

LEGISLATURE OF NEBRASKA
ONE HUNDRED SECOND LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 527

Introduced by Carlson, 38.

Read first time January 18, 2011

Committee: Revenue

A BILL

1 FOR AN ACT relating to natural resources districts; to amend sections
2 2-3225 and 77-3442, Revised Statutes Cumulative
3 Supplement, 2010; to change tax levy authority as
4 prescribed; and to repeal the original sections.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-3225, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

3 2-3225 (1)(a) Each district shall have the power and
4 authority to levy a tax of not to exceed four and one-half cents on
5 each one hundred dollars of taxable valuation annually on all of the
6 taxable property within such district unless a higher levy is
7 authorized pursuant to section 77-3444.

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

17 (c) In addition to the power and authority granted in
18 subdivisions (1)(a) and (b) of this section, each district located in
19 a river basin, subbasin, or reach that has been determined to be
20 fully appropriated pursuant to section 46-714, that has been ~~or~~
21 designated overappropriated pursuant to section 46-713 by the
22 Department of Natural Resources, or that received a preliminary or
23 final determination of fully appropriated and a status change occurs
24 pursuant to section 46-714 shall also have the power and authority to
25 levy a tax equal to the dollar amount by which its restricted funds

1 budgeted to administer and implement ground water management
2 activities and integrated management activities under the Nebraska
3 Ground Water Management and Protection Act exceed its restricted
4 funds budgeted to administer and implement ground water management
5 activities and integrated management activities for FY2005-06, not to
6 exceed three cents on each one hundred dollars of taxable valuation
7 on all of the taxable property within the district for fiscal year
8 2006-07 and each fiscal year thereafter through fiscal year ~~2011-12-~~
9 2016-17.

10 (d) In addition to the power and authority granted in
11 subdivisions (a) through (c) of this subsection, a district with
12 jurisdiction that includes a river subject to an interstate compact
13 among three or more states and that also includes one or more
14 irrigation districts within the compact river basin may annually levy
15 a tax not to exceed ten cents per one hundred dollars of taxable
16 valuation of all taxable property in the district. The proceeds of
17 such tax may be used for the payment of principal and interest on
18 bonds and refunding bonds issued pursuant to section 2-3226.01 or for
19 the repayment of financial assistance received by the district
20 pursuant to section 2-3226.07. Such levy is not includable in the
21 computation of other limitations upon the district's tax levy.

22 (2) The proceeds of the tax levies authorized in
23 subdivisions (1)(a) through (c) of this section shall be used,
24 together with any other funds which the district may receive from any
25 source, for the operation of the district. When adopted by the board,

1 the tax levies authorized in subdivisions (1)(a) through (d) of this
2 section shall be certified by the secretary to the county clerk of
3 each county which in whole or in part is included within the
4 district. Such levy shall be handled by the counties in the same
5 manner as other levies, and proceeds shall be remitted to the
6 district treasurer. Such levy shall not be considered a part of the
7 general county levy and shall not be considered in connection with
8 any limitation on levies of such counties.

9 Sec. 2. Section 77-3442, Revised Statutes Cumulative
10 Supplement, 2010, is amended to read:

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

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

21 (b) For each fiscal year, learning communities may levy a
22 maximum levy for the general fund budgets of member school districts
23 of ninety-five cents per one hundred dollars of taxable valuation of
24 property subject to the levy. The proceeds from the levy pursuant to
25 this subdivision shall be distributed pursuant to 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 of
3 learning communities may levy for purposes of such districts' general
4 fund budget and special building funds a maximum combined levy of the
5 difference of one dollar and five cents on each one hundred dollars
6 of taxable property subject to the levy minus the learning community
7 levies pursuant to subdivisions (2)(b) and (2)(g) of this section for
8 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 sums agreed
11 to be paid by a school district to certificated employees in exchange
12 for a voluntary termination of employment and amounts levied to pay
13 for special building funds and sinking funds established for projects
14 commenced prior to April 1, 1996, for construction, expansion, or
15 alteration of school district buildings. For purposes of this
16 subsection, commenced means any action taken by the school board on
17 the record which commits the board to expend district funds in
18 planning, constructing, or carrying out the project.

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

1 sources pursuant to Title VIII of Public Law 103-382, as such title
2 existed on September 1, 2001.

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

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

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

8 (i) For each fiscal year, learning communities may levy a
9 maximum levy of one cent on each one hundred dollars of taxable
10 property subject to the levy for elementary learning center
11 employees, for contracts with other entities or individuals who are
12 not employees of the learning community for elementary learning
13 center programs and services, and for pilot projects, except that no
14 more than ten percent of such levy may be used for elementary
15 learning center employees.

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

20 (b) For fiscal year 2010-11 and each fiscal year
21 thereafter, in lieu of the calculation of a maximum levy for
22 operating expenditures pursuant to the Community College Foundation
23 and Equalization Aid Act, community colleges may levy a maximum of
24 ten and one-quarter cents per one hundred dollars of taxable
25 valuation of property subject to the levy for operating expenditures

1 and may also levy the additional levies provided in subsection (2) of
2 section 85-1517.

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

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

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

1 Ground Water Management and Protection Act exceed their restricted
2 funds budgeted to administer and implement ground water management
3 activities and integrated management activities for FY2005-06, not to
4 exceed three cents on each one hundred dollars of taxable valuation
5 on all of the taxable property within the district for fiscal year
6 2006-07 and each fiscal year thereafter through fiscal year ~~2011-12.~~
7 2016-17.

8 (5) Any educational service unit authorized to levy a
9 property tax pursuant to section 79-1225 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 of
15 property subject to the levy plus an additional five cents per one
16 hundred dollars of taxable valuation to provide financing for the
17 municipality's share of revenue required under an agreement or
18 agreements executed pursuant to the Interlocal Cooperation Act or the
19 Joint Public Agency Act. The maximum levy shall include amounts
20 levied to pay for sums to support a library pursuant to section
21 51-201, museum pursuant to section 51-501, visiting community nurse,
22 home health nurse, or home health agency pursuant to section 71-1637,
23 or statue, memorial, or monument pursuant to section 80-202.

24 (b) Incorporated cities and villages which are within the
25 boundaries of a municipal county may levy a maximum levy of ninety

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

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

17 (8) Counties may levy or authorize a maximum levy of
18 fifty cents per one hundred dollars of taxable valuation of property
19 subject to the levy, except that five cents per one hundred dollars
20 of taxable valuation of property subject to the levy may only be
21 levied to provide financing for the county's share of revenue
22 required under an agreement or agreements executed pursuant to the
23 Interlocal Cooperation Act or the Joint Public Agency Act. The
24 maximum levy shall include amounts levied to pay for sums to support
25 a library pursuant to section 51-201 or museum pursuant to section

1 51-501. The county may allocate up to fifteen cents of its authority
2 to other political subdivisions subject to allocation of property tax
3 authority under subsection (1) of section 77-3443 and not
4 specifically covered in this section to levy taxes as authorized by
5 law which do not collectively exceed fifteen cents per one hundred
6 dollars of taxable valuation on any parcel or item of taxable
7 property. The county may allocate to one or more other political
8 subdivisions subject to allocation of property tax authority by the
9 county under subsection (1) of section 77-3443 some or all of the
10 county's five cents per one hundred dollars of valuation authorized
11 for support of an agreement or agreements to be levied by the
12 political subdivision for the purpose of supporting that political
13 subdivision's share of revenue required under an agreement or
14 agreements executed pursuant to the Interlocal Cooperation Act or the
15 Joint Public Agency Act. If an allocation by a county would cause
16 another county to exceed its levy authority under this section, the
17 second county may exceed the levy authority in order to levy the
18 amount allocated. Property tax levies for costs of reassumption of
19 the assessment function pursuant to section 77-1340 or 77-1340.04 are
20 not included in the levy limits established in this subsection for
21 fiscal years 2010-11 through 2013-14.

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

1 allocation under section 77-3443.

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

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

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

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

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

15 Sec. 3. Original sections 2-3225 and 77-3442, Revised
16 Statutes Cumulative Supplement, 2010, are repealed.