

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIRST LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 22

Introduced by Friend, 10.

Read first time January 8, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 79-1225, Reissue Revised Statutes of Nebraska, and
3 section 77-3442, Revised Statutes Cumulative Supplement,
4 2008; to change the tax levy authority of educational
5 service units and school districts as prescribed; and to
6 repeal the original sections.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

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

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

13 (b) For each fiscal year, learning communities may levy
14 a maximum levy for the general fund budgets of member school
15 districts of ninety-five cents per one hundred dollars of taxable
16 valuation of property subject to the levy. The proceeds from the
17 levy pursuant to this subdivision shall be distributed pursuant to
18 section 79-1073.

19 (c) Except as provided in subdivision (2) (e) of this
20 section, for each fiscal year, school districts that are members
21 of learning communities may levy for purposes of such districts'
22 general fund budget and special building funds a maximum combined
23 levy of the difference of one dollar and five cents on each one
24 hundred dollars of taxable property subject to the levy minus
25 the learning community levies pursuant to subdivisions (2) (b) and

1 (2)(g) of this section for such learning community.

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

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

22 (f) For school fiscal year 2002-03 through school fiscal
23 year 2007-08, school districts and multiple-district school systems
24 may, upon a three-fourths majority vote of the school board of
25 the school district, the board of the unified system, or the

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

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

20 (h) For each fiscal year, learning communities may levy
21 a maximum levy of five cents on each one hundred dollars of
22 taxable property subject to the levy for elementary learning center
23 facilities and for up to fifty percent of the estimated cost for
24 capital projects approved by the learning community coordinating
25 council pursuant to section 79-2111.

1 (i) Excluded from the limitations in subdivisions (2) (a)
2 and (2) (c) of this section are amounts levied by any school
3 district served by an educational service unit which has no
4 property tax levying authority which may levy an additional one
5 and one-half cents per one hundred dollars of taxable valuation of
6 property subject to the levy.

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

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

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

24 (c) In addition, natural resources districts located in
25 a river basin, subbasin, or reach that has been determined to

1 be fully appropriated pursuant to section 46-714 or designated
2 as overappropriated pursuant to section 46-713 by the Department
3 of Natural Resources shall also have the power and authority to
4 levy a tax equal to the dollar amount by which their restricted
5 funds budgeted to administer and implement ground water management
6 activities and integrated management activities under the Nebraska
7 Ground Water Management and Protection Act exceed their restricted
8 funds budgeted to administer and implement ground water management
9 activities and integrated management activities for FY2005-06, not
10 to exceed three cents on each one hundred dollars of taxable
11 valuation on all of the taxable property within the district for
12 fiscal year 2006-07 and each fiscal year thereafter through fiscal
13 year 2011-12.

14 (5) Any educational service unit authorized to levy
15 a property tax pursuant to section 79-1225 and which does not
16 have any member school districts which are members of a learning
17 community may levy a maximum levy of one and one-half cents per
18 one hundred dollars of taxable valuation of property subject to the
19 levy.

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

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

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

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

1 subject to the levy.

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

1 allocation by a county would cause another county to exceed its
2 levy authority under this section, the second county may exceed the
3 levy authority in order to levy the amount allocated.

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

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

23 (11) The limitations on tax levies provided in this
24 section are to include all other general or special levies
25 provided by law. Notwithstanding other provisions of law, the

1 only exceptions to the limits in this section are those provided by
2 or authorized by sections 77-3442 to 77-3444.

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

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

9 (14) For school districts that file a binding resolution
10 on or before May 9, 2008, with the county assessors, county clerks,
11 and county treasurers for all counties in which the school district
12 has territory pursuant to subsection (7) of section 79-458, if the
13 combined levies, except levies for bonded indebtedness approved by
14 the voters of the school district and levies for the refinancing
15 of such bonded indebtedness, are in excess of the greater of (a)
16 one dollar and twenty cents per one hundred dollars of taxable
17 valuation of property subject to the levy or (b) the maximum
18 levy authorized by a vote pursuant to section 77-3444, all school
19 district levies, except levies for bonded indebtedness approved by
20 the voters of the school district and levies for the refinancing of
21 such bonded indebtedness, shall be considered unauthorized levies
22 under section 77-1606.

23 Sec. 2. Section 79-1225, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-1225 (1) After the adoption of its budget statement,

1 the board for each educational service unit which does not have any
2 member school districts which are members of a learning community,
3 except as provided in subsection (2) of this section, may levy
4 a tax in the amount which it requires under its adopted budget
5 statement to be received from taxation. The levy shall be subject
6 to the limits established by section 77-3442. The amount of such
7 levy shall be certified by the secretary of the educational service
8 unit board to the county board of equalization of each county
9 in which any part of the geographical area of the educational
10 service unit is located on or before September 20 of each year.
11 Such tax shall be levied and assessed in the same manner as other
12 property taxes and entered on the books of the county treasurer.
13 The proceeds of such tax, as collected, shall be remitted to the
14 treasurer of the board on or before the fifteenth day of each month
15 or more frequently as provided in section 77-1759.

16 (2) For fiscal year 2013-14 and each fiscal year
17 thereafter, only an educational service unit which has two or
18 more member school districts may levy a tax on the taxable value
19 of the taxable property within the geographic boundaries of the
20 educational service unit.

21 Sec. 3. Original section 79-1225, Reissue Revised
22 Statutes of Nebraska, and section 77-3442, Revised Statutes
23 Cumulative Supplement, 2008, are repealed.