less than fifty-five percent but  
22 more than fifty percent of the registered voters in the proposed  
23 Nebraska elementary attendance region, the school board shall call  
24 a special meeting of the school district at which residents of  
25 the proposed Nebraska elementary attendance region may vote on the

1 question of creating the Nebraska elementary attendance region. If  
2 a majority of those voting at such meeting approve the creation of  
3 the Nebraska elementary attendance region, the school board shall  
4 authorize the creation of the Nebraska elementary attendance region  
5 and appoint the initial Nebraska elementary attendance region  
6 council.

7 (6) The creation of a Nebraska elementary attendance  
8 region shall be effective for the first school year after the July  
9 1 following authorization under this section.

10 Sec. 4. (1) Each Nebraska elementary attendance region  
11 created under the Nebraska Elementary Attendance Region Act shall  
12 have a Nebraska elementary attendance region council consisting  
13 of three to five members who are registered voters residing in  
14 the Nebraska elementary attendance region. The initial members of  
15 the council shall be appointed by the school board of the Class  
16 II, III, or IV school district in which the Nebraska elementary  
17 attendance region is created. The initial council shall call a  
18 meeting of the Nebraska elementary attendance region on or before  
19 the second Monday of August of the first school year in which the  
20 Nebraska elementary attendance region exists and shall prepare an  
21 agenda for such meeting which includes, but is not limited to,  
22 election of council members for three-year terms to succeed the  
23 initial members. Initial members may succeed themselves. Voting in  
24 such election is limited to persons who sign an oath that they are  
25 registered voters residing in the Nebraska elementary attendance

1 region. Thereafter members of the Nebraska elementary attendance  
2 region council shall be elected at the annual meeting of the  
3 Nebraska elementary attendance region held on or before the second  
4 Monday of August. Voting at the annual meeting of the Nebraska  
5 elementary attendance region, or any special meeting thereof, is  
6 limited to persons who sign an oath that they are registered voters  
7 residing in the Nebraska elementary attendance region.

8 (2) The Nebraska elementary attendance region council  
9 shall elect a president and secretary. The council shall meet at  
10 least six times a year, and one of such meetings shall take place  
11 on the second Monday of August each year. Meetings of the council  
12 are subject to the Open Meetings Act.

13 (3) The Nebraska elementary attendance region council  
14 president shall designate a council member to serve as a nonvoting  
15 member of the Class II, III, or IV school board. The president of  
16 the Class II, III, or IV school board shall designate a school  
17 board member to serve as a nonvoting member of the Nebraska  
18 elementary attendance region council.

19 (4) The Nebraska elementary attendance region council  
20 shall make recommendations to the school board of the Class  
21 II, III, or IV school district regarding attendance facility  
22 maintenance, teacher and staffing needs, budget, and other matters  
23 as requested by the school board of the Class II, III, or IV  
24 school district. The council may apply for and receive grants and  
25 donations on behalf of the Nebraska elementary attendance region.

1 All such grants and donations shall be remitted to the treasurer  
2 of the Class II, III, or IV school district for credit to a school  
3 district activities account. The school district activities account  
4 shall be administered by the council.

5 (5) All teachers and staff employed by the Nebraska  
6 elementary attendance region attendance facility are employees of  
7 the Class II, III, or IV school district and shall be supervised by  
8 the administrators of such Class II, III, or IV school district.

9 (6) A Nebraska elementary attendance region attendance  
10 facility which fails for three or more consecutive years to  
11 maintain at least half the minimum initial enrollments described  
12 in subsection (4) of section 3 of this act may be closed at  
13 the discretion of the Class II, III, or IV school district if  
14 no student would have to travel more than twenty miles upon the  
15 closure of the facility.

16 Sec. 5. (1) All assets and liabilities of a Nebraska  
17 elementary attendance region belong to the Class II, III, or IV  
18 school district in which the Nebraska elementary attendance region  
19 is located. The Nebraska elementary attendance region site and  
20 attendance facility are to be maintained by the school district at  
21 a comparable level as other school district attendance centers.

22 (2) A Nebraska elementary attendance region council may  
23 submit an annual budget recommendation to the school board of the  
24 Class II, III, or IV school district. The school board shall take  
25 into consideration the number of students as well as all other

1 fixed and variable costs attributable to the attendance facility  
2 and provision of appropriate services for transportation, special  
3 education, and all other required services for students in the  
4 Nebraska elementary attendance region. The school district shall  
5 provide total resources for the attendance facility in an amount  
6 not less than the number of adjusted formula students expected to  
7 attend the attendance facility times the cost grouping cost per  
8 student attributable to the Class II, III, or IV school district  
9 as provided in the Tax Equity and Educational Opportunities Support  
10 Act.

11           Sec. 6. A Nebraska elementary attendance region council  
12 shall be a political subdivision for tax levy purposes. After  
13 a public hearing, a council may levy a tax for construction,  
14 purchase, renovation, or lease of a facility for an elementary  
15 attendance site if the school district in which the Nebraska  
16 elementary attendance region is located does not provide a  
17 facility. The council shall state the purpose for which the  
18 tax levy will be expended, the period of years, not exceeding five,  
19 for which the tax will be levied, and the amount of the levy for  
20 each year of the period. The hearing shall be held only after  
21 notice of such hearing has been published for three consecutive  
22 weeks prior to the hearing in a legal newspaper published or of  
23 general circulation in the school district in which the Nebraska  
24 elementary attendance region is located. The county clerk shall  
25 levy such taxes, not to exceed five and one-fifth cents per one

1 hundred dollars of taxable valuation on the taxable property in  
2 the Nebraska elementary attendance region. Such taxes shall be  
3 collected by the county treasurer at the same time and in the same  
4 manner as county taxes are collected and when collected shall be  
5 paid to the treasurer of the school district in which the Nebraska  
6 elementary attendance region is located. Taxes collected pursuant  
7 to this section shall be credited to the appropriate account.

8           Sec. 7. Section 77-3442, Revised Statutes Supplement,  
9 2007, is amended to read:

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

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

20           (b) For each fiscal year, learning communities may levy  
21 a maximum levy for the general fund budgets of member school  
22 districts equal to the local effort rate prescribed in section  
23 79-1015.01 for such fiscal year. The proceeds from the levy  
24 pursuant to this subdivision shall be distributed pursuant to  
25 section 79-1073.

1           (c) Except as provided in subdivision (2)(e) of this  
2 section, for each fiscal year, school districts that are members  
3 of learning communities may levy for purposes of such districts'  
4 general fund budget and special building funds a maximum combined  
5 levy of the difference of one dollar and five cents on each one  
6 hundred dollars of taxable property subject to the levy minus  
7 the learning community levies pursuant to subdivisions (2)(b) and  
8 ~~(2)(g)~~ (2)(i) of this section for such learning community.

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

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

1 percent or more of the revenue for its general fund budget from  
2 federal government sources pursuant to Title VIII of Public Law  
3 103-382, as such title existed on September 1, 2001.

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

22 (g) School districts and multiple-district school systems  
23 may, upon a three-fourths majority vote of the school board of the  
24 school district, of the board of the unified system, or of the  
25 school board of the high school district of the multiple-district

1 school system that is not a unified system, exceed the maximum levy  
2 prescribed by subdivision (2)(a) of this section up to one cent  
3 per one hundred dollars of taxable valuation subject to the levy,  
4 not to exceed a total amount of fifty thousand dollars, of not  
5 more than one cent per one hundred dollars of taxable valuation  
6 of property subject to the levy, for the construction, purchase,  
7 renovation, or lease of an attendance facility for a Nebraska  
8 elementary attendance region.

9 (h) Nebraska elementary attendance regions may levy not  
10 more than five and one-fifth cents per one hundred dollars of  
11 taxable valuation of property subject to the levy, not to exceed  
12 fifty thousand dollars in total over such five fiscal years, for  
13 the construction, purchase, renovation, or lease of an attendance  
14 facility for the Nebraska elementary attendance region.

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

21 ~~(h)~~ (j) For each fiscal year, learning communities may  
22 levy a maximum levy of five cents on each one hundred dollars of  
23 taxable property subject to the levy for elementary learning center  
24 facilities and for up to fifty percent of the estimated cost for  
25 capital projects approved by the learning community coordinating

1 council pursuant to section 79-2111.

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

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

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

19 (c) In addition, natural resources districts located in  
20 a river basin, subbasin, or reach that has been determined to  
21 be fully appropriated pursuant to section 46-714 or designated  
22 as overappropriated pursuant to section 46-713 by the Department  
23 of Natural Resources shall also have the power and authority to  
24 levy a tax equal to the dollar amount by which their restricted  
25 funds budgeted to administer and implement ground water management

1 activities and integrated management activities under the Nebraska  
2 Ground Water Management and Protection Act exceed their restricted  
3 funds budgeted to administer and implement ground water management  
4 activities and integrated management activities for FY2005-06, not  
5 to exceed three cents on each one hundred dollars of taxable  
6 valuation on all of the taxable property within the district for  
7 fiscal year 2006-07 and each fiscal year thereafter through fiscal  
8 year 2011-12.

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

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

25 (b) Incorporated cities and villages which are within the

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

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

19 (8) Counties may levy or authorize a maximum levy of  
20 fifty cents per one hundred dollars of taxable valuation of  
21 property subject to the levy, except that five cents per one  
22 hundred dollars of taxable valuation of property subject to the  
23 levy may only be levied to provide financing for the county's  
24 share of revenue required under an agreement or agreements executed  
25 pursuant to the Interlocal Cooperation Act or the Joint Public

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

21 (9) Municipal counties may levy or authorize a maximum  
22 levy of one dollar per one hundred dollars of taxable valuation  
23 of property subject to the levy. The municipal county may allocate  
24 levy authority to any political subdivision or entity subject to  
25 allocation under section 77-3443.

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

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

18           (12) Tax levies in excess of the limitations in this  
19 section shall be considered unauthorized levies under section  
20 77-1606 unless approved under section 77-3444.

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

24           Sec. 8. Section 77-3443, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

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

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

16 (2) All city airport authorities established under  
17 the Cities Airport Authorities Act, community redevelopment  
18 authorities established under the Community Development Law,  
19 transit authorities established under the Transit Authority Law,  
20 and offstreet parking districts established under the Offstreet  
21 Parking District Act may be allocated property taxes as authorized  
22 by law which are authorized by the city, village, or municipal  
23 county and are counted in the city or village levy limit or  
24 municipal county levy limit provided by section 77-3442, except  
25 that such limitation shall not apply to property tax levies for

1 preexisting lease-purchase contracts approved prior to July 1,  
2 1998, for bonded indebtedness approved according to law and secured  
3 by a levy on property, and for payments by a public airport to  
4 retire interest-free loans from the Department of Aeronautics in  
5 lieu of bonded indebtedness at a lower cost to the public airport.  
6 For offstreet parking districts established under the Offstreet  
7 Parking District Act, the tax shall be counted in the allocation by  
8 the city proportionately, by dividing the total taxable valuation  
9 of the taxable property within the district by the total taxable  
10 valuation of the taxable property within the city multiplied by  
11 the levy of the district. The city council of a city which has  
12 created a transit authority pursuant to section 14-1803 or the  
13 council of a municipal county which contains a transit authority  
14 shall allocate no less than three cents per one hundred dollars  
15 of taxable property subject to the levy to the transit authority  
16 if requested by such authority. The city council, village board,  
17 or council shall review and approve or disapprove the levy request  
18 of the political subdivisions subject to this subsection. The city  
19 council, village board, or council may approve all or a portion of  
20 the levy request and may approve a levy request that would allow  
21 a levy greater than that permitted by law. The levy allocated by  
22 the municipality or municipal county may be exceeded as provided  
23 in section 77-3444.

24 (3) On or before August 1, all political subdivisions  
25 subject to county, municipal, or municipal county levy authority

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

11 (4) Each county board, city council, village board, or  
12 council shall (a) adopt a resolution by a majority vote of members  
13 present which determines a final allocation of levy authority  
14 to its political subdivisions and (b) forward a copy of such  
15 resolution to the chairperson of the governing body of each of its  
16 political subdivisions. No final levy allocation shall be changed  
17 after September 1 except by agreement between both the county  
18 board, city council, village board, or council which determined the  
19 amount of the final levy allocation and the governing body of the  
20 political subdivision whose final levy allocation is at issue.

21 Sec. 9. Section 77-3444, Revised Statutes Supplement,  
22 2007, is amended to read:

23 77-3444 (1) A political subdivision, other than a Class  
24 I school district or Nebraska elementary attendance region, may  
25 exceed the limits provided in section 77-3442 or a final levy

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

1 later than thirty days prior to the date of the election, and the  
2 time of publication and providing a copy of the notice of election  
3 required in section 32-802 shall be no later than twenty days  
4 prior to the election. The county clerk or election commissioner  
5 shall place the issue on the ballot at an election as called  
6 for in the resolution or petition which is at least thirty days  
7 after receipt of the resolution or petition. The election shall be  
8 held pursuant to the Election Act. For petitions filed with the  
9 county clerk or election commissioner on or after May 1, 1998, the  
10 petition shall be in the form as provided in sections 32-628 to  
11 32-631. Any excess levy authority approved under this section shall  
12 terminate pursuant to its terms, on a vote of the governing body of  
13 the political subdivision to terminate the authority to levy more  
14 than the limits, at the end of the fourth fiscal year following  
15 the first year in which the levy exceeded the limit or the final  
16 levy allocation, or as provided in subsection (4) of this section,  
17 whichever is earliest. A governing body may pass no more than one  
18 resolution calling for an election pursuant to this section during  
19 any one calendar year. Only one election may be held in any one  
20 calendar year pursuant to a petition initiated under this section.

21 (2) The ballot question may include any terms and  
22 conditions set forth in the resolution or petition and shall  
23 include the following: "Shall (name of political subdivision) be  
24 allowed to levy a property tax not to exceed ..... cents per  
25 one hundred dollars of taxable valuation in excess of the limits

1 prescribed by law until fiscal year ..... for the purposes  
 2 of (general operations; building construction, remodeling, or site  
 3 acquisition; or both general operations and building construction,  
 4 remodeling, or site acquisition)?" . If a majority of the votes cast  
 5 upon the ballot question are in favor of such tax, the county board  
 6 shall authorize a tax in excess of the limits in section 77-3442  
 7 or the final levy allocation in section 77-3443 but such tax shall  
 8 not exceed the amount stated in the ballot question. If a majority  
 9 of those voting on the ballot question are opposed to such tax, the  
 10 governing body of the political subdivision shall not impose such  
 11 tax.

12 (3) In lieu of the election procedures in subsection (1)  
 13 of this section, any political subdivision subject to section  
 14 77-3443, other than a Class I school district or Nebraska  
 15 elementary attendance region, and villages may approve a levy  
 16 in excess of the limits in section 77-3442 or the final levy  
 17 allocation provided in section 77-3443 for a period of one year  
 18 at a meeting of the residents of the political subdivision or  
 19 village, called after notice is published in a newspaper of general  
 20 circulation in the political subdivision or village at least twenty  
 21 days prior to the meeting. At least ten percent of the registered  
 22 voters residing in the political subdivision or village shall  
 23 constitute a quorum for purposes of taking action to exceed the  
 24 limits or final levy allocation. A record shall be made of the  
 25 registered voters residing in the political subdivision or village

1 who are present at the meeting. The method of voting at the meeting  
2 shall protect the secrecy of the ballot. If a majority of the  
3 registered voters present at the meeting vote in favor of exceeding  
4 the limits or final levy allocation, a copy of the record of that  
5 action shall be forwarded to the county board prior to October 10  
6 and the county board shall authorize a levy as approved by the  
7 residents for the year. If a majority of the registered voters  
8 present at the meeting vote against exceeding the limits or final  
9 allocation, the limit or allocation shall not be exceeded and the  
10 political subdivision shall have no power to call for an election  
11 under subsection (1) of this section.

12 (4) A political subdivision, other than a Class I school  
13 district or Nebraska elementary attendance region, may rescind  
14 or modify a previously approved excess levy authority prior to  
15 its expiration by a majority of registered voters voting on the  
16 issue in a primary, general, or special election at which the  
17 issue is placed before the registered voters. A vote to rescind  
18 or modify must be approved prior to October 10 of the fiscal  
19 year for which it is to be effective. The governing body of  
20 the political subdivision may call for the submission of the  
21 issue to the voters (a) by passing a resolution calling for  
22 the rescission or modification by a vote of at least two-thirds  
23 of the members of the governing body and delivering a copy  
24 of the resolution to the county clerk or election commissioner  
25 of every county which contains all or part of the political

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

18 (5) For purposes of this section, when the political  
19 subdivision is a sanitary and improvement district, registered  
20 voter means a person qualified to vote as provided in section  
21 31-735. Any election conducted under this section for a sanitary  
22 and improvement district shall be conducted and counted as provided  
23 in sections 31-735 to 31-735.06.

24 (6) For purposes of this section, when the political  
25 subdivision is a school district or a multiple-district school

1 system, registered voter includes both (a) persons qualified to  
2 vote for the members of the school board of the school district  
3 which is voting to exceed the maximum levy limits pursuant to this  
4 section and (b) persons in those portions of any Class I district  
5 which are affiliated with or a part of the school district which is  
6 voting pursuant to this section, if such voter is also qualified to  
7 vote for the school board of the affected Class I school district.

8 Sec. 10. Section 79-1028, Revised Statutes Supplement,  
9 2007, is amended to read:

10 79-1028 (1) A Class II, III, IV, V, or VI school  
11 district may exceed its applicable allowable growth rate for (a)  
12 expenditures in support of a service which is the subject of  
13 an agreement or a modification of an existing agreement whether  
14 operated by one of the parties to the agreement or an independent  
15 joint entity or joint public agency, (b) expenditures to pay for  
16 repairs to infrastructure damaged by a natural disaster which is  
17 declared a disaster emergency pursuant to the Emergency Management  
18 Act, (c) expenditures to pay for judgments, except judgments  
19 or orders from the Commission of Industrial Relations, obtained  
20 against a school district which require or obligate a school  
21 district to pay such judgment, to the extent such judgment is not  
22 paid by liability insurance coverage of a school district, (d)  
23 expenditures to pay for sums agreed to be paid by a school district  
24 to certificated employees in exchange for a voluntary termination  
25 of employment, ~~or~~ (e) expenditures to pay for lease-purchase

1 contracts approved on or after July 1, 1997, and before July  
 2 1, 1998, to the extent the lease payments were not budgeted  
 3 expenditures for fiscal year 1997-98, or (f) expenditures related  
 4 to the creation of a Nebraska elementary attendance region under  
 5 the Nebraska Elementary Attendance Region Act.

6 (2) A Class II, III, IV, V, or VI district may exceed its  
 7 applicable allowable growth rate by a specific dollar amount if the  
 8 district projects an increase in formula students in the district  
 9 over the current school year greater than twenty-five students  
 10 or greater than those listed in the schedule provided in this  
 11 subsection, whichever is less. Districts shall project increases  
 12 in formula students on forms prescribed by the department. The  
 13 department shall approve, deny, or modify the projected increases.

14	Average daily	Projected increase
15	membership of	of formula students
16	district	by percentage
17	0- 50	10
18	50.01 - 250	5
19	250.01 - 1,000	3
20	1,000.01 and over	1

21 The department shall compute the district's estimated  
 22 allowable budget per pupil using the budgeted general fund  
 23 expenditures found on the budget statement for the current school  
 24 year divided by the number of formula students in the current  
 25 school year and multiplied by the district's applicable allowable

1 growth rate. The resulting allowable budget per pupil shall be  
2 multiplied by the projected formula students to arrive at the  
3 estimated budget needs for the ensuing year. The department  
4 shall allow the district to increase its general fund budget  
5 of expenditures for the ensuing school year by the amount  
6 necessary to fund the estimated budget needs of the district  
7 as computed pursuant to this subsection. On or before July  
8 1, the department shall make available to districts which have  
9 been allowed additional growth pursuant to this subsection the  
10 necessary document to recalculate the actual formula students of  
11 such district. Such document shall be filed with the department  
12 under subsection (1) of section 79-1024.

13 (3) A Class II, III, IV, V, or VI district may exceed  
14 its applicable allowable growth rate by a specific dollar amount  
15 if construction, expansion, or alteration of district buildings  
16 will cause an increase in building operation and maintenance  
17 costs of at least five percent. The department shall document  
18 the projected increase in building operation and maintenance costs  
19 and may allow a Class II, III, IV, V, or VI district to exceed  
20 its applicable allowable growth rate by the amount necessary to  
21 fund such increased costs. The department shall compute the actual  
22 increased costs for the school year and shall notify the district  
23 on or before July 1 of the recovery of the additional growth  
24 pursuant to this subsection.

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

1 applicable allowable growth rate by a specific dollar amount if the  
2 district demonstrates to the satisfaction of the department that  
3 it will exceed its applicable allowable growth rate as a result  
4 of costs pursuant to the Retirement Incentive Plan authorized  
5 in section 79-855 or the Staff Development Assistance authorized  
6 in section 79-856. The department shall compute the amount by  
7 which the increased cost of such program or programs exceeds the  
8 district's applicable allowable growth rate and shall allow the  
9 district to increase its general fund expenditures by such amount  
10 for that fiscal year.

11 (5) A Class II, III, IV, or V district may exceed its  
12 applicable allowable growth rate by the specific dollar amount of  
13 incentive payments or base fiscal year incentive payments to be  
14 received in such school fiscal year pursuant to section 79-1011.

15 (6) A Class II, III, IV, V, or VI district may exceed  
16 its applicable allowable growth rate by a specific dollar amount  
17 in any year for which the state aid calculation for the local  
18 system includes students in the qualified early childhood education  
19 fall membership of the district for the first time or for a year  
20 in which an early childhood education program of the district is  
21 receiving an expansion grant. The department shall compute the  
22 amount by which the district may exceed the district's applicable  
23 allowable growth rate by multiplying the cost grouping cost  
24 per student for the applicable cost grouping by the district's  
25 adjusted formula students attributed to early childhood education

1 programs if students are included in the district's qualified  
2 early childhood education fall membership for the first time or by  
3 the district's adjusted formula students attributed to such early  
4 childhood education programs minus the district's adjusted formula  
5 students attributed to such early childhood education programs for  
6 the prior school fiscal year if a program is receiving an expansion  
7 grant in the school fiscal year for which the fall membership is  
8 measured. The department shall allow the district to increase its  
9 general fund expenditures by such amount for such school fiscal  
10 year.

11 (7) For school fiscal year 2005-06, a Class II, III, IV,  
12 V, or VI district may exceed its applicable allowable growth rate  
13 by a specific dollar amount not to exceed seventy-four hundredths  
14 percent of the amount budgeted for employee salaries for such  
15 school fiscal year. For school fiscal year 2006-07, a Class II,  
16 III, IV, V, or VI district may exceed its applicable allowable  
17 growth rate by a specific dollar amount not to exceed fifty-nine  
18 hundredths percent of the amount budgeted for employee salaries for  
19 such school fiscal year.

20 (8) A Class II, III, IV, or V district that is a  
21 member of a learning community may exceed its applicable allowable  
22 growth rate for the first school fiscal year in which the school  
23 district will be a member of a learning community for the full  
24 school fiscal year by an amount equal to anticipated increases in  
25 transportation expenditures necessary to meet the requirements of

1 subsection (2) of section 79-611 as approved by the department. The  
2 department shall approve, deny, or modify the amount allowed  
3 for anticipated increases in transportation expenditures. The  
4 department shall compute the actual increase in transportation  
5 expenditures necessary to meet the requirements of subsection (2)  
6 of section 79-611 for such school fiscal year and shall, if needed,  
7 modify the district's applicable allowable growth rate for the  
8 ensuing school fiscal year.

9 (9) For school fiscal year 2008-09, a Class II, III,  
10 IV, or V district may exceed its applicable allowable growth  
11 rate by a specific dollar amount if the sum of the poverty  
12 allowance, elementary class size allowance, focus school and  
13 program allowance, and limited English proficiency allowance for  
14 the school district for school fiscal year 2008-09 exceeds the  
15 poverty weightings plus limited English proficiency weightings  
16 multiplied by the cost grouping cost per student for the school  
17 district for school fiscal year 2007-08. The department shall  
18 compute the amount by which the district may exceed the applicable  
19 allowable growth rate by subtracting the product of the sum of  
20 the poverty weightings and limited English proficiency weightings  
21 for school fiscal year 2007-08 multiplied by the average formula  
22 cost per student in the school district's cost grouping for school  
23 fiscal year 2007-08 from the sum of the school fiscal year 2008-09  
24 poverty allowance, elementary class size allowance, focus school  
25 and program allowance, and limited English proficiency allowance

1 for the school district. The department shall allow the district to  
2 increase its general fund expenditures by such amount for school  
3 fiscal year 2008-09.

4 (10) For school fiscal year 2009-10 and each school  
5 fiscal year thereafter, a Class II, III, IV, or V district may  
6 exceed its applicable allowable growth rate by a specific dollar  
7 amount if the sum of the poverty allowance, elementary class size  
8 allowance, focus school and program allowance, and limited English  
9 proficiency allowance for the school district has grown at a rate  
10 higher than the applicable allowable growth rate of the district.  
11 The department shall compute the amount by which the district  
12 may exceed the applicable allowable growth rate by subtracting  
13 the product of the sum of the poverty allowance, elementary class  
14 size allowance, focus school and program allowance, and limited  
15 English proficiency allowance for the immediately preceding school  
16 fiscal year multiplied by the sum of one plus the applicable  
17 allowable growth rate to be exceeded from the sum of the poverty  
18 allowance, elementary class size allowance, focus school and  
19 program allowance, and limited English proficiency allowance for  
20 the district for the school fiscal year for which the applicable  
21 allowable growth rate would be exceeded. The department shall allow  
22 the district to increase its general fund expenditures by such  
23 amount for the applicable school fiscal year.

24 (11) A Class II, III, IV, or V school district may exceed  
25 its applicable allowable growth rate by a specific dollar amount

1 not to exceed the amount received during such school fiscal year  
2 from educational entities as defined in section 79-1201.01 for  
3 providing distance education courses through the Distance Education  
4 Council until July 1, 2008, and the Educational Service Unit  
5 Coordinating Council on and after July 1, 2008, to such educational  
6 entities.

7 (12) A Class II, III, IV, or V school district may exceed  
8 its applicable allowable growth rate for school fiscal year 2007-08  
9 by a specific dollar amount equal to the amount paid in school  
10 fiscal year 2006-07 to any distance education consortium in which  
11 the school district was participating pursuant to an interlocal  
12 agreement.

13 Sec. 11. Section 79-1073.01, Revised Statutes Supplement,  
14 2007, is amended to read:

15 79-1073.01 Amounts levied by learning communities for  
16 special building funds for member school districts pursuant to  
17 subdivision ~~(2)-(g)~~ (2)(i) of section 77-3442 shall be distributed  
18 to all member school districts proportionally based on the formula  
19 students used in the most recent certification of state aid  
20 pursuant to section 79-1022.

21 Any amounts distributed pursuant to this section shall be  
22 used by the member school districts for special building funds.

23 Sec. 12. Section 79-10,120, Revised Statutes Supplement,  
24 2007, is amended to read:

25 79-10,120 The school board or board of education of a

1 Class II, III, IV, V, or VI school district may establish a  
2 special fund for purposes of acquiring sites for school buildings  
3 or teacherages, purchasing existing buildings for use as school  
4 buildings or teacherages, including the sites upon which such  
5 buildings are located, and the erection, alteration, equipping,  
6 and furnishing of school buildings or teacherages and additions  
7 to school buildings for elementary and high school grades and  
8 for no other purpose. For school districts that are not members  
9 of learning communities, the fund shall be established from the  
10 proceeds of an annual levy, to be determined by the board, of  
11 not to exceed fourteen cents on each one hundred dollars upon  
12 the taxable value of all taxable property in the district which  
13 shall be in addition to any other taxes authorized to be levied  
14 for school purposes. Such tax shall be levied and collected as  
15 are other taxes for school purposes. For school districts that are  
16 members of a learning community, such fund shall be established  
17 from the proceeds of the learning community special building funds  
18 levy directed to the school district for such purpose pursuant  
19 to subdivision ~~(2)(g)~~ (2)(i) of section 77-3442 and the proceeds  
20 of any school district special building fund levy pursuant to  
21 subdivision (2)(c) of section 77-3442.

22           Sec. 13. Section 79-2111, Revised Statutes Supplement,  
23 2007, is amended to read:

24           79-2111 (1) A learning community may levy a maximum levy  
25 pursuant to subdivision ~~(2)(h)~~ (2)(j) of section 77-3442 for the

1 purchase, construction, or remodeling of elementary learning center  
2 facilities and up to fifty percent of the estimated costs for  
3 capital projects approved pursuant to this section. The proceeds  
4 from such levy shall be used for elementary learning center  
5 facilities and for one-time reductions of the bonded indebtedness  
6 required for approved projects up to fifty percent of the estimated  
7 cost of the approved project. The funds used for reductions of  
8 bonded indebtedness shall be transferred to the school district  
9 for which the project was approved and shall be deposited in such  
10 school district's special building fund for use on such project.

11 (2) The learning community may approve pursuant to this  
12 section funding for capital projects which will include the  
13 purchase, construction, or remodeling of facilities for (a) a focus  
14 school or program designed to meet the requirements of section  
15 79-769 or (b) a school or program that will otherwise specifically  
16 attract a more economically and culturally diverse student body  
17 than would otherwise attend a school or program in a facility at  
18 that location. Such approval shall include an estimated cost for  
19 the project and shall state the amount that will be provided by the  
20 learning community for such project.

21 (3) If, within the ten years following receipt of the  
22 funding for a capital project pursuant to this section, a school  
23 district receiving such funding uses the facility purchased,  
24 constructed, or remodeled with such funding for purposes other  
25 than those stated to qualify for the funds, the school district

1 shall repay such funds to the learning community with interest at  
2 the rate prescribed in section 45-104.02 accruing from the date  
3 the funds were transferred to the school district's building fund  
4 as of the last date the facility was used for such purpose as  
5 determined by the learning community coordinating council or the  
6 date that the learning community coordinating council determines  
7 that the facility will not be used for such purpose or that  
8 such facility will not be purchased, constructed, or remodeled  
9 for such purpose. Interest shall continue to accrue on outstanding  
10 balances until the repayment has been completed. The remaining  
11 terms of repayment shall be determined by the learning community  
12 coordinating council. The learning community coordinating council  
13 may waive such repayment if the facility is used for a different  
14 (a) focus school or program or (b) school or program that will  
15 specifically attract a more economically and culturally diverse  
16 student body than would attend a school or program in a facility at  
17 that location for a period of time that will result in the use of  
18 the facility for qualifying purposes for a total of at least ten  
19 years.

20           Sec. 14. Original section 77-3443, Reissue Revised  
21 Statutes of Nebraska, and sections 77-3442, 77-3444, 79-1028,  
22 79-1073.01, 79-10,120, and 79-2111, Revised Statutes Supplement,  
23 2007, are repealed.