LEGISLATIVE BILL 409

Introduced by Groene, 42; Erdman, 47; Linehan, 39.

Read first time January 13, 2017

Committee: Education

A BILL FOR AN ACT relating to school finance; to amend section 79-1015.01, Reissue Revised Statutes of Nebraska, and section 77-3446, Revised Statutes Cumulative Supplement, 2016; to change provisions relating to the Tax Equity and Educational Opportunities Support Act; to change the base limitation; to change the local effort rate; to eliminate obsolete provisions; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 77-3446, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-3446 Base limitation means the budget limitation rate applicable to school districts and the limitation on growth of restricted funds applicable to other political subdivisions prior to any increases in the rate as a result of special actions taken by a supermajority of any governing board or of any exception allowed by law. The base limitation is two and one-half percent until adjusted, except that the base limitation for school districts for school fiscal years 2017-18 and 2018-19 is one-half of one percent and the base limitation for school districts for school fiscal year 2013-14 is zero one and one-half percent. The base limitation may be adjusted annually by the Legislature to reflect changes in the prices of services and products used by school districts and political subdivisions.

Sec. 2. Section 79-1015.01, Reissue Revised Statutes of Nebraska, is amended to read:

79-1015.01 (1) Local system formula resources shall include local effort rate yield which shall be computed as prescribed in this section.

(2) For each school fiscal year except school fiscal years 2017-18 and 2018-19 years 2011-12 through 2013-14: (a) For state aid certified pursuant to section 79-1022, the local effort rate shall be the maximum levy, for the school fiscal year for which aid is being certified, authorized pursuant to subdivision (2)(a) of section 77-3442 less five cents; (b) for the final calculation of state aid pursuant to section 79-1065, the local effort rate shall be the rate which, when multiplied by the total adjusted valuation of all taxable property in local systems receiving equalization aid pursuant to the Tax Equity and Educational Opportunities Support Act, will produce the amount needed to support the total formula need of such local systems when added to state aid appropriated by the Legislature and other actual receipts of local systems described in section 79-1018.01; and (c) the local effort rate
yield for such school fiscal years shall be determined by multiplying
each local system's total adjusted valuation by the local effort rate.

(3) For school fiscal years 2011-12 and 2012-13: (a) For state aid
certified pursuant to section 79-1022, the local effort rate shall be the
maximum levy, for the school fiscal year for which aid is being
certified, authorized pursuant to subdivision (2)(a) of section 77-3442
less one and five-hundredths of one cent; (b) for the final calculation
of state aid pursuant to section 79-1065, the local effort rate shall be
the rate which, when multiplied by the total adjusted valuation of all
taxable property in local systems receiving equalization aid pursuant to
the Tax Equity and Educational Opportunities Support Act, will produce
the amount needed to support the total formula need of such local systems
when added to state aid appropriated by the Legislature and other actual
receipts of local systems described in section 79-1018.01; and (c) the
local effort rate yield for such school fiscal years shall be determined
by multiplying each local system's total adjusted valuation by the local
effort rate.

(3) (4) For school fiscal years 2017-18 and 2018-19 year 2013-14:
(a) For state aid certified pursuant to section 79-1022, the local effort
rate shall be the maximum levy, for the school fiscal year for which aid
is being certified, authorized pursuant to subdivision (2)(a) of section
77-3442 less four two cents; (b) for the final calculation of state aid
pursuant to section 79-1065, the local effort rate shall be the rate
which, when multiplied by the total adjusted valuation of all taxable
property in local systems receiving equalization aid pursuant to the Tax
Equity and Educational Opportunities Support Act, will produce the amount
needed to support the total formula need of such local systems when added
to state aid appropriated by the Legislature and other actual receipts of
local systems described in section 79-1018.01; and (c) the local effort
rate yield for such school fiscal years shall be determined by
multiplying each local system's total adjusted valuation by the local
effort rate.

Sec. 3. Original section 79-1015.01, Reissue Revised Statutes of Nebraska, and section 77-3446, Revised Statutes Cumulative Supplement, 2016, are repealed.

Sec. 4. Since an emergency exists, this act takes effect when passed and approved according to law.