

AMENDMENTS TO LB640

(Amendments to Standing Committee amendments, AM752)

Introduced by Groene, 42.

1           1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:

3           Section 1. Section 77-3442, Revised Statutes Supplement, 2017, is  
4 amended to read:

5           77-3442 (1) Property tax levies for the support of local governments  
6 for fiscal years beginning on or after July 1, 1998, shall be limited to  
7 the amounts set forth in this section except as provided in section  
8 77-3444.

9           (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this  
10 section, school districts and multiple-district school systems may levy a  
11 maximum levy of (i) for fiscal years prior to fiscal year 2019-20, one  
12 dollar and five cents, and (ii) for fiscal year 2019-20 and each fiscal  
13 year thereafter, ninety-eight and seven-tenths cents, per one hundred  
14 dollars of taxable valuation of property subject to the levy.

15           (b) For each fiscal year prior to fiscal year 2017-18, learning  
16 communities may levy a maximum levy for the general fund budgets of  
17 member school districts of ninety-five cents per one hundred dollars of  
18 taxable valuation of property subject to the levy. The proceeds from the  
19 levy pursuant to this subdivision shall be distributed pursuant to  
20 section 79-1073.

21           (c) Except as provided in subdivision (2)(e) of this section, for  
22 each fiscal year prior to fiscal year 2017-18, school districts that are  
23 members of learning communities may levy for purposes of such districts'  
24 general fund budget and special building funds a maximum combined levy of  
25 the difference of one dollar and five cents on each one hundred dollars  
26 of taxable property subject to the levy minus the learning community levy

1 pursuant to subdivision (2)(b) of this section for such learning  
2 community.

3 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
4 of this section are (i) amounts levied to pay for current and future sums  
5 agreed to be paid by a school district to certificated employees in  
6 exchange for a voluntary termination of employment occurring prior to  
7 September 1, 2017, (ii) amounts levied by a school district otherwise at  
8 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
9 for current and future qualified voluntary termination incentives for  
10 certificated teachers pursuant to subsection (3) of section 79-8,142 that  
11 are not otherwise included in an exclusion pursuant to subdivision (2)(d)  
12 of this section, (iii) amounts levied by a school district otherwise at  
13 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
14 for seventy-five percent of the current and future sums agreed to be paid  
15 to certificated employees in exchange for a voluntary termination of  
16 employment occurring between September 1, 2017, and August 31, 2018, as a  
17 result of a collective-bargaining agreement in force and effect on  
18 September 1, 2017, that are not otherwise included in an exclusion  
19 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a  
20 school district otherwise at the maximum levy pursuant to subdivision (2)  
21 (a) of this section to pay for fifty percent of the current and future  
22 sums agreed to be paid to certificated employees in exchange for a  
23 voluntary termination of employment occurring between September 1, 2018,  
24 and August 31, 2019, as a result of a collective-bargaining agreement in  
25 force and effect on September 1, 2017, that are not otherwise included in  
26 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts  
27 levied by a school district otherwise at the maximum levy pursuant to  
28 subdivision (2)(a) of this section to pay for twenty-five percent of the  
29 current and future sums agreed to be paid to certificated employees in  
30 exchange for a voluntary termination of employment occurring between  
31 September 1, 2019, and August 31, 2020, as a result of a collective-

1 bargaining agreement in force and effect on September 1, 2017, that are  
2 not otherwise included in an exclusion pursuant to subdivision (2)(d) of  
3 this section, (vi) amounts levied in compliance with sections 79-10,110  
4 and 79-10,110.02, and (vii) amounts levied to pay for special building  
5 funds and sinking funds established for projects commenced prior to April  
6 1, 1996, for construction, expansion, or alteration of school district  
7 buildings. For purposes of this subsection, commenced means any action  
8 taken by the school board on the record which commits the board to expend  
9 district funds in planning, constructing, or carrying out the project.

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

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

25 (g) For each fiscal year, learning communities may levy a maximum  
26 levy of one and one-half cents on each one hundred dollars of taxable  
27 property subject to the levy for early childhood education programs for  
28 children in poverty, for elementary learning center employees, for  
29 contracts with other entities or individuals who are not employees of the  
30 learning community for elementary learning center programs and services,  
31 and for pilot projects, except that no more than ten percent of such levy

1 may be used for elementary learning center employees.

2 (3) For each fiscal year, community college areas may levy the  
3 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in  
4 accordance with the provisions of such subdivisions. A community college  
5 area may exceed the levy provided in subdivision (2)(b) of section  
6 85-1517 by the amount necessary to retire general obligation bonds  
7 assumed by the community college area or issued pursuant to section  
8 85-1515 according to the terms of such bonds or for any obligation  
9 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

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

22 (c) In addition, natural resources districts located in a river  
23 basin, subbasin, or reach that has been determined to be fully  
24 appropriated pursuant to section 46-714 or designated as overappropriated  
25 pursuant to section 46-713 by the Department of Natural Resources shall  
26 also have the power and authority to levy a tax equal to the dollar  
27 amount by which their restricted funds budgeted to administer and  
28 implement ground water management activities and integrated management  
29 activities under the Nebraska Ground Water Management and Protection Act  
30 exceed their restricted funds budgeted to administer and implement ground  
31 water management activities and integrated management activities for

1 FY2005-06, not to exceed three cents on each one hundred dollars of  
2 taxable valuation on all of the taxable property within the district for  
3 fiscal year 2006-07 and each fiscal year thereafter through fiscal year  
4 2017-18.

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

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

21 (b) Incorporated cities and villages which are within the boundaries  
22 of a municipal county may levy a maximum levy of ninety cents per one  
23 hundred dollars of taxable valuation of property subject to the levy. The  
24 maximum levy shall include amounts paid to a municipal county for county  
25 services, amounts levied to pay for sums to support a library pursuant to  
26 section 51-201, a museum pursuant to section 51-501, a visiting community  
27 nurse, home health nurse, or home health agency pursuant to section  
28 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

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

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

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

31 (9) Municipal counties may levy or authorize a maximum levy of one

1 dollar per one hundred dollars of taxable valuation of property subject  
2 to the levy. The municipal county may allocate levy authority to any  
3 political subdivision or entity subject to allocation under section  
4 77-3443.

5 (10) Beginning July 1, 2016, rural and suburban fire protection  
6 districts may levy a maximum levy of ten and one-half cents per one  
7 hundred dollars of taxable valuation of property subject to the levy if  
8 (a) such district is located in a county that had a levy pursuant to  
9 subsection (8) of this section in the previous year of at least forty  
10 cents per one hundred dollars of taxable valuation of property subject to  
11 the levy or (b) for any rural or suburban fire protection district that  
12 had a levy request pursuant to section 77-3443 in the previous year, the  
13 county board of the county in which the greatest portion of the valuation  
14 of such district is located did not authorize any levy authority to such  
15 district in the previous year.

16 (11) Property tax levies (a) for judgments, except judgments or  
17 orders from the Commission of Industrial Relations, obtained against a  
18 political subdivision which require or obligate a political subdivision  
19 to pay such judgment, to the extent such judgment is not paid by  
20 liability insurance coverage of a political subdivision, (b) for  
21 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)  
22 for bonds as defined in section 10-134 approved according to law and  
23 secured by a levy on property except as provided in section 44-4317 for  
24 bonded indebtedness issued by educational service units and school  
25 districts, and (d) for payments by a public airport to retire interest-  
26 free loans from the Division of Aeronautics of the Department of  
27 Transportation in lieu of bonded indebtedness at a lower cost to the  
28 public airport are not included in the levy limits established by this  
29 section.

30 (12) The limitations on tax levies provided in this section are to  
31 include all other general or special levies provided by law.

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

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

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

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

23 Sec. 2. Section 77-4209, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 77-4209 Sections 77-4209 to 77-4212 and sections 4, 5, and 6 of this  
26 act shall be known and may be cited as the Property Tax Credit Act.

27 Sec. 3. Section 77-4210, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 77-4210 The purpose of the Property Tax Credit Act is to provide  
30 property tax relief for property taxes levied against real property.—The  
31 ~~property tax relief will be made to owners of real property in the form~~



1 ~~of a property tax credit.~~

2       Sec. 4. (1) On or before January 30, 2019, and on or before January  
3 30 of each year thereafter, the Department of Revenue shall determine the  
4 minimum amount necessary to be appropriated to the Property Tax Credit  
5 Cash Fund to carry out the requirements of the Property Tax Credit Act  
6 for the ensuing fiscal year and shall certify the amounts to the  
7 Governor, the Appropriations Committee of the Legislature, the Revenue  
8 Committee of the Legislature, and the Education Committee of the  
9 Legislature. Each certification submitted to the committees of the  
10 Legislature shall be submitted electronically.

11       (2) The amount certified pursuant to subsection (1) of this section  
12 as the minimum amount necessary to be appropriated to the Property Tax  
13 Credit Cash Fund shall equal the greater of the sum of the amounts  
14 certified to the Department of Revenue by the State Department of  
15 Education to be transferred to the Tax Equity and Educational  
16 Opportunities Fund pursuant to section 5 of this act and to be  
17 distributed as school district property tax relief aid pursuant to  
18 section 6 of this act or two hundred twenty-four million dollars.

19       (3) The Appropriations Committee of the Legislature shall annually  
20 include at least the minimum amount necessary to be appropriated to the  
21 Property Tax Credit Cash Fund as certified pursuant to subsection (1) of  
22 this section in its recommendations to the Legislature to carry out the  
23 requirements of the Property Tax Credit Act.

24       Sec. 5. (1) For tax year 2019 and each tax year thereafter, on or  
25 before January 15 of each such tax year, the State Department of  
26 Education shall certify to the State Treasurer an estimate of the  
27 statewide increase in state aid to be paid to local systems as defined in  
28 section 79-1003 pursuant to the Tax Equity and Educational Opportunities  
29 Support Act resulting from the decrease in the maximum levy for school  
30 districts and multiple-district school systems from one dollar and five  
31 cents to ninety-eight and seven-tenths cents per one hundred dollars of

1 taxable valuation of property subject to the levy.

2 (2) For tax year 2019 and each tax year thereafter, the State  
3 Treasurer shall transfer an amount equal to the statewide increase in  
4 state aid certified pursuant to subsection (1) of this section from the  
5 Property Tax Credit Cash Fund to the Tax Equity and Educational  
6 Opportunities Fund to pay such increase in state aid to local systems.

7 Sec. 6. (1) For tax year 2019 and each tax year thereafter, the  
8 Department of Revenue shall calculate, using data certified by the State  
9 Department of Education, and distribute school district property tax  
10 relief aid pursuant to this section for each local system that qualifies  
11 pursuant to subsection (2) of this section.

12 (2) A local system shall qualify for school district property tax  
13 relief aid pursuant to this section for each tax year when, for the most  
14 recently available complete data year as of January 1 of such tax year,  
15 the general fund property tax receipts exceed fifty-five percent of the  
16 total general fund revenue for such local system.

17 (3) For each tax year, the property tax gap for each local system  
18 that qualifies for school district property tax relief aid shall equal  
19 the general fund property tax receipts minus fifty-five percent of the  
20 total general fund revenue for such local system for the most recently  
21 available complete data year as of January 1 of such tax year.

22 (4) Except as otherwise provided in this section, each local system  
23 that qualifies pursuant to section (2) of this subsection for each tax  
24 year shall be paid school district property tax relief aid from the  
25 Property Tax Credit Cash Fund equal to seventy-five percent of the school  
26 district property tax gap for such local system.

27 (5) Each school district in a local system receiving school district  
28 property tax relief aid shall decrease the estimated amount to be raised  
29 from taxation of personal and real property shown on the proposed budget  
30 statement pursuant to section 13-505 by the amount of such aid to be  
31 received.

1       (6) For purposes of this section, local system and most recently  
2 available complete data year have the definitions found in section  
3 79-1003. School district property tax relief aid paid pursuant to this  
4 section shall be considered a general fund property tax receipt for  
5 purposes of calculations pursuant to subsections (2) and (3) of this  
6 section and shall be considered a state receipt for all other purposes,  
7 including the annual financial report.

8       (7) For tax year 2019 and each tax year thereafter, on or before  
9 January 15 of such tax year, the State Department of Education shall  
10 certify to the Department of Revenue the general fund property tax  
11 receipts, including any school district property tax relief aid, and the  
12 total general fund revenue for each local system for the most recently  
13 available complete data year as of January 1 of such tax year to use in  
14 calculations pursuant to this section.

15       (8) The Department of Revenue may adopt and promulgate rules and  
16 regulations to carry out this section.

17       Sec. 7. Section 77-4212, Revised Statutes Supplement, 2017, is  
18 amended to read:

19       ~~77-4212 (1) For tax year 2007, the amount of relief granted under~~  
20 ~~the Property Tax Credit Act shall be one hundred five million dollars.~~  
21 ~~For tax year 2008, the amount of relief granted under the act shall be~~  
22 ~~one hundred fifteen million dollars. It is the intent of the Legislature~~  
23 ~~to fund the Property Tax Credit Act for tax years after tax year 2008~~  
24 ~~using available revenue. For tax years year 2017 and 2018, the amount of~~  
25 relief granted through property tax credits under this section the act  
26 shall be two hundred twenty-four million dollars. For tax year 2019 and  
27 each tax year thereafter, the amount of relief granted through property  
28 tax credits under this section shall be the amount available in the  
29 Property Tax Credit Cash Fund after transferring funds to the Tax Equity  
30 and Educational Opportunities Fund pursuant to section 5 of this act and  
31 distributing funds as school district property tax relief aid pursuant to

1 section 6 of this act. The relief pursuant to this section shall be in  
2 the form of a property tax credit which appears on the property tax  
3 statement.

4 (2)(a) For tax years prior to tax year 2017, to determine the amount  
5 of the property tax credit, the county treasurer shall multiply the  
6 amount disbursed to the county under subdivision (4)(a) of this section  
7 by the ratio of the real property valuation of the parcel to the total  
8 real property valuation in the county. The amount determined shall be the  
9 property tax credit for the property.

10 (b) Beginning with tax year 2017, to determine the amount of the  
11 property tax credit, the county treasurer shall multiply the amount  
12 disbursed to the county under subdivision (4)(b) of this section by the  
13 ratio of the credit allocation valuation of the parcel to the total  
14 credit allocation valuation in the county. The amount determined shall be  
15 the property tax credit for the property.

16 (3) If the real property owner qualifies for a homestead exemption  
17 under sections 77-3501 to 77-3529, the owner shall also be qualified for  
18 the relief provided in the act to the extent of any remaining liability  
19 after calculation of the relief provided by the homestead exemption. If  
20 the credit results in a property tax liability on the homestead that is  
21 less than zero, the amount of the credit which cannot be used by the  
22 taxpayer shall be returned to the State Treasurer by July 1 of the year  
23 the amount disbursed to the county was disbursed. The State Treasurer  
24 shall immediately credit any funds returned under this subsection to the  
25 Property Tax Credit Cash Fund. Upon the return of any funds under this  
26 subsection, the county treasurer shall electronically file a report with  
27 the Property Tax Administrator, on a form prescribed by the Tax  
28 Commissioner, indicating the amount of funds distributed to each taxing  
29 unit in the county in the year the funds were returned, any collection  
30 fee retained by the county in such year, and the amount of unused credits  
31 returned.

1           (4)(a) For tax years prior to tax year 2017, the amount disbursed to  
2 each county shall be equal to the amount available for disbursement  
3 determined under subsection (1) of this section multiplied by the ratio  
4 of the real property valuation in the county to the real property  
5 valuation in the state. By September 15, the Property Tax Administrator  
6 shall determine the amount to be disbursed under this subdivision to each  
7 county and certify such amounts to the State Treasurer and to each  
8 county. The disbursements to the counties shall occur in two equal  
9 payments, the first on or before January 31 and the second on or before  
10 April 1. After retaining one percent of the receipts for costs, the  
11 county treasurer shall allocate the remaining receipts to each taxing  
12 unit levying taxes on taxable property in the tax district in which the  
13 real property is located in the same proportion that the levy of such  
14 taxing unit bears to the total levy on taxable property of all the taxing  
15 units in the tax district in which the real property is located.

16           (b) Beginning with tax year 2017, the amount disbursed to each  
17 county shall be equal to the amount available for disbursement determined  
18 under subsection (1) of this section multiplied by the ratio of the  
19 credit allocation valuation in the county to the credit allocation  
20 valuation in the state. By September 15, the Property Tax Administrator  
21 shall determine the amount to be disbursed under this subdivision to each  
22 county and certify such amounts to the State Treasurer and to each  
23 county. The disbursements to the counties shall occur in two equal  
24 payments, the first on or before January 31 and the second on or before  
25 April 1. After retaining one percent of the receipts for costs, the  
26 county treasurer shall allocate the remaining receipts to each taxing  
27 unit based on its share of the credits granted to all taxpayers in the  
28 taxing unit.

29           (5) For purposes of this section, credit allocation valuation means  
30 the taxable value for all real property except agricultural land and  
31 horticultural land, one hundred twenty percent of taxable value for

1 agricultural land and horticultural land that is not subject to special  
2 valuation, and one hundred twenty percent of taxable value for  
3 agricultural land and horticultural land that is subject to special  
4 valuation.

5 ~~(6) The State Treasurer shall transfer from the General Fund to the~~  
6 ~~Property Tax Credit Cash Fund one hundred five million dollars by August~~  
7 ~~1, 2007, and one hundred fifteen million dollars by August 1, 2008.~~

8 ~~(7) The Legislature shall have the power to transfer funds from the~~  
9 ~~Property Tax Credit Cash Fund to the General Fund.~~

10 Sec. 8. Section 79-1001, Revised Statutes Cumulative Supplement,  
11 2016, is amended to read:

12 79-1001 Sections 79-1001 to 79-1033 and section 11 of this act shall  
13 be known and may be cited as the Tax Equity and Educational Opportunities  
14 Support Act.

15 Sec. 9. Section 79-1003, Revised Statutes Supplement, 2017, is  
16 amended to read:

17 79-1003 For purposes of the Tax Equity and Educational Opportunities  
18 Support Act:

19 (1) Adjusted general fund operating expenditures means (a) for  
20 school fiscal years 2013-14 through 2015-16, the difference of the  
21 general fund operating expenditures as calculated pursuant to subdivision  
22 (23) of this section increased by the cost growth factor calculated  
23 pursuant to section 79-1007.10, minus the transportation allowance,  
24 special receipts allowance, poverty allowance, limited English  
25 proficiency allowance, distance education and telecommunications  
26 allowance, elementary site allowance, summer school allowance,  
27 instructional time allowance, teacher education allowance, and focus  
28 school and program allowance, (b) for school fiscal years 2016-17 through  
29 2018-19, the difference of the general fund operating expenditures as  
30 calculated pursuant to subdivision (23) of this section increased by the  
31 cost growth factor calculated pursuant to section 79-1007.10, minus the

1 transportation allowance, special receipts allowance, poverty allowance,  
2 limited English proficiency allowance, distance education and  
3 telecommunications allowance, elementary site allowance, summer school  
4 allowance, and focus school and program allowance, and (c) for school  
5 fiscal year 2019-20 and each school fiscal year thereafter, the  
6 difference of the general fund operating expenditures as calculated  
7 pursuant to subdivision (23) of this section increased by the cost growth  
8 factor calculated pursuant to section 79-1007.10, minus the  
9 transportation allowance, special receipts allowance, poverty allowance,  
10 limited English proficiency allowance, distance education and  
11 telecommunications allowance, elementary site allowance, summer school  
12 allowance, community achievement plan allowance, and focus school and  
13 program allowance;

14 (2) Adjusted valuation means the assessed valuation of taxable  
15 property of each local system in the state, adjusted pursuant to the  
16 adjustment factors described in section 79-1016. Adjusted valuation means  
17 the adjusted valuation for the property tax year ending during the school  
18 fiscal year immediately preceding the school fiscal year in which the aid  
19 based upon that value is to be paid. For purposes of determining the  
20 local effort rate yield pursuant to section 79-1015.01, adjusted  
21 valuation does not include the value of any property which a court, by a  
22 final judgment from which no appeal is taken, has declared to be  
23 nontaxable or exempt from taxation;

24 (3) Allocated income tax funds means the amount of assistance paid  
25 to a local system pursuant to section 79-1005.01 as adjusted, for school  
26 fiscal years prior to school fiscal year 2017-18, by the minimum levy  
27 adjustment pursuant to section 79-1008.02;

28 (4) Average daily membership means the average daily membership for  
29 grades kindergarten through twelve attributable to the local system, as  
30 provided in each district's annual statistical summary, and includes the  
31 proportionate share of students enrolled in a public school instructional

1 program on less than a full-time basis;

2 (5) Base fiscal year means the first school fiscal year following  
3 the school fiscal year in which the reorganization or unification  
4 occurred;

5 (6) Board means the school board of each school district;

6 (7) Categorical funds means funds limited to a specific purpose by  
7 federal or state law, including, but not limited to, Title I funds, Title  
8 VI funds, federal vocational education funds, federal school lunch funds,  
9 Indian education funds, Head Start funds, and funds from the Education  
10 Innovation Fund;

11 (8) Consolidate means to voluntarily reduce the number of school  
12 districts providing education to a grade group and does not include  
13 dissolution pursuant to section 79-498;

14 (9) Converted contract means an expired contract that was in effect  
15 for at least fifteen school years beginning prior to school year 2012-13  
16 for the education of students in a nonresident district in exchange for  
17 tuition from the resident district when the expiration of such contract  
18 results in the nonresident district educating students, who would have  
19 been covered by the contract if the contract were still in effect, as  
20 option students pursuant to the enrollment option program established in  
21 section 79-234;

22 (10) Converted contract option student means a student who will be  
23 an option student pursuant to the enrollment option program established  
24 in section 79-234 for the school fiscal year for which aid is being  
25 calculated and who would have been covered by a converted contract if the  
26 contract were still in effect and such school fiscal year is the first  
27 school fiscal year for which such contract is not in effect;

28 (11) Department means the State Department of Education;

29 (12) District means any Class I, II, III, IV, V, or VI school  
30 district or unified system as defined in section 79-4,108;

31 (13) Ensuing school fiscal year means the school fiscal year



1 following the current school fiscal year;

2 (14) Equalization aid means the amount of assistance calculated to  
3 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,  
4 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

5 (15) Fall membership means the total membership in kindergarten  
6 through grade twelve attributable to the local system as reported on the  
7 fall school district membership reports for each district pursuant to  
8 section 79-528;

9 (16) Fiscal year means the state fiscal year which is the period  
10 from July 1 to the following June 30;

11 (17) Formula students means:

12 (a) For state aid certified pursuant to section 79-1022, the sum of  
13 the product of fall membership from the school fiscal year immediately  
14 preceding the school fiscal year in which the aid is to be paid  
15 multiplied by the average ratio of average daily membership to fall  
16 membership for the second school fiscal year immediately preceding the  
17 school fiscal year in which the aid is to be paid and the prior two  
18 school fiscal years plus sixty percent of the qualified early childhood  
19 education fall membership plus tuitioned students from the school fiscal  
20 year immediately preceding the school fiscal year in which aid is to be  
21 paid minus the product of the number of students enrolled in kindergarten  
22 that is not full-day kindergarten from the fall membership multiplied by  
23 0.5; and

24 (b) For the final calculation of state aid pursuant to section  
25 79-1065, the sum of average daily membership plus sixty percent of the  
26 qualified early childhood education average daily membership plus  
27 tuitioned students minus the product of the number of students enrolled  
28 in kindergarten that is not full-day kindergarten from the average daily  
29 membership multiplied by 0.5 from the school fiscal year immediately  
30 preceding the school fiscal year in which aid was paid;

31 (18) Free lunch and free milk calculated students means, using the

1 most recent data available on November 1 of the school fiscal year  
2 immediately preceding the school fiscal year in which aid is to be paid,  
3 (a) for schools that did not provide free meals to all students pursuant  
4 to the community eligibility provision, students who individually  
5 qualified for free lunches or free milk pursuant to the federal Richard  
6 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the  
7 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts  
8 and sections existed on January 1, 2015, and rules and regulations  
9 adopted thereunder, plus (b) for schools that provided free meals to all  
10 students pursuant to the community eligibility provision, (i) for school  
11 fiscal year 2016-17, the product of the students who attended such school  
12 multiplied by the identified student percentage calculated pursuant to  
13 such federal provision or (ii) for school fiscal year 2017-18 and each  
14 school fiscal year thereafter, the greater of the number of students in  
15 such school who individually qualified for free lunch or free milk using  
16 the most recent school fiscal year for which the school did not provide  
17 free meals to all students pursuant to the community eligibility  
18 provision or one hundred ten percent of the product of the students who  
19 qualified for free meals at such school pursuant to the community  
20 eligibility provision multiplied by the identified student percentage  
21 calculated pursuant to such federal provision, except that the free lunch  
22 and free milk students calculated for any school pursuant to subdivision  
23 (18)(b)(ii) of this section shall not exceed one hundred percent of the  
24 students qualified for free meals at such school pursuant to the  
25 community eligibility provision;

26 (19) Free lunch and free milk student means, for school fiscal years  
27 prior to school fiscal year 2016-17, a student who qualified for free  
28 lunches or free milk from the most recent data available on November 1 of  
29 the school fiscal year immediately preceding the school fiscal year in  
30 which aid is to be paid;

31 (20) Full-day kindergarten means kindergarten offered by a district

1 for at least one thousand thirty-two instructional hours;

2 (21) General fund budget of expenditures means the total budget of  
3 disbursements and transfers for general fund purposes as certified in the  
4 budget statement adopted pursuant to the Nebraska Budget Act, except that  
5 for purposes of the limitation imposed in section 79-1023 and the  
6 calculation pursuant to subdivision (2) of section 79-1027.01, the  
7 general fund budget of expenditures does not include any special grant  
8 funds, exclusive of local matching funds, received by a district;

9 (22) General fund expenditures means all expenditures from the  
10 general fund;

11 (23) General fund operating expenditures means for state aid  
12 calculated for school fiscal years 2012-13 and each school fiscal year  
13 thereafter, as reported on the annual financial report for the second  
14 school fiscal year immediately preceding the school fiscal year in which  
15 aid is to be paid, the total general fund expenditures minus (a) the  
16 amount of all receipts to the general fund, to the extent that such  
17 receipts are not included in local system formula resources, from early  
18 childhood education tuition, summer school tuition, educational entities  
19 as defined in section 79-1201.01 for providing distance education courses  
20 through the Educational Service Unit Coordinating Council to such  
21 educational entities, private foundations, individuals, associations,  
22 charitable organizations, the textbook loan program authorized by section  
23 79-734, federal impact aid, and levy override elections pursuant to  
24 section 77-3444, (b) the amount of expenditures for categorical funds,  
25 tuition paid, transportation fees paid to other districts, adult  
26 education, community services, redemption of the principal portion of  
27 general fund debt service, retirement incentive plans authorized by  
28 section 79-855, and staff development assistance authorized by section  
29 79-856, (c) the amount of any transfers from the general fund to any bond  
30 fund and transfers from other funds into the general fund, (d) any legal  
31 expenses in excess of fifteen-hundredths of one percent of the formula

1 need for the school fiscal year in which the expenses occurred, (e)(i)  
2 for state aid calculated for school fiscal years prior to school fiscal  
3 year 2018-19, expenditures to pay for sums agreed to be paid by a school  
4 district to certificated employees in exchange for a voluntary  
5 termination occurring prior to July 1, 2009, occurring on or after the  
6 last day of the 2010-11 school year and prior to the first day of the  
7 2013-14 school year, or, to the extent that a district has demonstrated  
8 to the State Board of Education pursuant to section 79-1028.01 that the  
9 agreement will result in a net savings in salary and benefit costs to the  
10 school district over a five-year period, occurring on or after the first  
11 day of the 2013-14 school year or (ii) for state aid calculated for  
12 school fiscal year 2018-19 and each school fiscal year thereafter,  
13 expenditures to pay for incentives agreed to be paid by a school district  
14 to certificated employees in exchange for a voluntary termination of  
15 employment for which the State Board of Education approved an exclusion  
16 pursuant to subdivisions (1)(h), (i), (j), or (k) of section 79-1028.01,  
17 (f)(i) expenditures to pay for employer contributions pursuant to  
18 subsection (2) of section 79-958 to the School Employees Retirement  
19 System of the State of Nebraska to the extent that such expenditures  
20 exceed the employer contributions under such subsection that would have  
21 been made at a contribution rate of seven and thirty-five hundredths  
22 percent or (ii) expenditures to pay for school district contributions  
23 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the retirement  
24 system established pursuant to the Class V School Employees Retirement  
25 Act to the extent that such expenditures exceed the school district  
26 contributions under such subdivision that would have been made at a  
27 contribution rate of seven and thirty-seven hundredths percent, and (g)  
28 any amounts paid by the district for lobbyist fees and expenses reported  
29 to the Clerk of the Legislature pursuant to section 49-1483.

30 For purposes of this subdivision (23) of this section, receipts from  
31 levy override elections shall equal ninety-nine percent of the difference

1 of the total general fund levy minus the maximum levy pursuant to  
2 subdivision (2)(a) of section 77-3442 a levy of one dollar and five cents  
3 per one hundred dollars of taxable valuation multiplied by the assessed  
4 valuation for school districts that have voted pursuant to section  
5 77-3444 to override the maximum levy provided pursuant to section  
6 77-3442;

7 (24) High school district means a school district providing  
8 instruction in at least grades nine through twelve;

9 (25) Income tax liability means the amount of the reported income  
10 tax liability for resident individuals pursuant to the Nebraska Revenue  
11 Act of 1967 less all nonrefundable credits earned and refunds made;

12 (26) Income tax receipts means the amount of income tax collected  
13 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable  
14 credits earned and refunds made;

15 (27) Limited English proficiency students means the number of  
16 students with limited English proficiency in a district from the most  
17 recent data available on November 1 of the school fiscal year preceding  
18 the school fiscal year in which aid is to be paid plus the difference of  
19 such students with limited English proficiency minus the average number  
20 of limited English proficiency students for such district, prior to such  
21 addition, for the three immediately preceding school fiscal years if such  
22 difference is greater than zero;

23 (28) Local system means a learning community for purposes of  
24 calculation of state aid for each school fiscal year prior to school  
25 fiscal year 2017-18, a unified system, a Class VI district and the  
26 associated Class I districts, or a Class II, III, IV, or V district and  
27 any affiliated Class I districts or portions of Class I districts. The  
28 membership, expenditures, and resources of Class I districts that are  
29 affiliated with multiple high school districts will be attributed to  
30 local systems based on the percent of the Class I valuation that is  
31 affiliated with each high school district;

1 (29) Low-income child means (a) for school fiscal years prior to  
2 2016-17, a child under nineteen years of age living in a household having  
3 an annual adjusted gross income for the second calendar year preceding  
4 the beginning of the school fiscal year for which aid is being calculated  
5 equal to or less than the maximum household income that would allow a  
6 student from a family of four people to be a free lunch and free milk  
7 student during the school fiscal year immediately preceding the school  
8 fiscal year for which aid is being calculated and (b) for school fiscal  
9 year 2016-17 and each school fiscal year thereafter, a child under  
10 nineteen years of age living in a household having an annual adjusted  
11 gross income for the second calendar year preceding the beginning of the  
12 school fiscal year for which aid is being calculated equal to or less  
13 than the maximum household income pursuant to sections 9(b)(1) and 17(c)  
14 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.  
15 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)  
16 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)  
17 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections  
18 existed on January 1, 2015, for a household of that size that would have  
19 allowed the child to meet the income qualifications for free meals during  
20 the school fiscal year immediately preceding the school fiscal year for  
21 which aid is being calculated;

22 (30) Low-income students means the number of low-income children  
23 within the district multiplied by the ratio of the formula students in  
24 the district divided by the total children under nineteen years of age  
25 residing in the district as derived from income tax information;

26 (31) Most recently available complete data year means the most  
27 recent single school fiscal year for which the annual financial report,  
28 fall school district membership report, annual statistical summary,  
29 Nebraska income tax liability by school district for the calendar year in  
30 which the majority of the school fiscal year falls, and adjusted  
31 valuation data are available;

1           (32) Poverty students means (a) for school fiscal years prior to  
2 2016-17, the number of low-income students or the number of students who  
3 are free lunch and free milk students in a district plus the difference  
4 of the number of low-income students or the number of students who are  
5 free lunch and free milk students in a district, whichever is greater,  
6 minus the average number of poverty students for such district, prior to  
7 such addition, for the three immediately preceding school fiscal years if  
8 such difference is greater than zero and (b) for school fiscal year  
9 2016-17 and each school fiscal year thereafter, the unadjusted poverty  
10 students plus the difference of such unadjusted poverty students minus  
11 the average number of poverty students for such district, prior to such  
12 addition, for the three immediately preceding school fiscal years if such  
13 difference is greater than zero;

14           (33) Qualified early childhood education average daily membership  
15 means the product of the average daily membership for school fiscal year  
16 2006-07 and each school fiscal year thereafter of students who will be  
17 eligible to attend kindergarten the following school year and are  
18 enrolled in an early childhood education program approved by the  
19 department pursuant to section 79-1103 for such school district for such  
20 school year multiplied by the ratio of the actual instructional hours of  
21 the program divided by one thousand thirty-two if: (a) The program is  
22 receiving a grant pursuant to such section for the third year; (b) the  
23 program has already received grants pursuant to such section for three  
24 years; or (c) the program has been approved pursuant to subsection (5) of  
25 section 79-1103 for such school year and the two preceding school years,  
26 including any such students in portions of any of such programs receiving  
27 an expansion grant;

28           (34) Qualified early childhood education fall membership means the  
29 product of membership on the last Friday in September 2006 and each year  
30 thereafter of students who will be eligible to attend kindergarten the  
31 following school year and are enrolled in an early childhood education

1 program approved by the department pursuant to section 79-1103 for such  
2 school district for such school year multiplied by the ratio of the  
3 planned instructional hours of the program divided by one thousand  
4 thirty-two if: (a) The program is receiving a grant pursuant to such  
5 section for the third year; (b) the program has already received grants  
6 pursuant to such section for three years; or (c) the program has been  
7 approved pursuant to subsection (5) of section 79-1103 for such school  
8 year and the two preceding school years, including any such students in  
9 portions of any of such programs receiving an expansion grant;

10 (35) Regular route transportation means the transportation of  
11 students on regularly scheduled daily routes to and from the attendance  
12 center;

13 (36) Reorganized district means any district involved in a  
14 consolidation and currently educating students following consolidation;

15 (37) School year or school fiscal year means the fiscal year of a  
16 school district as defined in section 79-1091;

17 (38) Sparse local system means a local system that is not a very  
18 sparse local system but which meets the following criteria:

19 (a)(i) Less than two students per square mile in the county in which  
20 each high school is located, based on the school district census, (ii)  
21 less than one formula student per square mile in the local system, and  
22 (iii) more than ten miles between each high school attendance center and  
23 the next closest high school attendance center on paved roads;

24 (b)(i) Less than one and one-half formula students per square mile  
25 in the local system and (ii) more than fifteen miles between each high  
26 school attendance center and the next closest high school attendance  
27 center on paved roads;

28 (c)(i) Less than one and one-half formula students per square mile  
29 in the local system and (ii) more than two hundred seventy-five square  
30 miles in the local system; or

31 (d)(i) Less than two formula students per square mile in the local



1 system and (ii) the local system includes an area equal to ninety-five  
2 percent or more of the square miles in the largest county in which a high  
3 school attendance center is located in the local system;

4 (39) Special education means specially designed kindergarten through  
5 grade twelve instruction pursuant to section 79-1125, and includes  
6 special education transportation;

7 (40) Special grant funds means the budgeted receipts for grants,  
8 including, but not limited to, categorical funds, reimbursements for  
9 wards of the court, short-term borrowings including, but not limited to,  
10 registered warrants and tax anticipation notes, interfund loans,  
11 insurance settlements, and reimbursements to county government for  
12 previous overpayment. The state board shall approve a listing of grants  
13 that qualify as special grant funds;

14 (41) State aid means the amount of assistance paid to a district  
15 pursuant to the Tax Equity and Educational Opportunities Support Act;

16 (42) State board means the State Board of Education;

17 (43) State support means all funds provided to districts by the  
18 State of Nebraska for the general fund support of elementary and  
19 secondary education;

20 (44) Statewide average basic funding per formula student means the  
21 statewide total basic funding for all districts divided by the statewide  
22 total formula students for all districts;

23 (45) Statewide average general fund operating expenditures per  
24 formula student means the statewide total general fund operating  
25 expenditures for all districts divided by the statewide total formula  
26 students for all districts;

27 (46) Teacher has the definition found in section 79-101;

28 (47) Temporary aid adjustment factor means (a) for school fiscal  
29 years before school fiscal year 2007-08, one and one-fourth percent of  
30 the sum of the local system's transportation allowance, the local  
31 system's special receipts allowance, and the product of the local

1 system's adjusted formula students multiplied by the average formula cost  
2 per student in the local system's cost grouping and (b) for school fiscal  
3 year 2007-08, one and one-fourth percent of the sum of the local system's  
4 transportation allowance, special receipts allowance, and distance  
5 education and telecommunications allowance and the product of the local  
6 system's adjusted formula students multiplied by the average formula cost  
7 per student in the local system's cost grouping;

8 (48) Tuition receipts from converted contracts means tuition  
9 receipts received by a district from another district in the most  
10 recently available complete data year pursuant to a converted contract  
11 prior to the expiration of the contract;

12 (49) Tuitioned students means students in kindergarten through grade  
13 twelve of the district whose tuition is paid by the district to some  
14 other district or education agency;

15 (50) Unadjusted poverty students means, for school fiscal year  
16 2016-17 and each school fiscal year thereafter, the greater of the number  
17 of low-income students or the free lunch and free milk calculated  
18 students in a district; and

19 (51) Very sparse local system means a local system that has:

20 (a)(i) Less than one-half student per square mile in each county in  
21 which each high school attendance center is located based on the school  
22 district census, (ii) less than one formula student per square mile in  
23 the local system, and (iii) more than fifteen miles between the high  
24 school attendance center and the next closest high school attendance  
25 center on paved roads; or

26 (b)(i) More than four hundred fifty square miles in the local  
27 system, (ii) less than one-half student per square mile in the local  
28 system, and (iii) more than fifteen miles between each high school  
29 attendance center and the next closest high school attendance center on  
30 paved roads.

31 Sec. 10. Section 79-1008.01, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 79-1008.01 (1) For school fiscal years prior to school fiscal year  
3 2019-20, except ~~Except~~ as provided in section 79-1008.02 for school  
4 fiscal years prior to school fiscal year 2017-18 and section 79-1009,  
5 each local system shall receive equalization aid in the amount that the  
6 total formula need of each local system, as determined pursuant to  
7 sections 79-1007.04 to 79-1007.23 and 79-1007.25, exceeds its total  
8 formula resources as determined pursuant to sections 79-1015.01 to  
9 79-1018.01.

10 (2) For school fiscal year 2019-20 and each school fiscal year  
11 thereafter, the department shall calculate a preliminary equalization aid  
12 amount for the purpose of determining qualification for an option  
13 enrollment relief correction pursuant to section 11 of this act. The  
14 preliminary equalization aid amount for each local system shall equal the  
15 amount that the total formula need of each local system, as determined  
16 pursuant to sections 79-1007.04 to 79-1007.23 and 79-1007.25, exceeds its  
17 total formula resources as determined pursuant to sections 79-1015.01 to  
18 79-1018.01.

19 (3) For school fiscal year 2019-20 and each school fiscal year  
20 thereafter, each local system shall receive equalization aid in the  
21 amount that the total formula need of each local system, as determined  
22 pursuant to sections 79-1007.04 to 79-1007.23 and 79-1007.25, exceeds the  
23 sum of its total formula resources as determined pursuant to sections  
24 79-1015.01 to 79-1018.01 plus any option enrollment relief correction.

25 Sec. 11. (1) For state aid calculated for school fiscal year  
26 2019-20 and each school fiscal year thereafter, for each local system  
27 that qualifies pursuant to this section, an option enrollment relief  
28 correction shall be added to the amounts to be distributed as certified  
29 pursuant to section 79-1022.

30 (2) A local system shall qualify for an option enrollment relief  
31 correction if (a) such local system does not qualify to receive school

1 district property tax relief aid pursuant to section 6 of this act for  
2 the fiscal year corresponding to the majority of such school fiscal year  
3 and (b) the net option funding calculated for the school districts in  
4 such local system pursuant to section 79-1009 is greater than ninety  
5 percent of the preliminary state aid calculated for such local system  
6 pursuant to this section for such school fiscal year.

7 (3) The preliminary state aid for purposes of this section shall  
8 equal the sum of the preliminary equalization aid calculated pursuant to  
9 section 79-1008.01, net option funding determined pursuant to section  
10 79-1009, best practices aid determined pursuant to section 79-1004,  
11 allocated income tax funds determined pursuant to section 79-1005.01, and  
12 community achievement plan aid determined pursuant to section 79-1005.

13 (4) The option enrollment relief correction for each local system  
14 that qualifies shall equal six and three-tenths cents per one hundred  
15 dollars of adjusted valuation for such local system as certified by the  
16 Property Tax Administrator for the school fiscal year for which aid is  
17 being calculated.

18 Sec. 12. Section 79-1023, Revised Statutes Supplement, 2017, is  
19 amended to read:

20 79-1023 (1) On or before June 1, 2017, and on or before March 1 of  
21 each year thereafter, the department shall determine and certify to each  
22 school district budget authority for the general fund budget of  
23 expenditures for the ensuing school fiscal year.

24 (2) Except as provided in this section or sections 79-1028.01,  
25 79-1029, 79-1030, and 81-829.51, each school district shall have budget  
26 authority for the general fund budget of expenditures equal to the  
27 greater of (a) the general fund budget of expenditures for the  
28 immediately preceding school fiscal year minus exclusions pursuant to  
29 subsection (1) of section 79-1028.01 for such school fiscal year with the  
30 difference increased by the basic allowable growth rate for the school  
31 fiscal year for which budget authority is being calculated, (b) the

1 general fund budget of expenditures for the immediately preceding school  
2 fiscal year minus exclusions pursuant to subsection (1) of section  
3 79-1028.01 for such school fiscal year with the difference increased by  
4 an amount equal to any student growth adjustment calculated for the  
5 school fiscal year for which budget authority is being calculated, or (c)  
6 one hundred ten percent of formula need for the school fiscal year for  
7 which budget authority is being calculated minus the special education  
8 budget of expenditures as filed on the school district budget statement  
9 on or before September 20 for the immediately preceding school fiscal  
10 year, which special education budget of expenditures is increased by the  
11 basic allowable growth rate for the school fiscal year for which budget  
12 authority is being calculated.

13 (3) For any school fiscal year for which the budget authority for  
14 the general fund budget of expenditures for a school district is based on  
15 a student growth adjustment, the budget authority for the general fund  
16 budget of expenditures for such school district shall be adjusted in  
17 future years to reflect any student growth adjustment corrections related  
18 to such student growth adjustment.

19 (4) For school districts receiving school district property tax  
20 relief aid pursuant to section 6 of this act for any school fiscal year,  
21 the budget authority for the general fund budget of expenditures pursuant  
22 to subsection (2) of this section shall be reduced for such school fiscal  
23 year by twenty-five percent of the property tax gap calculated pursuant  
24 to section 6 of this act for such school district unless an override of  
25 all or part of such reduction is approved by the school board of such  
26 school district by a two-thirds majority vote of the members of such  
27 school board at least thirty days prior to approving the annual budget of  
28 the school district. Prior to such vote, a school board shall hold a  
29 public hearing on the override after identifying for what purpose the  
30 funds from the override would be used. Any reduction in budget authority  
31 pursuant to this subsection shall only be in effect for the applicable

1 school fiscal year and shall not reduce the budget authority for such  
2 school fiscal year for purposes of calculating budget authority for  
3 subsequent school fiscal years.

4       Sec. 13. Original sections 77-4209 and 77-4210, Reissue Revised  
5 Statutes of Nebraska, sections 79-1001 and 79-1008.01, Revised Statutes  
6 Cumulative Supplement, 2016, and sections 77-3442, 77-4212, 79-1003, and  
7 79-1023, Revised Statutes Supplement, 2017, are repealed.