

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1007**

Introduced by Kolowski, 31.

Read first time January 16, 2018

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section  
2 77-3442, Revised Statutes Supplement, 2017; to authorize school  
3 districts to levy for facilities-related expenditures as prescribed;  
4 to authorize school districts to establish a facilities fund as  
5 prescribed; to harmonize provisions; and to repeal the original  
6 sections.

7 Be it enacted by the people of the State of Nebraska,

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

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

7 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this  
8 section, school districts and multiple-district school systems may levy a  
9 maximum levy of one dollar and five cents per one hundred dollars of  
10 taxable valuation of property subject to the levy.

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

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

25 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
26 of this section are (i) amounts levied to pay for current and future sums  
27 agreed to be paid by a school district to certificated employees in  
28 exchange for a voluntary termination of employment occurring prior to  
29 September 1, 2017, (ii) amounts levied by a school district otherwise at  
30 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
31 for current and future qualified voluntary termination incentives for

1 certificated teachers pursuant to subsection (3) of section 79-8,142 that  
2 are not otherwise included in an exclusion pursuant to subdivision (2)(d)  
3 of this section, (iii) amounts levied by a school district otherwise at  
4 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
5 for seventy-five percent of the current and future sums agreed to be paid  
6 to certificated employees in exchange for a voluntary termination of  
7 employment occurring between September 1, 2017, and August 31, 2018, as a  
8 result of a collective-bargaining agreement in force and effect on  
9 September 1, 2017, that are not otherwise included in an exclusion  
10 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a  
11 school district otherwise at the maximum levy pursuant to subdivision (2)  
12 (a) of this section to pay for fifty percent of the current and future  
13 sums agreed to be paid to certificated employees in exchange for a  
14 voluntary termination of employment occurring between September 1, 2018,  
15 and August 31, 2019, as a result of a collective-bargaining agreement in  
16 force and effect on September 1, 2017, that are not otherwise included in  
17 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts  
18 levied by a school district otherwise at the maximum levy pursuant to  
19 subdivision (2)(a) of this section to pay for twenty-five percent of the  
20 current and future sums agreed to be paid to certificated employees in  
21 exchange for a voluntary termination of employment occurring between  
22 September 1, 2019, and August 31, 2020, as a result of a collective-  
23 bargaining agreement in force and effect on September 1, 2017, that are  
24 not otherwise included in an exclusion pursuant to subdivision (2)(d) of  
25 this section, (vi) amounts levied in compliance with sections 79-10,110  
26 and 79-10,110.02, and (vii) amounts levied to pay for special building  
27 funds and sinking funds established for projects commenced prior to April  
28 1, 1996, for construction, expansion, or alteration of school district  
29 buildings. For purposes of this subsection, commenced means any action  
30 taken by the school board on the record which commits the board to expend  
31 district funds in planning, constructing, or carrying out the project.

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

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

16 (g) For each fiscal year, learning communities may levy a maximum  
17 levy of one and one-half cents on each one hundred dollars of taxable  
18 property subject to the levy for early childhood education programs for  
19 children in poverty, for elementary learning center employees, for  
20 contracts with other entities or individuals who are not employees of the  
21 learning community for elementary learning center programs and services,  
22 and for pilot projects, except that no more than ten percent of such levy  
23 may be used for elementary learning center employees.

24 (h) For each fiscal year, school districts may, upon a two-thirds  
25 majority vote of the school board of the school district, levy a maximum  
26 levy of three cents on each one hundred dollars of taxable property  
27 subject to the levy for maintenance, upkeep, rehabilitation, and  
28 construction within existing school district facilities. The levy  
29 authorized in this subdivision shall be excluded from the limitations in  
30 subdivision (2)(a) of this section. The proceeds of such levy shall be  
31 deposited by the school district into a fund created pursuant to section

1 2 of this act.

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. If a school district makes a levy for maintenance, upkeep,  
24 rehabilitation, and construction within existing school district  
25 facilities pursuant to subdivision (2)(h) of section 77-3442, the school  
26 board of such school district shall establish a school district  
27 facilities fund for the proceeds of such levy. Such funds shall be used  
28 only for expenditures relating to maintenance, upkeep, rehabilitation,  
29 and construction within existing school district facilities.

30 Sec. 3. Original section 77-3442, Revised Statutes Supplement,  
31 2017, is repealed.