A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-3442 and 79-1022, Revised Statutes Cumulative Supplement, 2016; to provide and change levy authority for certain school districts as prescribed; to provide a duty for the State Department of Education; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 77-3442, Revised Statutes Cumulative Supplement, 2016, is amended to read:

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

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

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

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

(d) Excluded from the limitations in subdivisions (2)(a) and (2)(c) of this section are amounts levied to pay for sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment, amounts levied in compliance with sections 79-10,110 and 79-10,110.02, and amounts levied to pay for special building funds and sinking funds established for projects commenced prior to April 1, 1996, for construction, expansion, or alteration of school
district buildings. For purposes of this subsection, commenced means any action taken by the school board on the record which commits the board to expend district funds in planning, constructing, or carrying out the project.

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

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

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

(h) Any school district for which the calculation of total disbursements divided by the average daily membership for the most recently available complete data year is below the statewide median of such calculation for all school districts as certified pursuant to
section 79-1022 may levy up to an additional three cents per one hundred
dollars of taxable valuation of property subject to the levy if such
additional levy is approved for each fiscal year by a two-thirds majority
vote of the school board after a public hearing.

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

(4)(a) Natural resources districts may levy a maximum levy of four
and one-half cents per one hundred dollars of taxable valuation of
property subject to the levy.
(b) Natural resources districts shall also have the power and
authority to levy a tax equal to the dollar amount by which their
restricted funds budgeted to administer and implement ground water
management activities and integrated management activities under the
Nebraska Ground Water Management and Protection Act exceed their
restricted funds budgeted to administer and implement ground water
management activities and integrated management activities for FY2003-04,
not to exceed one cent on each one hundred dollars of taxable valuation
annually on all of the taxable property within the district.
(c) In addition, natural resources districts located in a river
basin, subbasin, or reach that has been determined to be fully
appropriated pursuant to section 46-714 or designated as overappropriated
pursuant to section 46-713 by the Department of Natural Resources shall
also have the power and authority to levy a tax equal to the dollar
amount by which their restricted funds budgeted to administer and
implement ground water management activities and integrated management
activities under the Nebraska Ground Water Management and Protection Act exceed their restricted funds budgeted to administer and implement ground water management activities and integrated management activities for FY2005-06, not to exceed three cents on each one hundred dollars of taxable valuation on all of the taxable property within the district for fiscal year 2006-07 and each fiscal year thereafter through fiscal year 2017-18.

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

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

(b) Incorporated cities and villages which are within the boundaries of a municipal county may levy a maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy. The maximum levy shall include amounts paid to a municipal county for county services, amounts levied to pay for sums to support a library pursuant to section 51-201, a museum pursuant to section 51-501, a visiting community nurse, home health nurse, or home health agency pursuant to section 71-1637, or a statue, memorial, or monument pursuant to section 80-202.
(7) Sanitary and improvement districts which have been in existence for more than five years may levy a maximum levy of forty cents per one hundred dollars of taxable valuation of property subject to the levy, and sanitary and improvement districts which have been in existence for five years or less shall not have a maximum levy. Unconsolidated sanitary and improvement districts which have been in existence for more than five years and are located in a municipal county may levy a maximum of eighty-five cents per hundred dollars of taxable valuation of property subject to the levy.

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

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

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

(11) Property tax levies (a) for judgments, except judgments or
orders from the Commission of Industrial Relations, obtained against a
political subdivision which require or obligate a political subdivision
to pay such judgment, to the extent such judgment is not paid by
liability insurance coverage of a political subdivision, (b) for
preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
for bonds as defined in section 10-134 approved according to law and
secured by a levy on property except as provided in section 44-4317 for
bonded indebtedness issued by educational service units and school
districts, and (d) for payments by a public airport to retire interest-
free loans from the Department of Aeronautics in lieu of bonded
indebtedness at a lower cost to the public airport are not included in
the levy limits established by this section.
(12) The limitations on tax levies provided in this section are to include all other general or special levies provided by law. Notwithstanding other provisions of law, the only exceptions to the limits in this section are those provided by or authorized by sections 77-3442 to 77-3444.

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

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

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

Sec. 2. Section 79-1022, Revised Statutes Cumulative Supplement, 2016, is amended to read:

79-1022 (1) On or before March 1 of each year for each ensuing fiscal year, the department shall determine the amounts to be distributed to each local system and each district for the ensuing school fiscal year pursuant to the Tax Equity and Educational Opportunities Support Act and shall certify the amounts to the Director of Administrative Services, the
Auditor of Public Accounts, each learning community for school fiscal years prior to school fiscal year 2017-18, and each district. Except as otherwise provided in this section, the amount to be distributed to each district from the amount certified for a local system shall be proportional based on the formula students attributed to each district in the local system. For school fiscal years prior to school fiscal year 2017-18, the amount to be distributed to each district that is a member of a learning community from the amount certified for the local system shall be proportional based on the formula needs calculated for each district in the local system. On or before March 1 of each year for each ensuing fiscal year, the department shall report the necessary funding level for the ensuing school fiscal year to the Governor, the Appropriations Committee of the Legislature, and the Education Committee of the Legislature. The report submitted to the committees of the Legislature shall be submitted electronically. Except as otherwise provided in this subsection, certified state aid amounts, including adjustments pursuant to section 79-1065.02, shall be shown as budgeted non-property-tax receipts and deducted prior to calculating the property tax request in the district's general fund budget statement as provided to the Auditor of Public Accounts pursuant to section 79-1024.

(2) Except as provided in this subsection, subsection (8) of section 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts certified pursuant to subsection (1) of this section shall be distributed in ten as nearly as possible equal payments on the last business day of each month beginning in September of each ensuing school fiscal year and ending in June of the following year, except that when a school district is to receive a monthly payment of less than one thousand dollars, such payment shall be one lump-sum payment on the last business day of December during the ensuing school fiscal year.

(3) On or before September 15, 2017, and on or before March 1 of each year thereafter, the department shall determine the total...
disbursements divided by the average daily membership for the most
recently available complete data year for each school district and the
statewide median of such calculation for all school districts and shall
certify such amounts to the Director of Administrative Services, the
Auditor of Public Accounts, and each school district.

Sec. 3. Original sections 77-3442 and 79-1022, Revised Statutes
Cumulative Supplement, 2016, are repealed.