

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 430**

Introduced by Cornett, 45.

Read first time January 14, 2011

Committee: Revenue

A BILL

- 1 FOR AN ACT relating to revenue and taxation; to amend section
- 2                   77-3442, Revised Statutes Cumulative Supplement, 2010; to
- 3                   change property tax levy limitations as prescribed; and
- 4                   to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 77-3442, Revised Statutes Cumulative  
2 Supplement, 2010, 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 of  
10 learning communities, may levy a maximum levy of one dollar and five  
11 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 a  
14 maximum levy for the general fund budgets of member school districts  
15 of ninety-five cents per one hundred dollars of taxable valuation of  
16 property subject to the levy. The proceeds from the levy pursuant to  
17 this subdivision shall be distributed pursuant to section 79-1073.

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

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

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

20           (f) For school fiscal year 2002-03 through school fiscal  
21 year 2007-08, school districts and multiple-district school systems  
22 may, upon a three-fourths majority vote of the school board of the  
23 school district, the board of the unified system, or the school board  
24 of the high school district of the multiple-district school system  
25 that is not a unified system, exceed the maximum levy prescribed by

1 subdivision (2)(a) of this section in an amount equal to the net  
2 difference between the amount of state aid that would have been  
3 provided under the Tax Equity and Educational Opportunities Support  
4 Act without the temporary aid adjustment factor as defined in section  
5 79-1003 for the ensuing school fiscal year for the school district or  
6 multiple-district school system and the amount provided with the  
7 temporary aid adjustment factor. The State Department of Education  
8 shall certify to the school districts and multiple-district school  
9 systems the amount by which the maximum levy may be exceeded for the  
10 next school fiscal year pursuant to this subdivision (f) of this  
11 subsection on or before February 15 for school fiscal years 2004-05  
12 through 2007-08.

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

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

25 (i) For each fiscal year, learning communities may levy a

1 maximum levy of one cent on each one hundred dollars of taxable  
2 property subject to the levy for elementary learning center  
3 employees, for contracts with other entities or individuals who are  
4 not employees of the learning community for elementary learning  
5 center programs and services, and for pilot projects, except that no  
6 more than ten percent of such levy may be used for elementary  
7 learning center employees.

8 (3)(a) For fiscal years prior to fiscal year 2010-11,  
9 community colleges may levy a maximum levy calculated pursuant to the  
10 Community College Foundation and Equalization Aid Act on each one  
11 hundred dollars of taxable property subject to the levy.

12 (b) For fiscal year 2010-11 and each fiscal year  
13 thereafter, in lieu of the calculation of a maximum levy for  
14 operating expenditures pursuant to the Community College Foundation  
15 and Equalization Aid Act, community colleges may levy a maximum of  
16 ten and one-quarter cents per one hundred dollars of taxable  
17 valuation of property subject to the levy for operating expenditures  
18 and may also levy the additional levies provided in subsection (2) of  
19 section 85-1517.

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

23 (b) Natural resources districts shall also have the power  
24 and authority to levy a tax equal to the dollar amount by which their  
25 restricted funds budgeted to administer and implement ground water

1 management activities and integrated management activities under the  
2 Nebraska Ground Water Management and Protection Act exceed their  
3 restricted funds budgeted to administer and implement ground water  
4 management activities and integrated management activities for  
5 FY2003-04, not to exceed one cent on each one hundred dollars of  
6 taxable valuation annually on all of the taxable property within the  
7 district.

8 (c) In addition, natural resources districts located in a  
9 river basin, subbasin, or reach that has been determined to be fully  
10 appropriated pursuant to section 46-714 or designated as  
11 overappropriated pursuant to section 46-713 by the Department of  
12 Natural Resources shall also have the power and authority to levy a  
13 tax equal to the dollar amount by which their restricted funds  
14 budgeted to administer and implement ground water management  
15 activities and integrated management activities under the Nebraska  
16 Ground Water Management and Protection Act exceed their restricted  
17 funds budgeted to administer and implement ground water management  
18 activities and integrated management activities for FY2005-06, not to  
19 exceed three cents on each one hundred dollars of taxable valuation  
20 on all of the taxable property within the district for fiscal year  
21 2006-07 and each fiscal year thereafter through fiscal year 2011-12.

22 (5) Any educational service unit authorized to levy a  
23 property tax pursuant to section 79-1225 may levy a maximum levy of  
24 one and one-half cents per one hundred dollars of taxable valuation  
25 of property subject to the levy.

1                   (6)(a) Incorporated cities and villages which are not  
2 within the boundaries of a municipal county may levy a maximum levy  
3 of forty-five cents per one hundred dollars of taxable valuation of  
4 property subject to the levy plus an additional five cents per one  
5 hundred dollars of taxable valuation to provide financing for the  
6 municipality's share of revenue required under an agreement or  
7 agreements executed pursuant to the Interlocal Cooperation Act or the  
8 Joint Public Agency Act. The maximum levy shall include amounts  
9 levied to pay for sums to support a library pursuant to section  
10 51-201, museum pursuant to section 51-501, visiting community nurse,  
11 home health nurse, or home health agency pursuant to section 71-1637,  
12 or statue, memorial, or monument pursuant to section 80-202.

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

22                   (7) Sanitary and improvement districts which have been in  
23 existence for more than five years may levy a maximum levy of forty  
24 cents per one hundred dollars of taxable valuation of property  
25 subject to the levy, and sanitary and improvement districts which

1 have been in existence for five years or less shall not have a  
2 maximum levy. Unconsolidated sanitary and improvement districts which  
3 have been in existence for more than five years and are located in a  
4 municipal county may levy a maximum of eighty-five cents per hundred  
5 dollars of taxable valuation of property subject to the levy.

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

1 political subdivision for the purpose of supporting that political  
2 subdivision's share of revenue required under an agreement or  
3 agreements executed pursuant to the Interlocal Cooperation Act or the  
4 Joint Public Agency Act. If an allocation by a county would cause  
5 another county to exceed its levy authority under this section, the  
6 second county may exceed the levy authority in order to levy the  
7 amount allocated. Property tax levies for costs of reassumption of  
8 the assessment function pursuant to section 77-1340 or 77-1340.04 are  
9 not included in the levy limits established in this subsection for  
10 fiscal years 2010-11 through 2013-14.

11 (9) Municipal counties may levy or authorize a maximum  
12 levy of one dollar per one hundred dollars of taxable valuation of  
13 property subject to the levy. The municipal county may allocate levy  
14 authority to any political subdivision or entity subject to  
15 allocation under section 77-3443.

16 (10) Property tax levies (a) for judgments, except  
17 judgments or orders from the Commission of Industrial Relations,  
18 obtained against a political subdivision which require or obligate a  
19 political subdivision to pay such judgment, to the extent such  
20 judgment is not paid by liability insurance coverage of a political  
21 subdivision, (b) for preexisting lease-purchase contracts approved  
22 prior to July 1, 1998, (c) for ~~bonded indebtedness~~ bonds as defined  
23 in section 10-134 approved according to law and secured by a levy on  
24 property except as provided in section 44-4317 for bonded  
25 indebtedness issued by educational service units and school

1 districts, and (d) for payments by a public airport to retire  
2 interest-free loans from the Department of Aeronautics in lieu of  
3 bonded indebtedness at a lower cost to the public airport are not  
4 included in the levy limits established by this section.

5 (11) The limitations on tax levies provided in this  
6 section are to include all other general or special levies provided  
7 by law. Notwithstanding other provisions of law, the only exceptions  
8 to the limits in this section are those provided by or authorized by  
9 sections 77-3442 to 77-3444.

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

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

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

1   except levies for bonded indebtedness approved by the voters of the  
2   school district and levies for the refinancing of such bonded  
3   indebtedness, shall be considered unauthorized levies under section  
4   77-1606.

5                   Sec. 2. Original section 77-3442, Revised Statutes  
6   Cumulative Supplement, 2010, is repealed.