

AMENDMENTS TO LB974

Introduced by Revenue.

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

3 Section 1. Section 77-201, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-201 (1) Except as provided in subsections (2) through (4) of this
6 section, all real property in this state, not expressly exempt therefrom,
7 shall be subject to taxation and shall be valued as follows: ~~at its~~
8 ~~actual value.~~

9 (a) For tax years prior to tax year 2020, such real property shall
10 be valued at its actual value;

11 (b) For tax year 2020, such real property shall be valued at ninety-
12 five percent of its actual value for purposes of taxes levied by school
13 districts and multiple-district school systems and at its actual value
14 for purposes of taxes levied by any other political subdivision;

15 (c) For tax year 2021, such real property shall be valued at ninety-
16 one percent of its actual value for purposes of taxes levied by school
17 districts and multiple-district school systems and at its actual value
18 for purposes of taxes levied by any other political subdivision; and

19 (d) For tax year 2022 and each tax year thereafter, such real
20 property shall be valued at eighty-seven percent of its actual value for
21 purposes of taxes levied by school districts and multiple-district school
22 systems and at its actual value for purposes of taxes levied by any other
23 political subdivision.

24 (2) Agricultural land and horticultural land as defined in section
25 77-1359 shall constitute a separate and distinct class of property for
26 purposes of property taxation, shall be subject to taxation, unless
27 expressly exempt from taxation, and shall be valued as follows: at

1 ~~seventy-five percent of its actual value.~~

2 (a) For tax years prior to tax year 2020, such real property shall
3 be valued at seventy-five percent of its actual value;

4 (b) For tax year 2020, such real property shall be valued at sixty-
5 five percent of its actual value for purposes of taxes levied by school
6 districts and multiple-district school systems and at seventy-five
7 percent of its actual value for purposes of taxes levied by any other
8 political subdivision;

9 (c) For tax year 2021, such real property shall be valued at sixty
10 percent of its actual value for purposes of taxes levied by school
11 districts and multiple-district school systems and at seventy-five
12 percent of its actual value for purposes of taxes levied by any other
13 political subdivision; and

14 (d) For tax year 2022 and each tax year thereafter, such real
15 property shall be valued at fifty-five percent of its actual value for
16 purposes of taxes levied by school districts and multiple-district school
17 systems and at seventy-five percent of its actual value for purposes of
18 taxes levied by any other political subdivision.

19 (3) Agricultural land and horticultural land actively devoted to
20 agricultural or horticultural purposes which has value for purposes other
21 than agricultural or horticultural uses and which meets the
22 qualifications for special valuation under section 77-1344 shall
23 constitute a separate and distinct class of property for purposes of
24 property taxation, shall be subject to taxation, and shall be valued for
25 taxation as follows: ~~at seventy-five percent of its special value as~~
26 ~~defined in section 77-1343.~~

27 (a) For tax years prior to tax year 2020, such real property shall
28 be valued at seventy-five percent of its special valuation as defined in
29 section 77-1343;

30 (b) For tax year 2020, such real property shall be valued at sixty-
31 five percent of its special valuation as defined in section 77-1343 for

1 purposes of taxes levied by school districts and multiple-district school
2 systems and at seventy-five percent of its special valuation as defined
3 in section 77-1343 for purposes of taxes levied by any other political
4 subdivision;

5 (c) For tax year 2021, such real property shall be valued at sixty
6 percent of its special valuation as defined in section 77-1343 for
7 purposes of taxes levied by school districts and multiple-district school
8 systems and at seventy-five percent of its special valuation as defined
9 in section 77-1343 for purposes of taxes levied by any other political
10 subdivision; and

11 (d) For tax year 2022 and each tax year thereafter, such real
12 property shall be valued at fifty-five percent of its special valuation
13 as defined in section 77-1343 for purposes of taxes levied by school
14 districts and multiple-district school systems and at seventy-five
15 percent of its special valuation as defined in section 77-1343 for
16 purposes of taxes levied by any other political subdivision.

17 (4) Historically significant real property which meets the
18 qualifications for historic rehabilitation valuation under sections
19 77-1385 to 77-1394 shall be valued for taxation as provided in such
20 sections.

21 (5) Tangible personal property, not including motor vehicles,
22 trailers, and semitrailers registered for operation on the highways of
23 this state, shall constitute a separate and distinct class of property
24 for purposes of property taxation, shall be subject to taxation, unless
25 expressly exempt from taxation, and shall be valued at its net book
26 value. Tangible personal property transferred as a gift or devise or as
27 part of a transaction which is not a purchase shall be subject to
28 taxation based upon the date the property was acquired by the previous
29 owner and at the previous owner's Nebraska adjusted basis. Tangible
30 personal property acquired as replacement property for converted property
31 shall be subject to taxation based upon the date the converted property

1 was acquired and at the Nebraska adjusted basis of the converted property
2 unless insurance proceeds are payable by reason of the conversion. For
3 purposes of this subsection, (a) converted property means tangible
4 personal property which is compulsorily or involuntarily converted as a
5 result of its destruction in whole or in part, theft, seizure,
6 requisition, or condemnation, or the threat or imminence thereof, and no
7 gain or loss is recognized for federal or state income tax purposes by
8 the holder of the property as a result of the conversion and (b)
9 replacement property means tangible personal property acquired within two
10 years after the close of the calendar year in which tangible personal
11 property was converted and which is, except for date of construction or
12 manufacture, substantially the same as the converted property.

13 (6) For purposes of this section, taxes levied by school districts
14 and multiple-district school systems means property taxes levied on real
15 or personal property by any school district or multiple-district school
16 system, regardless of the purpose for which such taxes are levied.

17 Sec. 2. Section 77-202, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 77-202 (1) The following property shall be exempt from property
20 taxes:

21 (a) Property of the state and its governmental subdivisions to the
22 extent used or being developed for use by the state or governmental
23 subdivision for a public purpose. For purposes of this subdivision:

24 (i) Property of the state and its governmental subdivisions means
25 (A) property held in fee title by the state or a governmental subdivision
26 or (B) property beneficially owned by the state or a governmental
27 subdivision in that it is used for a public purpose and is being acquired
28 under a lease-purchase agreement, financing lease, or other instrument
29 which provides for transfer of legal title to the property to the state
30 or a governmental subdivision upon payment of all amounts due thereunder.
31 If the property to be beneficially owned by a governmental subdivision

1 has a total acquisition cost that exceeds the threshold amount or will be
2 used as the site of a public building with a total estimated construction
3 cost that exceeds the threshold amount, then such property shall qualify
4 for an exemption under this section only if the question of acquiring
5 such property or constructing such public building has been submitted at
6 a primary, general, or special election held within the governmental
7 subdivision and has been approved by the voters of the governmental
8 subdivision. For purposes of this subdivision, threshold amount means the
9 greater of fifty thousand dollars or six-tenths of one percent of the
10 total actual value of real and personal property of the governmental
11 subdivision that will beneficially own the property as of the end of the
12 governmental subdivision's prior fiscal year; and

13 (ii) Public purpose means use of the property (A) to provide public
14 services with or without cost to the recipient, including the general
15 operation of government, public education, public safety, transportation,
16 public works, civil and criminal justice, public health and welfare,
17 developments by a public housing authority, parks, culture, recreation,
18 community development, and cemetery purposes, or (B) to carry out the
19 duties and responsibilities conferred by law with or without
20 consideration. Public purpose does not include leasing of property to a
21 private party unless the lease of the property is at fair market value
22 for a public purpose. Leases of property by a public housing authority to
23 low-income individuals as a place of residence are for the authority's
24 public purpose;

25 (b) Unleased property of the state or its governmental subdivisions
26 which is not being used or developed for use for a public purpose but
27 upon which a payment in lieu of taxes is paid for public safety, rescue,
28 and emergency services and road or street construction or maintenance
29 services to all governmental units providing such services to the
30 property. Except as provided in Article VIII, section 11, of the
31 Constitution of Nebraska, the payment in lieu of taxes shall be based on

1 the proportionate share of the cost of providing public safety, rescue,
2 or emergency services and road or street construction or maintenance
3 services unless a general policy is adopted by the governing body of the
4 governmental subdivision providing such services which provides for a
5 different method of determining the amount of the payment in lieu of
6 taxes. The governing body may adopt a general policy by ordinance or
7 resolution for determining the amount of payment in lieu of taxes by
8 majority vote after a hearing on the ordinance or resolution. Such
9 ordinance or resolution shall nevertheless result in an equitable
10 contribution for the cost of providing such services to the exempt
11 property;

12 (c) Property owned by and used exclusively for agricultural and
13 horticultural societies;

14 (d) Property owned by educational, religious, charitable, or
15 cemetery organizations, or any organization for the exclusive benefit of
16 any such educational, religious, charitable, or cemetery organization,
17 and used exclusively for educational, religious, charitable, or cemetery
18 purposes, when such property is not (i) owned or used for financial gain
19 or profit to either the owner or user, (ii) used for the sale of
20 alcoholic liquors for more than twenty hours per week, or (iii) owned or
21 used by an organization which discriminates in membership or employment
22 based on race, color, or national origin. For purposes of this
23 subdivision, educational organization means (A) an institution operated
24 exclusively for the purpose of offering regular courses with systematic
25 instruction in academic, vocational, or technical subjects or assisting
26 students through services relating to the origination, processing, or
27 guarantying of federally reinsured student loans for higher education or
28 (B) a museum or historical society operated exclusively for the benefit
29 and education of the public. For purposes of this subdivision, charitable
30 organization includes an organization operated exclusively for the
31 purpose of the mental, social, or physical benefit of the public or an

1 indefinite number of persons and a fraternal benefit society organized
2 and licensed under sections 44-1072 to 44-10,109; and

3 (e) Household goods and personal effects not owned or used for
4 financial gain or profit to either the owner or user.

5 (2) The increased value of land by reason of shade and ornamental
6 trees planted along the highway shall not be taken into account in the
7 valuation of land.

8 (3) Tangible personal property which is not depreciable tangible
9 personal property as defined in section 77-119 shall be exempt from
10 property tax.

11 (4) Motor vehicles, trailers, and semitrailers required to be
12 registered for operation on the highways of this state shall be exempt
13 from payment of property taxes.

14 (5) Business and agricultural inventory shall be exempt from the
15 personal property tax. For purposes of this subsection, business
16 inventory includes personal property owned for purposes of leasing or
17 renting such property to others for financial gain only if the personal
18 property is of a type which in the ordinary course of business is leased
19 or rented thirty days or less and may be returned at the option of the
20 lessee or renter at any time and the personal property is of a type which
21 would be considered household goods or personal effects if owned by an
22 individual. All other personal property owned for purposes of leasing or
23 renting such property to others for financial gain shall not be
24 considered business inventory.

25 (6) Any personal property exempt pursuant to subsection (2) of
26 section 77-4105 or section 77-5209.02 shall be exempt from the personal
27 property tax.

28 (7) Livestock shall be exempt from the personal property tax.

29 (8) Any personal property exempt pursuant to the Nebraska Advantage
30 Act shall be exempt from the personal property tax.

31 (9) Any depreciable tangible personal property used directly in the

1 generation of electricity using wind as the fuel source shall be exempt
2 from the property tax levied on depreciable tangible personal property.
3 Any depreciable tangible personal property used directly in the
4 generation of electricity using solar, biomass, or landfill gas as the
5 fuel source shall be exempt from the property tax levied on depreciable
6 tangible personal property if such depreciable tangible personal property
7 was installed on or after January 1, 2016, and has a nameplate capacity
8 of one hundred kilowatts or more. Depreciable tangible personal property
9 used directly in the generation of electricity using wind, solar,
10 biomass, or landfill gas as the fuel source includes, but is not limited
11 to, wind turbines, rotors and blades, towers, solar panels, trackers,
12 generating equipment, transmission components, substations, supporting
13 structures or racks, inverters, and other system components such as
14 wiring, control systems, switchgears, and generator step-up transformers.

15 (10) Any tangible personal property that is acquired by a person
16 operating a data center located in this state, that is assembled,
17 engineered, processed, fabricated, manufactured into, attached to, or
18 incorporated into other tangible personal property, both in component
19 form or that of an assembled product, for the purpose of subsequent use
20 at a physical location outside this state by the person operating a data
21 center shall be exempt from the personal property tax. Such exemption
22 extends to keeping, retaining, or exercising any right or power over
23 tangible personal property in this state for the purpose of subsequently
24 transporting it outside this state for use thereafter outside this state.
25 For purposes of this subsection, data center means computers, supporting
26 equipment, and other organized assembly of hardware or software that are
27 designed to centralize the storage, management, or dissemination of data
28 and information, environmentally controlled structures or facilities or
29 interrelated structures or facilities that provide the infrastructure for
30 housing the equipment, such as raised flooring, electricity supply,
31 communication and data lines, Internet access, cooling, security, and

1 fire suppression, and any building housing the foregoing.

2 (11) For tax years prior to tax year 2020, each person who owns
3 property required to be reported to the county assessor under section
4 77-1201, ~~there~~ shall be allowed an exemption amount as provided in the
5 Personal Property Tax Relief Act. For tax years prior to tax year 2020,
6 each person who owns property required to be valued by the state as
7 provided in section 77-601, 77-682, 77-801, or 77-1248, ~~there~~ shall be
8 allowed a compensating exemption factor as provided in the Personal
9 Property Tax Relief Act.

10 Sec. 3. Section 77-693, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-693 (1) The Property Tax Administrator in determining the taxable
13 value of railroads and car lines shall determine the following ratios
14 involving railroad and car line property and commercial and industrial
15 property:

16 (a) The ratio of the taxable value of all commercial and industrial
17 personal property in the state actually subjected to property tax divided
18 by the market value of all commercial and industrial personal property in
19 the state;

20 (b) The ratio of the taxable value of all commercial and industrial
21 real property in the state actually subjected to property tax divided by
22 the market value of all commercial and industrial real property in the
23 state;

24 (c) The ratio of the taxable value of railroad personal property to
25 the market value of railroad personal property. The numerator of the
26 ratio shall be the taxable value of railroad personal property. The
27 denominator of the ratio shall be the railroad system value allocated to
28 Nebraska and multiplied by a factor representing the net book value of
29 rail transportation personal property divided by the net book value of
30 total rail transportation property;

31 (d) The ratio of the taxable value of railroad real property to the

1 market value of railroad real property. The numerator of the ratio shall
2 be the taxable value of railroad real property. The denominator of the
3 ratio shall be the railroad system value allocated to Nebraska and
4 multiplied by a factor representing the net book value of rail
5 transportation real property divided by the net book value of total rail
6 transportation property; and

7 (e) Similar calculations shall be made for car line taxable
8 properties.

9 (2) If the ratio of the taxable value of railroad and car line
10 personal or real property exceeds the ratio of the comparable taxable
11 commercial and industrial property by more than five percent, the
12 Property Tax Administrator may adjust the value of such railroad and car
13 line property to the percentage of the comparable taxable commercial and
14 industrial property pursuant to federal statute or Nebraska federal court
15 decisions applicable thereto.

16 (3) For purposes of this section, commercial and industrial property
17 shall mean all real and personal property which is devoted to commercial
18 or industrial use other than rail transportation property and land used
19 primarily for agricultural purposes.

20 (4) For tax years prior to tax year 2020, after ~~After~~ the adjustment
21 made pursuant to subsections (1) and (2) of this section, the Property
22 Tax Administrator shall multiply the value of the tangible personal
23 property of each railroad and car line by the compensating exemption
24 factor calculated in section 77-1238.

25 Sec. 4. Section 77-801, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 77-801 (1) All public service entities shall, on or before April 15
28 of each year, furnish a statement specifying such information as may be
29 required by the Property Tax Administrator on forms prescribed by the Tax
30 Commissioner to determine and distribute the entity's total taxable value
31 including the franchise value. All information reported by the public

1 service entities, not available from any other public source, and any
2 memorandum thereof shall be confidential and available to taxing
3 officials only. For good cause shown, the Property Tax Administrator may
4 allow an extension of time in which to file such statement. Such
5 extension shall not exceed fifteen days after April 15.

6 (2) The returns of public service entities shall not be held to be
7 conclusive as to the taxable value of the property, but the Property Tax
8 Administrator shall, from all the information which he or she is able to
9 obtain, find the taxable value of all such property, including tangible
10 property and franchises, and shall assess such property on the same basis
11 as other property is required to be assessed.

12 (3) The county assessor shall assess all nonoperating property of
13 any public service entity. A public service entity operating within the
14 State of Nebraska shall, on or before January 1 of each year, report to
15 the county assessor of each county in which it has situs all nonoperating
16 property belonging to such entity which is not subject to assessment and
17 assessed by the Property Tax Administrator under section 77-802.

18 (4) For tax years prior to tax year 2020, the The Property Tax
19 Administrator shall multiply the value of the tangible personal property
20 of each public service entity by the compensating exemption factor
21 calculated in section 77-1238.

22 Sec. 5. Section 77-1238, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 77-1238 (1) For tax years prior to tax year 2020, every Every person
25 who is required to list his or her taxable tangible personal property as
26 defined in section 77-105, as required under section 77-1229, shall
27 receive an exemption from taxation for the first ten thousand dollars of
28 valuation of his or her tangible personal property in each tax district
29 as defined in section 77-127 in which a personal property return is
30 required to be filed. Failure to report tangible personal property on the
31 personal property return required by section 77-1229 shall result in a

1 forfeiture of the exemption for any tangible personal property not timely
2 reported for that year.

3 (2) For tax years prior to tax year 2020, the The Property Tax
4 Administrator shall reduce the value of the tangible personal property
5 owned by each railroad, car line company, public service entity, and air
6 carrier by a compensating exemption factor to reflect the exemption
7 allowed in subsection (1) of this section for all other personal property
8 taxpayers. The compensating exemption factor is calculated by multiplying
9 the value of the tangible personal property of the railroad, car line
10 company, public service entity, or air carrier by a fraction, the
11 numerator of which is the total amount of locally assessed tangible
12 personal property that is actually subjected to property tax after the
13 exemption allowed in subsection (1) of this section, and the denominator
14 of which is the net book value of locally assessed tangible personal
15 property prior to the exemptions allowed in subsection (1) of this
16 section.

17 Sec. 6. Section 77-1239, Revised Statutes Supplement, 2019, is
18 amended to read:

19 77-1239 (1) For tax years prior to tax year 2020, reimbursement
20 ~~Reimbursement~~ to taxing subdivisions for tax revenue that will be lost
21 because of the personal property tax exemptions allowed in subsection (1)
22 of section 77-1238 shall be as provided in this subsection. The county
23 assessor and county treasurer shall, on or before November 30 of each
24 year, certify to the Tax Commissioner, on forms prescribed by the Tax
25 Commissioner, the total tax revenue that will be lost to all taxing
26 subdivisions within his or her county from taxes levied and assessed in
27 that year because of the personal property tax exemptions allowed in
28 subsection (1) of section 77-1238. The county assessor and county
29 treasurer may amend the certification to show any change or correction in
30 the total tax revenue that will be lost until May 30 of the next
31 succeeding year. The Tax Commissioner shall, on or before January 1 next

1 following the certification, notify the Director of Administrative
2 Services of the amount so certified to be reimbursed by the state.
3 Reimbursement of the tax revenue lost shall be made to each county
4 according to the certification and shall be distributed in two
5 approximately equal installments on the last business day of February and
6 the last business day of June. The State Treasurer shall, on the business
7 day preceding the last business day of February and the last business day
8 of June, notify the Director of Administrative Services of the amount of
9 funds available in the General Fund to pay the reimbursement. The
10 Director of Administrative Services shall, on the last business day of
11 February and the last business day of June, draw warrants against funds
12 appropriated. Out of the amount received, the county treasurer shall
13 distribute to each of the taxing subdivisions within his or her county
14 the full tax revenue lost by each subdivision, except that one percent of
15 such amount shall be deposited in the county general fund.

16 (2) For tax years prior to tax year 2020, reimbursement
17 ~~Reimbursement~~ to taxing subdivisions for tax revenue that will be lost
18 because of the compensating exemption factor in subsection (2) of section
19 77-1238 shall be as provided in this subsection. The Property Tax
20 Administrator shall establish the average tax rate that will be used for
21 purposes of reimbursing taxing subdivisions pursuant to this subsection.
22 The average tax rate shall be equal to the total property taxes levied in
23 the state divided by the total taxable value of all taxable property in
24 the state as certified pursuant to section 77-1613.01. The total
25 valuation that will be lost to all taxing subdivisions within each county
26 because of the compensating exemption factor in subsection (2) of section
27 77-1238, multiplied by the average tax rate calculated pursuant to this
28 subsection, shall be the tax revenue to be reimbursed to the taxing
29 subdivisions by the state. Reimbursement of the tax revenue lost for
30 public service entities shall be made to each county according to the
31 certification and shall be distributed among the taxing subdivisions

1 within each county in the same proportion as all public service entity
2 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue
3 lost for railroads shall be made to each county according to the
4 certification and shall be distributed among the taxing subdivisions
5 within each county in the same proportion as all railroad taxes levied by
6 taxing subdivisions. Reimbursement of the tax revenue lost for car line
7 companies shall be distributed in the same manner as the taxes collected
8 pursuant to section 77-684. Reimbursement of the tax revenue lost for air
9 carriers shall be distributed in the same manner as the taxes collected
10 pursuant to section 77-1250.

11 (3) Each taxing subdivision shall, in preparing its annual or
12 biennial budget, take into account the amounts to be received under this
13 section.

14 Sec. 7. Section 77-1248, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-1248 (1) The Property Tax Administrator shall ascertain from the
17 reports made and from any other information obtained by him or her the
18 taxable value of the flight equipment of air carriers and the proportion
19 allocated to this state for the purposes of taxation as provided in
20 section 77-1245.

21 (2)(a) In determining the taxable value of the flight equipment of
22 air carriers pursuant to subsection (1) of this section, the Property Tax
23 Administrator shall determine the following ratios:

24 (i) The ratio of the taxable value of all commercial and industrial
25 depreciable tangible personal property in the state actually subjected to
26 property tax to the market value of all commercial and industrial
27 depreciable tangible personal property in the state; and

28 (ii) The ratio of the taxable value of flight equipment of air
29 carriers to the market value of flight equipment of air carriers.

30 (b) If the ratio of the taxable value of flight equipment of air
31 carriers exceeds the ratio of the taxable value of commercial and

1 industrial depreciable tangible personal property by more than five
2 percent, the Property Tax Administrator may adjust the value of such
3 flight equipment of air carriers to the percentage of the taxable
4 commercial and industrial depreciable tangible personal property pursuant
5 to federal law applicable to air carrier transportation property or
6 Nebraska federal court decisions applicable thereto.

7 (c) For purposes of this subsection, commercial and industrial
8 depreciable tangible personal property means all personal property which
9 is devoted to commercial or industrial use other than flight equipment of
10 air carriers.

11 (3) For tax years prior to tax year 2020, the The Property Tax
12 Administrator shall multiply the valuation of each air carrier by the
13 compensating exemption factor calculated in section 77-1238.

14 Sec. 8. Section 77-1391, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-1391 (1) Commencing January 1, 2006, for all real property for
17 which a final certificate of rehabilitation has been issued, the
18 valuation for purposes of assessment shall be no more than the base-year
19 valuation for eight years following issuance of the final certificate of
20 rehabilitation.

21 (2) For the four years following the expiration of the eight-year
22 period specified in subsection (1) of this section, the valuation for
23 purposes of the assessment shall be as follows:

24 (a) For the first year, the base-year valuation plus twenty-five
25 percent of the difference in the base-year valuation and the current year
26 assessed ~~actual~~ value;

27 (b) For the second year, the base-year valuation plus fifty percent
28 of the difference in the base-year valuation and the current year
29 assessed ~~actual~~ value;

30 (c) For the third year, the base-year valuation plus seventy-five
31 percent of the difference in the base-year valuation and the current year

1 ~~assessed actual~~ value; and

2 (d) For the fourth year, the current year ~~assessed actual~~ value.

3 (3) For purposes of sections 77-1385 to 77-1394, base-year valuation
4 means the assessed valuation of the historically significant real
5 property in the assessment year the preliminary certificate of
6 rehabilitation was issued as certified in subdivision (1)(c) of section
7 77-1388 or as finally determined if appealed.

8 (4) If, during the eight-year period and the four-year period
9 specified in subsections (1) and (2) of this section, the State Historic
10 Preservation Officer determines that historically significant real
11 property for which a final certificate of rehabilitation has been issued
12 (a) has been the subject of repair, renovation, remodeling, or
13 improvement but not in accordance with the Standards for Rehabilitation
14 as described in 36 C.F.R. 67.7, as such regulation existed on January 1,
15 2005, (b) is no longer of historical significance to a qualified historic
16 district, or (c) no longer possesses the qualifications for listing in
17 the National Register of Historic Places, he or she shall revoke the
18 final certificate of rehabilitation by written notice to the owner and
19 transmit a copy of the revocation to the county assessor.

20 (5) Upon disqualification of any real property receiving base-year
21 valuation under sections 77-1385 to 77-1394, the county assessor shall
22 change the value of such property to its ~~assessed actual~~ value in the
23 assessment year following the revocation of the final certificate of
24 rehabilitation.

25 Sec. 9. Section 77-1514, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 77-1514 (1) The county assessor shall prepare an abstract of the
28 property assessment rolls of locally assessed real property of his or her
29 county on forms prescribed and furnished by the Tax Commissioner. The
30 county assessor shall file the abstract with the Property Tax
31 Administrator on or before March 19, except beginning January 1, 2014, in

1 any county with a population of at least one hundred fifty thousand
2 inhabitants according to the most recent federal decennial census, the
3 real property abstract shall be filed on or before March 25. The abstract
4 shall show the taxable value of real property in the county as determined
5 by the county assessor and any other information as required by the
6 Property Tax Administrator. The Property Tax Administrator, upon written
7 request from the county assessor, may for good cause shown extend the
8 final filing due date for the abstract and the statutory deadlines
9 provided in section 77-5027. The Property Tax Administrator may extend
10 the statutory deadline in section 77-5028 for a county if the deadline is
11 extended for that county. Beginning January 1, 2014, in any county with a
12 population of at least one hundred fifty thousand inhabitants according
13 to the most recent federal decennial census, the county assessor shall
14 request an extension of the final filing due date by March 22.

15 (2) For tax years prior to tax year 2020, the The county assessor
16 shall prepare an abstract of the property assessment rolls of locally
17 assessed personal property of his or her county on forms prescribed and
18 furnished by the Tax Commissioner. The county assessor shall
19 electronically file the abstract with the Property Tax Administrator on
20 or before July 20.

21 Sec. 10. Section 77-3442, Revised Statutes Supplement, 2019, is
22 amended to read:

23 77-3442 (1) Property tax levies for the support of local governments
24 for fiscal years beginning on or after July 1, 1998, shall be limited to
25 the amounts set forth in this section except as provided in section
26 77-3444.

27 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
28 section:

29 (i) For fiscal years prior to fiscal year 2023-24, school districts
30 and multiple-district school systems may levy a maximum levy of one
31 dollar and five cents per one hundred dollars of taxable valuation of

1 property subject to the levy; and -

2 (ii) For school fiscal year 2023-24 and each school fiscal year
3 thereafter, school districts and multiple-district school systems may
4 levy a maximum levy equal to five cents per one hundred dollars of
5 taxable valuation of property subject to the levy plus a levy rate which,
6 when applied to taxable valuation of property subject to the levy,
7 generates an amount equal to the local formula contribution for such
8 fiscal year calculated pursuant to section 79-1015.01.

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

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

23 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
24 of this section are (i) amounts levied to pay for current and future sums
25 agreed to be paid by a school district to certificated employees in
26 exchange for a voluntary termination of employment occurring prior to
27 September 1, 2017, (ii) amounts levied by a school district otherwise at
28 the maximum levy pursuant to subdivision (2)(a) of this section to pay
29 for current and future qualified voluntary termination incentives for
30 certificated teachers pursuant to subsection (3) of section 79-8,142 that
31 are not otherwise included in an exclusion pursuant to subdivision (2)(d)

1 of this section, (iii) amounts levied by a school district otherwise at
2 the maximum levy pursuant to subdivision (2)(a) of this section to pay
3 for seventy-five percent of the current and future sums agreed to be paid
4 to certificated employees in exchange for a voluntary termination of
5 employment occurring between September 1, 2017, and August 31, 2018, as a
6 result of a collective-bargaining agreement in force and effect on
7 September 1, 2017, that are not otherwise included in an exclusion
8 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
9 school district otherwise at the maximum levy pursuant to subdivision (2)
10 (a) of this section to pay for fifty percent of the current and future
11 sums agreed to be paid to certificated employees in exchange for a
12 voluntary termination of employment occurring between September 1, 2018,
13 and August 31, 2019, as a result of a collective-bargaining agreement in
14 force and effect on September 1, 2017, that are not otherwise included in
15 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
16 levied by a school district otherwise at the maximum levy pursuant to
17 subdivision (2)(a) of this section to pay for twenty-five percent of the
18 current and future sums agreed to be paid to certificated employees in
19 exchange for a voluntary termination of employment occurring between
20 September 1, 2019, and August 31, 2020, as a result of a collective-
21 bargaining agreement in force and effect on September 1, 2017, that are
22 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
23 this section, (vi) amounts levied in compliance with sections 79-10,110
24 and 79-10,110.02, (vii) for fiscal year 2021-22 and each fiscal year
25 thereafter, amounts levied by a school district in addition to the
26 maximum levy pursuant to subdivision (2)(a) of this section, with the
27 approval of at least two-thirds of the elected members of the school
28 board of such school district, up to one hundred percent of any positive
29 difference resulting from subtracting the aid certified pursuant to
30 subsection (1) of section 79-1022 for such fiscal year from the estimate
31 of aid without any short-term adjustment by the Legislature provided

1 pursuant to subsection (3) of section 79-1022 for such fiscal year,
2 (viii) and (vii) amounts levied to pay for special building funds and
3 sinking funds established for projects commenced prior to the effective
4 date of this act April 1, 1996, for construction, expansion, or
5 alteration of school district buildings up to the amount that would be
6 generated by a levy rate equal to the levy rate for such project for the
7 2019-20 fiscal year, and (ix) an amount equal to any loss of revenue
8 caused by changes to section 77-201 occurring after the passage of a levy
9 override at an election occurring prior to the effective date of this act
10 pursuant to subdivision (1)(b) of section 77-3444 for the period of years
11 for which such override is applicable. For purposes of this subsection,
12 commenced means any action taken by the school board on the record which
13 commits the board to expend district funds in planning, constructing, or
14 carrying out the project.

15 (e) Federal aid school districts may exceed the maximum levy
16 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
17 extent necessary to qualify to receive federal aid pursuant to 20 U.S.C.
18 7701 et seq., as such sections existed on January 1, 2020 Title VIII of
19 Public Law 103-382, as such title existed on September 1, 2001. For
20 purposes of this subdivision, federal aid school district means any
21 school district which receives ten percent or more of the revenue for its
22 general fund budget from federal government sources pursuant to 20 U.S.C.
23 7701 et seq., as such sections existed on January 1, 2020 Title VIII of
24 Public Law 103-382, as such title existed on September 1, 2001.

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

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

9 (3) For each fiscal year, community college areas may levy the
10 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
11 accordance with the provisions of such subdivisions. A community college
12 area may exceed the levy provided in subdivision (2)(b) of section
13 85-1517 by the amount necessary to retire general obligation bonds
14 assumed by the community college area or issued pursuant to section
15 85-1515 according to the terms of such bonds or for any obligation
16 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

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

29 (c) In addition, natural resources districts located in a river
30 basin, subbasin, or reach that has been determined to be fully
31 appropriated pursuant to section 46-714 or designated as overappropriated

1 pursuant to section 46-713 by the Department of Natural Resources shall
2 also have the power and authority to levy a tax equal to the dollar
3 amount by which their restricted funds budgeted to administer and
4 implement ground water management activities and integrated management
5 activities under the Nebraska Ground Water Management and Protection Act
6 exceed their restricted funds budgeted to administer and implement ground
7 water management activities and integrated management activities for
8 FY2005-06, not to exceed three cents on each one hundred dollars of
9 taxable valuation on all of the taxable property within the district for
10 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
11 2017-18.

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

16 (6)(a) Incorporated cities and villages which are not within the
17 boundaries of a municipal county may levy a maximum levy of forty-five
18 cents per one hundred dollars of taxable valuation of property subject to
19 the levy plus an additional five cents per one hundred dollars of taxable
20 valuation to provide financing for the municipality's share of revenue
21 required under an agreement or agreements executed pursuant to the
22 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
23 levy shall include amounts levied to pay for sums to support a library
24 pursuant to section 51-201, museum pursuant to section 51-501, visiting
25 community nurse, home health nurse, or home health agency pursuant to
26 section 71-1637, or statue, memorial, or monument pursuant to section
27 80-202.

28 (b) Incorporated cities and villages which are within the boundaries
29 of a municipal county may levy a maximum levy of ninety cents per one
30 hundred dollars of taxable valuation of property subject to the levy. The
31 maximum levy shall include amounts paid to a municipal county for county

1 services, amounts levied to pay for sums to support a library pursuant to
2 section 51-201, a museum pursuant to section 51-501, a visiting community
3 nurse, home health nurse, or home health agency pursuant to section
4 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

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

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

1 to be levied by the political subdivision for the purpose of supporting
2 that political subdivision's share of revenue required under an agreement
3 or agreements executed pursuant to the Interlocal Cooperation Act or the
4 Joint Public Agency Act. If an allocation by a county would cause another
5 county to exceed its levy authority under this section, the second county
6 may exceed the levy authority in order to levy the amount allocated.

7 (9) Municipal counties may levy or authorize a maximum levy of one
8 dollar per one hundred dollars of taxable valuation of property subject
9 to the levy. The municipal county may allocate levy authority to any
10 political subdivision or entity subject to allocation under section
11 77-3443.

12 (10) Beginning July 1, 2016, rural and suburban fire protection
13 districts may levy a maximum levy of ten and one-half cents per one
14 hundred dollars of taxable valuation of property subject to the levy if
15 (a) such district is located in a county that had a levy pursuant to
16 subsection (8) of this section in the previous year of at least forty
17 cents per one hundred dollars of taxable valuation of property subject to
18 the levy or (b) such district had a levy request pursuant to section
19 77-3443 in any of the three previous years and the county board of the
20 county in which the greatest portion of the valuation of such district is
21 located did not authorize any levy authority to such district in such
22 year.

23 (11) A regional metropolitan transit authority may levy a maximum
24 levy of ten cents per one hundred dollars of taxable valuation of
25 property subject to the levy for each fiscal year that commences on the
26 January 1 that follows the effective date of the conversion of the
27 transit authority established under the Transit Authority Law into the
28 regional metropolitan transit authority.

29 (12) Property tax levies (a) for judgments, except judgments or
30 orders from the Commission of Industrial Relations, obtained against a
31 political subdivision which require or obligate a political subdivision

1 to pay such judgment, to the extent such judgment is not paid by
2 liability insurance coverage of a political subdivision, (b) for
3 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
4 for bonds as defined in section 10-134 approved according to law and
5 secured by a levy on property except as provided in section 44-4317 for
6 bonded indebtedness issued by educational service units and school
7 districts, and (d) for payments by a public airport to retire interest-
8 free loans from the Division of Aeronautics of the Department of
9 Transportation in lieu of bonded indebtedness at a lower cost to the
10 public airport are not included in the levy limits established by this
11 section.

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

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

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

23 (16) For school districts that file a binding resolution on or
24 before May 9, 2008, with the county assessors, county clerks, and county
25 treasurers for all counties in which the school district has territory
26 pursuant to subsection (7) of section 79-458, if the combined levies,
27 except levies for bonded indebtedness approved by the voters of the
28 school district and levies for the refinancing of such bonded
29 indebtedness, are in excess of the greater of (a) one dollar and twenty
30 cents per one hundred dollars of taxable valuation of property subject to
31 the levy or (b) the maximum levy authorized by a vote pursuant to section

1 77-3444, all school district levies, except levies for bonded
2 indebtedness approved by the voters of the school district and levies for
3 the refinancing of such bonded indebtedness, shall be considered
4 unauthorized levies under section 77-1606.

5 Sec. 11. Section 77-3446, Revised Statutes Supplement, 2019, is
6 amended to read:

7 77-3446 Base limitation means the budget limitation rate applicable
8 to school districts and the limitation on growth of restricted funds
9 applicable to other political subdivisions prior to any increases in the
10 rate as a result of special actions taken by a supermajority of any
11 governing board or of any exception allowed by law. The base limitation
12 is two and one-half percent until adjusted, except that the base
13 limitation for school districts for school fiscal years 2017-18 and
14 2018-19 is one and one-half percent, the base limitation for school
15 districts and for school fiscal year 2019-20 is two percent, and the base
16 limitation for school districts for school fiscal year 2020-21 and each
17 school fiscal year thereafter is the inflation rate for such school
18 fiscal year as certified by the Tax Commissioner pursuant to section 20
19 of this act, including any adjustment pursuant to subsection (3) or (4)
20 of such section. The base limitation may be adjusted annually by the
21 Legislature to reflect changes in the prices of services and products
22 used by school districts and political subdivisions.

23 Sec. 12. Section 77-5023, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 77-5023 (1) Pursuant to section 77-5022, the commission shall have
26 the power to increase or decrease the value of a class or subclass of
27 real property in any county or taxing authority or of real property
28 valued by the state so that all classes or subclasses of real property in
29 all counties fall within an acceptable range.

30 (2)(a) (2) An acceptable range is the percentage of variation from a
31 standard for valuation as measured by an established indicator of central

1 tendency of assessment. ~~Acceptable ranges are: (a) For agricultural land~~
2 ~~and horticultural land as defined in section 77-1359, sixty-nine to~~
3 ~~seventy-five percent of actual value; (b) for lands receiving special~~
4 ~~valuation, sixty-nine to seventy-five percent of special valuation as~~
5 ~~defined in section 77-1343; and (c) for all other real property, ninety-~~
6 ~~two to one hundred percent of actual value.~~

7 (b) The acceptable ranges for agricultural land and horticultural
8 land not receiving special valuation are:

9 (i) For tax years prior to tax year 2020, sixty-nine to seventy-five
10 percent of actual value;

11 (ii) For tax year 2020, fifty-nine to sixty-five percent of actual
12 value for purposes of taxes levied by school districts and multiple-
13 district school systems and sixty-nine to seventy-five percent of actual
14 value for purposes of taxes levied by any other political subdivision;

15 (iii) For tax year 2021, fifty-four to sixty percent of actual value
16 for purposes of taxes levied by school districts and multiple-district
17 school systems and sixty-nine to seventy-five percent of actual value for
18 purposes of taxes levied by any other political subdivision; and

19 (iv) For tax year 2022 and each tax year thereafter, forty-nine to
20 fifty-five percent of actual value for purposes of taxes levied by school
21 districts and multiple-district school systems and sixty-nine to seventy-
22 five percent of actual value for purposes of taxes levied by any other
23 political subdivision.

24 (c) The acceptable ranges for agricultural land and horticultural
25 land receiving special valuation are:

26 (i) For tax years prior to tax year 2020, sixty-nine to seventy-five
27 percent of special valuation;

28 (ii) For tax year 2020, fifty-nine to sixty-five percent of special
29 valuation for purposes of taxes levied by school districts and multiple-
30 district school systems and sixty-nine to seventy-five percent of special
31 valuation for purposes of taxes levied by any other political

1 subdivision;

2 (iii) For tax year 2021, fifty-four to sixty percent of special
3 valuation for purposes of taxes levied by school districts and multiple-
4 district school systems and sixty-nine to seventy-five percent of special
5 valuation for purposes of taxes levied by any other political
6 subdivision; and

7 (iv) For tax year 2022 and each tax year thereafter, forty-nine to
8 fifty-five percent of special valuation for purposes of taxes levied by
9 school districts and multiple-district school systems and sixty-nine to
10 seventy-five percent of special valuation for purposes of taxes levied by
11 any other political subdivision.

12 (d) The acceptable ranges for all other real property are:

13 (i) For tax years prior to tax year 2020, ninety-two to one hundred
14 percent of actual value;

15 (ii) For tax year 2020, eighty-seven to ninety-five percent of
16 actual value for purposes of taxes levied by school districts and
17 multiple-district school systems and ninety-two to one hundred percent of
18 actual value for purposes of taxes levied by any other political
19 subdivision;

20 (iii) For tax year 2021, eighty-three to ninety-one percent of
21 actual value for purposes of taxes levied by school districts and
22 multiple-district school systems and ninety-two to one hundred percent of
23 actual value for purposes of taxes levied by any other political
24 subdivision; and

25 (iv) For tax year 2022 and each tax year thereafter, seventy-nine to
26 eighty-seven percent of actual value for purposes of taxes levied by
27 school districts and multiple-district school systems and ninety-two to
28 one hundred percent of actual value for purposes of taxes levied by any
29 other political subdivision.

30 (e) For purposes of this subsection:

31 (i) Agricultural land and horticultural land has the same meaning as

1 in section 77-1359;

2 (ii) Special valuation has the same meaning as in section 77-1343;

3 and

4 (iii) Taxes levied by school districts and multiple-district school
5 systems has the same meaning as in section 77-201.

6 (3) Any increase or decrease shall cause the level of value
7 determined by the commission to be at the midpoint of the applicable
8 acceptable range.

9 (4) Any decrease or increase to a subclass of property shall also
10 cause the level of value determined by the commission for the class from
11 which the subclass is drawn to be within the applicable acceptable range.

12 (5) Whether or not the level of value determined by the commission
13 falls within an acceptable range or at the midpoint of an acceptable
14 range may be determined to a reasonable degree of certainty relying upon
15 generally accepted mass appraisal techniques.

16 Sec. 13. Section 79-1001, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 79-1001 Sections 79-1001 to 79-1033 and sections 16 and 20 of this
19 act shall be known and may be cited as the Tax Equity and Educational
20 Opportunities Support Act.

21 Sec. 14. Section 79-1003, Revised Statutes Supplement, 2019, is
22 amended to read:

23 79-1003 For purposes of the Tax Equity and Educational Opportunities
24 Support Act:

25 (1) Adjusted general fund operating expenditures means (a) ~~for~~
26 ~~school fiscal years 2013-14 through 2015-16, the difference of the~~
27 ~~general fund operating expenditures as calculated pursuant to subdivision~~
28 ~~(23) of this section increased by the cost growth factor calculated~~
29 ~~pursuant to section 79-1007.10, minus the transportation allowance,~~
30 ~~special receipts allowance, poverty allowance, limited English~~
31 ~~proficiency allowance, distance education and telecommunications~~

1 ~~allowance, elementary site allowance, summer school allowance,~~
2 ~~instructional time allowance, teacher education allowance, and focus~~
3 ~~school and program allowance, (b) for school fiscal years 2016-17 through~~
4 2018-19, the difference of the general fund operating expenditures as
5 ~~calculated pursuant to subdivision (23) of this section~~ increased by the
6 cost growth factor calculated pursuant to section 79-1007.10, minus the
7 transportation allowance, special receipts allowance, poverty allowance,
8 limited English proficiency allowance, distance education and
9 telecommunications allowance, elementary site allowance, summer school
10 allowance, and focus school and program allowance, and ~~(b)~~ ~~(e)~~ for school
11 fiscal year 2019-20 and each school fiscal year thereafter, the
12 difference of the general fund operating expenditures as ~~calculated~~
13 ~~pursuant to subdivision (23) of this section~~ increased by the cost growth
14 factor calculated pursuant to section 79-1007.10, minus the
15 transportation allowance, special receipts allowance, poverty allowance,
16 limited English proficiency allowance, distance education and
17 telecommunications allowance, elementary site allowance, summer school
18 allowance, community achievement plan allowance, and focus school and
19 program allowance;

20 (2) Adjusted valuation means the assessed valuation of taxable
21 property of each local system in the state, adjusted pursuant to the
22 adjustment factors described in section 79-1016. Adjusted valuation means
23 the adjusted valuation for the property tax year ending during the school
24 fiscal year immediately preceding the school fiscal year in which the aid
25 based upon that value is to be paid. For purposes of determining (a) for
26 school fiscal years prior to school fiscal year 2023-24, the local effort
27 rate yield or (b) for school fiscal year 2023-24 and each school fiscal
28 year thereafter, the local formula contribution pursuant to section
29 79-1015.01, adjusted valuation does not include the value of any property
30 which a court, by a final judgment from which no appeal is taken, has
31 declared to be nontaxable or exempt from taxation;

1 (3) Allocated income tax funds means the amount of assistance paid
2 to a local system pursuant to section 79-1005.01 for school fiscal years
3 prior to school fiscal year 2020-21;

4 (4) Average daily membership means the average daily membership for
5 grades kindergarten through twelve attributable to the local system, as
6 provided in each district's annual statistical summary, and includes the
7 proportionate share of students enrolled in a public school instructional
8 program on less than a full-time basis;

9 (5) Base fiscal year means the first school fiscal year following
10 the school fiscal year in which the reorganization or unification
11 occurred;

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

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

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

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

29 (10) Converted contract option student means a student who will be
30 an option student pursuant to the enrollment option program established
31 in section 79-234 for the school fiscal year for which aid is being

1 calculated and who would have been covered by a converted contract if the
2 contract were still in effect and such school fiscal year is the first
3 school fiscal year for which such contract is not in effect;

4 (11) Cost index means the Consumer Price Index for All Urban
5 Consumers: U.S. city average, not seasonally adjusted, as prepared by the
6 United States Department of Labor, Bureau of Labor Statistics, and
7 released in October of each year;

8 (12) ~~(11)~~ Department means the State Department of Education;

9 (13) ~~(12)~~ District means any school district or unified system as
10 defined in section 79-4,108;

11 (14) ~~(13)~~ Ensuing school fiscal year means the school fiscal year
12 following the current school fiscal year;

13 (15) ~~(14)~~ Equalization aid means the amount of assistance calculated
14 to be paid to a local system pursuant to section 79-1008.01;

15 (16) ~~(15)~~ Fall membership means the total membership in kindergarten
16 through grade twelve attributable to the local system as reported on the
17 fall school district membership reports for each district pursuant to
18 section 79-528;

19 (17) ~~(16)~~ Fiscal year means the state fiscal year which is the
20 period from July 1 to the following June 30;

21 (18) ~~(17)~~ Formula students means:

22 (a) For state aid certified pursuant to section 79-1022, the sum of
23 the product of fall membership from the school fiscal year immediately
24 preceding the school fiscal year in which the aid is to be paid
25 multiplied by the average ratio of average daily membership to fall
26 membership for the second school fiscal year immediately preceding the
27 school fiscal year in which the aid is to be paid and the prior two
28 school fiscal years plus sixty percent of the qualified early childhood
29 education fall membership plus tuitioned students from the school fiscal
30 year immediately preceding the school fiscal year in which aid is to be
31 paid minus the product of the number of students enrolled in kindergarten

1 that is not full-day kindergarten from the fall membership multiplied by
2 0.5; and

3 (b) For the final calculation of state aid pursuant to section
4 79-1065, the sum of average daily membership plus sixty percent of the
5 qualified early childhood education average daily membership plus
6 tuitioned students minus the product of the number of students enrolled
7 in kindergarten that is not full-day kindergarten from the average daily
8 membership multiplied by 0.5 from the school fiscal year immediately
9 preceding the school fiscal year in which aid was paid;

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

1 and free milk students calculated for any school pursuant to subdivision
2 ~~(19)(b)(ii)~~ ~~(18)(b)(ii)~~ of this section shall not exceed one hundred
3 percent of the students qualified for free meals at such school pursuant
4 to the community eligibility provision;

5 ~~(20)~~ ~~(19)~~ Free lunch and free milk student means, for school fiscal
6 years prior to school fiscal year 2016-17, a student who qualified for
7 free lunches or free milk from the most recent data available on November
8 1 of the school fiscal year immediately preceding the school fiscal year
9 in which aid is to be paid;

10 ~~(21)~~ ~~(20)~~ Full-day kindergarten means kindergarten offered by a
11 district for at least one thousand thirty-two instructional hours;

12 ~~(22)~~ ~~(21)~~ General fund budget of expenditures means the total budget
13 of disbursements and transfers for general fund purposes as certified in
14 the budget statement adopted pursuant to the Nebraska Budget Act, except
15 that for purposes of the limitation imposed in section 79-1023, the
16 general fund budget of expenditures does not include any special grant
17 funds, exclusive of local matching funds, received by a district;

18 ~~(23)~~ ~~(22)~~ General fund expenditures means all expenditures from the
19 general fund;

20 ~~(24)~~ ~~(23)~~ General fund operating expenditures means for state aid
21 calculated for school fiscal years 2012-13 and each school fiscal year
22 thereafter, as reported on the annual financial report for the second
23 school fiscal year immediately preceding the school fiscal year in which
24 aid is to be paid, the total general fund expenditures minus (a) the
25 amount of all receipts to the general fund, to the extent that such
26 receipts are not included in local system formula resources, from early
27 childhood education tuition, summer school tuition, educational entities
28 as defined in section 79-1201.01 for providing distance education courses
29 through the Educational Service Unit Coordinating Council to such
30 educational entities, private foundations, individuals, associations,
31 charitable organizations, the textbook loan program authorized by section

1 79-734, federal impact aid, and levy override elections pursuant to
2 section 77-3444, (b) the amount of expenditures for categorical funds,
3 tuition paid, transportation fees paid to other districts, adult
4 education, community services, redemption of the principal portion of
5 general fund debt service, retirement incentive plans authorized by
6 section 79-855, and staff development assistance authorized by section
7 79-856, (c) the amount of any transfers from the general fund to any bond
8 fund and transfers from other funds into the general fund, (d) any legal
9 expenses in excess of fifteen-hundredths of one percent of the formula
10 need for the school fiscal year in which the expenses occurred, (e)(i)
11 for state aid calculated for school fiscal years prior to school fiscal
12 year 2018-19, expenditures to pay for sums agreed to be paid by a school
13 district to certificated employees in exchange for a voluntary
14 termination occurring prior to July 1, 2009, occurring on or after the
15 last day of the 2010-11 school year and prior to the first day of the
16 2013-14 school year, or, to the extent that a district has demonstrated
17 to the State Board of Education pursuant to section 79-1028.01 that the
18 agreement will result in a net savings in salary and benefit costs to the
19 school district over a five-year period, occurring on or after the first
20 day of the 2013-14 school year or (ii) for state aid calculated for
21 school fiscal year 2018-19 and each school fiscal year thereafter,
22 expenditures to pay for incentives agreed to be paid by a school district
23 to certificated employees in exchange for a voluntary termination of
24 employment for which the State Board of Education approved an exclusion
25 pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01,
26 (f)(i) expenditures to pay for employer contributions pursuant to
27 subsection (2) of section 79-958 to the School Employees Retirement
28 System of the State of Nebraska to the extent that such expenditures
29 exceed the employer contributions under such subsection that would have
30 been made at a contribution rate of seven and thirty-five hundredths
31 percent or (ii) expenditures to pay for school district contributions

1 pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
2 retirement system established pursuant to the Class V School Employees
3 Retirement Act to the extent that such expenditures exceed the school
4 district contributions under such subdivision that would have been made
5 at a contribution rate of seven and thirty-seven hundredths percent, ~~and~~
6 (g) any amounts paid by the district for lobbyist fees and expenses
7 reported to the Clerk of the Legislature pursuant to section 49-1483, and
8 (h) for state aid calculated for school fiscal year 2021-22 and each
9 school fiscal year thereafter, any amount received pursuant to
10 subdivision (2)(d)(vii) of section 77-3442.

11 For purposes of this subdivision (24) ~~(23)~~ of this section, receipts
12 from levy override elections shall equal ninety-nine percent of the
13 difference of the total general fund levy minus the maximum levy
14 permitted under subdivision (2)(a) of section 77-3442 for such local
15 system a levy of one dollar and five cents per one hundred dollars of
16 taxable valuation multiplied by the assessed valuation for school
17 districts that have voted pursuant to section 77-3444 to override the
18 maximum levy provided pursuant to section 77-3442;

19 (25) ~~(24)~~ Income tax liability means the amount of the reported
20 income tax liability for resident individuals pursuant to the Nebraska
21 Revenue Act of 1967 less all nonrefundable credits earned and refunds
22 made;

23 (26) ~~(25)~~ Income tax receipts means the amount of income tax
24 collected pursuant to the Nebraska Revenue Act of 1967 less all
25 nonrefundable credits earned and refunds made;

26 (27) Inflation rate means the inflation rate certified by the Tax
27 Commissioner pursuant to section 20 of this act for each school fiscal
28 year, including any adjustments pursuant to subsection (3) or (4) of such
29 section;

30 (28) ~~(26)~~ Limited English proficiency students means the number of
31 students with limited English proficiency in a district from the most

1 recent data available on November 1 of the school fiscal year preceding
2 the school fiscal year in which aid is to be paid plus the difference of
3 such students with limited English proficiency minus the average number
4 of limited English proficiency students for such district, prior to such
5 addition, for the three immediately preceding school fiscal years if such
6 difference is greater than zero;

7 (29) Local formula contribution means the amount included in formula
8 resources pursuant to section 79-1015.01;

9 (30) Local formula contribution inflation rate means the local
10 formula contribution inflation rate certified by the Tax Commissioner
11 pursuant to section 20 of this act as determined pursuant to subsection
12 (5) of such section for each school fiscal year;

13 (31) ~~(27)~~ Local system means a unified system or a school district;

14 (32) ~~(28)~~ Low-income child means (a) for school fiscal years prior
15 to 2016-17, a child under nineteen years of age living in a household
16 having an annual adjusted gross income for the second calendar year
17 preceding the beginning of the school fiscal year for which aid is being
18 calculated equal to or less than the maximum household income that would
19 allow a student from a family of four people to be a free lunch and free
20 milk student during the school fiscal year immediately preceding the
21 school fiscal year for which aid is being calculated and (b) for school
22 fiscal year 2016-17 and each school fiscal year thereafter, a child under
23 nineteen years of age living in a household having an annual adjusted
24 gross income for the second calendar year preceding the beginning of the
25 school fiscal year for which aid is being calculated equal to or less
26 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
27 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
28 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
29 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
30 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
31 existed on January 1, 2015, for a household of that size that would have

1 allowed the child to meet the income qualifications for free meals during
2 the school fiscal year immediately preceding the school fiscal year for
3 which aid is being calculated;

4 (33) ~~(29)~~ Low-income students means the number of low-income
5 children within the district multiplied by the ratio of the formula
6 students in the district divided by the total children under nineteen
7 years of age residing in the district as derived from income tax
8 information;

9 (34) ~~(30)~~ Most recently available complete data year means the most
10 recent single school fiscal year for which the annual financial report,
11 fall school district membership report, annual statistical summary,
12 Nebraska income tax liability by school district for the calendar year in
13 which the majority of the school fiscal year falls, and adjusted
14 valuation data are available;

15 (35) ~~(31)~~ Poverty students means (a) for school fiscal years prior
16 to 2016-17, the number of low-income students or the number of students
17 who are free lunch and free milk students in a district plus the
18 difference of the number of low-income students or the number of students
19 who are free lunch and free milk students in a district, whichever is
20 greater, minus the average number of poverty students for such district,
21 prior to such addition, for the three immediately preceding school fiscal
22 years if such difference is greater than zero and (b) for school fiscal
23 year 2016-17 and each school fiscal year thereafter, the unadjusted
24 poverty students plus the difference of such unadjusted poverty students
25 minus the average number of poverty students for such district, prior to
26 such addition, for the three immediately preceding school fiscal years if
27 such difference is greater than zero;

28 (36) ~~(32)~~ Qualified early childhood education average daily
29 membership means the product of the average daily membership for school
30 fiscal year 2006-07 and each school fiscal year thereafter of students
31 who will be eligible to attend kindergarten the following school year and

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

11 (37) ~~(33)~~ Qualified early childhood education fall membership means
12 the product of membership on October 1 of each school year of students
13 who will be eligible to attend kindergarten the following school year and
14 are enrolled in an early childhood education program approved by the
15 department pursuant to section 79-1103 for such school district for such
16 school year multiplied by the ratio of the planned instructional hours of
17 the program divided by one thousand thirty-two if: (a) The program is
18 receiving a grant pursuant to such section for the third year; (b) the
19 program has already received grants pursuant to such section for three
20 years; or (c) the program has been approved pursuant to subsection (5) of
21 section 79-1103 for such school year and the two preceding school years,
22 including any such students in portions of any of such programs receiving
23 an expansion grant;

24 (38) ~~(34)~~ Regular route transportation means the transportation of
25 students on regularly scheduled daily routes to and from the attendance
26 center;

27 (39) ~~(35)~~ Reorganized district means any district involved in a
28 consolidation and currently educating students following consolidation;

29 (40) ~~(36)~~ School year or school fiscal year means the fiscal year of
30 a school district as defined in section 79-1091;

31 (41) ~~(37)~~ Sparse local system means a local system that is not a

1 very sparse local system but which meets the following criteria:

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

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

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

14 (d)(i) Less than two formula students per square mile in the local
15 system and (ii) the local system includes an area equal to ninety-five
16 percent or more of the square miles in the largest county in which a high
17 school attendance center is located in the local system;

18 (42) ~~(38)~~ Special education means specially designed kindergarten
19 through grade twelve instruction pursuant to section 79-1125, and
20 includes special education transportation;

21 (43) ~~(39)~~ Special grant funds means the budgeted receipts for
22 grants, including, but not limited to, categorical funds, reimbursements
23 for wards of the court, short-term borrowings including, but not limited
24 to, registered warrants and tax anticipation notes, interfund loans,
25 insurance settlements, and reimbursements to county government for
26 previous overpayment. The state board shall approve a listing of grants
27 that qualify as special grant funds;

28 (44) ~~(40)~~ State aid means the amount of assistance paid to a
29 district pursuant to the Tax Equity and Educational Opportunities Support
30 Act;

31 (45) ~~(41)~~ State board means the State Board of Education;

1 (46) ~~(42)~~ State support means all funds provided to districts by the
2 State of Nebraska for the general fund support of elementary and
3 secondary education;

4 (47) ~~(43)~~ Statewide average basic funding per formula student means
5 the statewide total basic funding for all districts divided by the
6 statewide total formula students for all districts;

7 (48) ~~(44)~~ Statewide average general fund operating expenditures per
8 formula student means the statewide total general fund operating
9 expenditures for all districts divided by the statewide total formula
10 students for all districts;

11 (49) ~~(45)~~ Teacher has the definition found in section 79-101;

12 (50) ~~(46)~~ Temporary aid adjustment factor means (a) for school
13 fiscal years before school fiscal year 2007-08, one and one-fourth
14 percent of the sum of the local system's transportation allowance, the
15 local system's special receipts allowance, and the product of the local
16 system's adjusted formula students multiplied by the average formula cost
17 per student in the local system's cost grouping and (b) for school fiscal
18 year 2007-08, one and one-fourth percent of the sum of the local system's
19 transportation allowance, special receipts allowance, and distance
20 education and telecommunications allowance and the product of the local
21 system's adjusted formula students multiplied by the average formula cost
22 per student in the local system's cost grouping;

23 (51) ~~(47)~~ Tuition receipts from converted contracts means tuition
24 receipts received by a district from another district in the most
25 recently available complete data year pursuant to a converted contract
26 prior to the expiration of the contract;

27 (52) ~~(48)~~ Tuitioned students means students in kindergarten through
28 grade twelve of the district whose tuition is paid by the district to
29 some other district or education agency;

30 (53) ~~(49)~~ Unadjusted poverty students means, for school fiscal year
31 2016-17 and each school fiscal year thereafter, the greater of the number

1 of low-income students or the free lunch and free milk calculated
2 students in a district; and

3 ~~(54)~~ (50) Very sparse local system means a local system that has:

4 (a)(i) Less than one-half student per square mile in each county in
5 which each high school attendance center is located based on the school
6 district census, (ii) less than one formula student per square mile in
7 the local system, and (iii) more than fifteen miles between the high
8 school attendance center and the next closest high school attendance
9 center on paved roads; or

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

15 Sec. 15. Section 79-1005.01, Revised Statutes Supplement, 2019, is
16 amended to read:

17 79-1005.01 (1) Not later than November 15 of each year through 2019,
18 the Tax Commissioner shall certify to the department for the preceding
19 tax year the income tax liability of resident individuals for each local
20 system.

21 ~~(2) For school fiscal years prior to 2017-18, one hundred two~~
22 ~~million two hundred eighty-nine thousand eight hundred seventeen dollars~~
23 ~~which is equal to the amount appropriated to the School District Income~~
24 ~~Tax Fund for distribution in school fiscal year 1992-93 shall be~~
25 ~~disbursed as option payments as determined under section 79-1009 and as~~
26 ~~allocated income tax funds as determined in this section and sections~~
27 ~~79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01. For school fiscal~~
28 ~~years prior to school fiscal year 2017-18, funds not distributed as~~
29 ~~allocated income tax funds due to minimum levy adjustments shall not~~
30 ~~increase the amount available to local systems for distribution as~~
31 ~~allocated income tax funds.~~

1 ~~(3) Using the data certified by the Tax Commissioner pursuant to~~
2 ~~subsection (1) of this section, the department shall calculate the~~
3 ~~allocation percentage and each local system's allocated income tax funds.~~
4 ~~The allocation percentage shall be the amount stated in subsection (2) of~~
5 ~~this section minus the total amount paid for option students pursuant to~~
6 ~~section 79-1009, with the difference divided by the aggregate statewide~~
7 ~~income tax liability of all resident individuals certified pursuant to~~
8 ~~subsection (1) of this section. Each local system's allocated income tax~~
9 ~~funds shall be calculated by multiplying the allocation percentage times~~
10 ~~the local system's income tax liability certified pursuant to subsection~~
11 ~~(1) of this section.~~

12 ~~(2) (4) For school fiscal years year 2017-18, 2018-19, and 2019-20~~
13 ~~and each school fiscal year thereafter, each local system's allocated~~
14 ~~income tax funds shall be calculated by multiplying the local system's~~
15 ~~income tax liability certified pursuant to subsection (1) of this section~~
16 ~~by two and twenty-three hundredths percent.~~

17 Sec. 16. (1)(a) On or before April 15, 2020, for the calculation of
18 aid for school fiscal year 2020-21, the Tax Commissioner shall certify to
19 the department:

20 (i) The net income tax collections under the Nebraska Revenue Act of
21 1967 for the calendar year ending on December 31, 2018;

22 (ii) The net corporate tax collections under the Nebraska Revenue
23 Act of 1967 for the calendar year ending on December 31, 2018; and

24 (iii) The net state sales and use tax collections under the Nebraska
25 Revenue Act of 1967 for calendar year 2018.

26 (b) On or before November 1, 2020, and on or before November 1 of
27 each year thereafter, for the calculation of aid for the following school
28 fiscal year, the Tax Commissioner shall certify to the department:

29 (i) The net income tax collections under the Nebraska Revenue Act of
30 1967 for the most recently completed calendar year;

31 (ii) The net corporate tax collections under the Nebraska Revenue

1 Act of 1967 for the most recently completed calendar year; and
2 (iii) The net state sales and use tax collections under the Nebraska
3 Revenue Act of 1967 for the most recently completed calendar year.

4 (2) For school fiscal year 2020-21, the department shall calculate
5 the foundation aid to be paid to each local system for such school fiscal
6 year. The foundation aid for each local system shall equal (a) the (i)
7 fall membership for the certification of state aid pursuant to section
8 79-1022 or (ii) average daily membership for the final calculation of
9 state aid pursuant to section 79-1065 for such local system multiplied by
10 (b) the ratio of five percent of the sum of the amounts certified
11 pursuant to subsection (1) of this section divided by the statewide (i)
12 fall membership for the certification of state aid pursuant to section
13 79-1022 or (ii) average daily membership for the final calculation of
14 state aid pursuant to section 79-1065.

15 (3) For school fiscal year 2021-22, the department shall calculate
16 the foundation aid to be paid to each local system for such school fiscal
17 year. The foundation aid for each local system shall equal (a) the (i)
18 fall membership for the certification of state aid pursuant to section
19 79-1022 or (ii) average daily membership for the final calculation of
20 state aid pursuant to section 79-1065 for such local system multiplied by
21 (b) the ratio of ten percent of the sum of the amounts certified pursuant
22 to subsection (1) of this section divided by the statewide (i) fall
23 membership for the certification of state aid pursuant to section 79-1022
24 or (ii) average daily membership for the final calculation of state aid
25 pursuant to section 79-1065.

26 (4)(a) For school fiscal year 2022-23 and each school fiscal year
27 thereafter, the department shall calculate the foundation aid to be paid
28 to each local system for such school fiscal year. Except as otherwise
29 provided in subdivision (4)(b) of this section, the foundation aid for
30 each local system shall equal (i) the (A) fall membership for the
31 certification of state aid pursuant to section 79-1022 or (B) average

1 daily membership for the final calculation of state aid pursuant to
2 section 79-1065 for such local system multiplied by (ii) the ratio of
3 fifteen percent of the sum of the amounts certified pursuant to
4 subsection (1) of this section divided by the statewide (A) fall
5 membership for the certification of state aid pursuant to section 79-1022
6 or (B) average daily membership for the final calculation of state aid
7 pursuant to section 79-1065.

8 (b) If foundation aid calculated pursuant to subdivision (4)(a) of
9 this section for any local system is not equal to or greater than fifteen
10 percent of the basic funding calculated for such local system for such
11 school fiscal year, such foundation aid shall be increased to equal
12 fifteen percent of such basic funding.

13 Sec. 17. Section 79-1007.11, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 ~~79-1007.11 (1) Except as otherwise provided in this section, for~~
16 ~~school fiscal years 2013-14 through 2015-16, each school district's~~
17 ~~formula need shall equal the difference of the sum of the school~~
18 ~~district's basic funding, poverty allowance, limited English proficiency~~
19 ~~allowance, focus school and program allowance, summer school allowance,~~
20 ~~special receipts allowance, transportation allowance, elementary site~~
21 ~~allowance, instructional time allowance, teacher education allowance,~~
22 ~~distance education and telecommunications allowance, averaging~~
23 ~~adjustment, new learning community transportation adjustment, student~~
24 ~~growth adjustment, any positive student growth adjustment correction, and~~
25 ~~new school adjustment, minus the sum of the limited English proficiency~~
26 ~~allowance correction, poverty allowance correction, and any negative~~
27 ~~student growth adjustment correction.~~

28 ~~(2) Except as otherwise provided in this section, for school fiscal~~
29 ~~year 2016-17, each school district's formula need shall equal the~~
30 ~~difference of the sum of the school district's basic funding, poverty~~
31 ~~allowance, limited English proficiency allowance, focus school and~~

1 ~~program allowance, summer school allowance, special receipts allowance,~~
2 ~~transportation allowance, elementary site allowance, distance education~~
3 ~~and telecommunications allowance, averaging adjustment, new learning~~
4 ~~community transportation adjustment, student growth adjustment, any~~
5 ~~positive student growth adjustment correction, and new school adjustment,~~
6 ~~minus the sum of the limited English proficiency allowance correction,~~
7 ~~poverty allowance correction, and any negative student growth adjustment~~
8 ~~correction.~~

9 ~~(3) Except as otherwise provided in this section, for school fiscal~~
10 ~~years 2017-18 and 2018-19, each school district's formula need shall~~
11 ~~equal the difference of the sum of the school district's basic funding,~~
12 ~~poverty allowance, poverty allowance adjustment, limited English~~
13 ~~proficiency allowance, focus school and program allowance, summer school~~
14 ~~allowance, special receipts allowance, transportation allowance,~~
15 ~~elementary site allowance, distance education and telecommunications~~
16 ~~allowance, averaging adjustment, new community achievement plan~~
17 ~~adjustment, student growth adjustment, any positive student growth~~
18 ~~adjustment correction, and new school adjustment minus the sum of the~~
19 ~~limited English proficiency allowance correction, poverty allowance~~
20 ~~correction, and any negative student growth adjustment correction.~~

21 ~~(1) (4) Except as otherwise provided in this section, for school~~
22 ~~fiscal year 2019-20 and 2020-21 and each school fiscal year thereafter,~~
23 ~~each school district's formula need shall equal the difference of the sum~~
24 ~~of the school district's basic funding, poverty allowance, limited~~
25 ~~English proficiency allowance, focus school and program allowance, summer~~
26 ~~school allowance, special receipts allowance, transportation allowance,~~
27 ~~elementary site allowance, distance education and telecommunications~~
28 ~~allowance, community achievement plan allowance, averaging adjustment,~~
29 ~~new community achievement plan adjustment, student growth adjustment, any~~
30 ~~positive student growth adjustment correction, and new school adjustment~~
31 ~~minus the sum of the limited English proficiency allowance correction,~~

1 poverty allowance correction, and any negative student growth adjustment
2 correction.

3 (2) Except as otherwise provided in this section, for school fiscal
4 year 2021-22 and each school fiscal year thereafter, each school
5 district's formula need shall equal the difference of the sum of the
6 school district's basic funding, poverty allowance, limited English
7 proficiency allowance, focus school and program allowance, summer school
8 allowance, special receipts allowance, transportation allowance,
9 elementary site allowance, distance education and telecommunications
10 allowance, community achievement plan allowance, new community
11 achievement plan adjustment, student growth adjustment, any positive
12 student growth adjustment correction, and new school adjustment minus the
13 sum of the limited English proficiency allowance correction, poverty
14 allowance correction, and any negative student growth adjustment
15 correction.

16 (3) (5) If the formula need calculated for a school district
17 pursuant to subsections (1) and (2) through (4) of this section is less
18 than one hundred percent of the formula need for such district for the
19 school fiscal year immediately preceding the school fiscal year for which
20 aid is being calculated, the formula need for such district shall equal
21 one hundred percent of the formula need for such district for the school
22 fiscal year immediately preceding the school fiscal year for which aid is
23 being calculated.

24 (4) (6) If the formula need calculated for a school district
25 pursuant to subsections (1) and (2) through (4) of this section is more
26 than one hundred twelve percent of the formula need for such district for
27 the school fiscal year immediately preceding the school fiscal year for
28 which aid is being calculated, the formula need for such district shall
29 equal one hundred twelve percent of the formula need for such district
30 for the school fiscal year immediately preceding the school fiscal year
31 for which aid is being calculated, except that the formula need shall not

1 be reduced pursuant to this subsection for any district receiving a
2 student growth adjustment for the school fiscal year for which aid is
3 being calculated.

4 ~~(5) (7)~~ For purposes of subsections ~~(3) (5)~~ and ~~(4) (6)~~ of this
5 section, the formula need for the school fiscal year immediately
6 preceding the school fiscal year for which aid is being calculated shall
7 be the formula need used in the final calculation of aid pursuant to
8 section 79-1065 and for districts that were affected by a reorganization
9 with an effective date in the calendar year preceding the calendar year
10 in which aid is certified for the school fiscal year for which aid is
11 being calculated, the formula need for the school fiscal year immediately
12 preceding the school fiscal year for which aid is being calculated shall
13 be attributed to the affected school districts based on information
14 provided to the department by the school districts or proportionally
15 based on the adjusted valuation transferred if sufficient information has
16 not been provided to the department.

17 Sec. 18. Section 79-1007.18, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-1007.18 ~~(1) For school fiscal years prior to school fiscal year~~
20 ~~2017-18:~~

21 ~~(a) The department shall calculate an averaging adjustment for~~
22 ~~districts if the basic funding per formula student is less than the~~
23 ~~averaging adjustment threshold and the general fund levy for the school~~
24 ~~fiscal year immediately preceding the school fiscal year for which aid is~~
25 ~~being calculated was at least one dollar per one hundred dollars of~~
26 ~~taxable valuation. For the calculation of aid for school fiscal years~~
27 ~~prior to school fiscal year 2018-19, the general fund levy for school~~
28 ~~districts that are members of a learning community for purposes of this~~
29 ~~section includes both the common general fund levy and the school~~
30 ~~district general fund levy authorized pursuant to subdivisions (2)(b) and~~
31 ~~(2)(c) of section 77-3442. The averaging adjustment shall equal the~~

1 ~~district's formula students multiplied by the percentage specified in~~
2 ~~this subsection for such district of the difference between the averaging~~
3 ~~adjustment threshold minus such district's basic funding per formula~~
4 ~~student;~~

5 ~~(b) The averaging adjustment threshold shall equal the aggregate~~
6 ~~basic funding for all districts with nine hundred or more formula~~
7 ~~students divided by the aggregate formula students for all districts with~~
8 ~~nine hundred or more formula students for the school fiscal year for~~
9 ~~which aid is being calculated; and~~

10 ~~(c) The percentage to be used in the calculation of an averaging~~
11 ~~adjustment shall be based on the general fund levy for the school fiscal~~
12 ~~year immediately preceding the school fiscal year for which aid is being~~
13 ~~calculated and shall be as follows:~~

14 ~~(i) If such levy was at least one dollar per one hundred dollars of~~
15 ~~taxable valuation but less than one dollar and one cent per one hundred~~
16 ~~dollars of taxable valuation, the percentage shall be fifty percent;~~

17 ~~(ii) If such levy was at least one dollar and one cent per one~~
18 ~~hundred dollars of taxable valuation but less than one dollar and two~~
19 ~~cents per one hundred dollars of taxable valuation, the percentage shall~~
20 ~~be sixty percent;~~

21 ~~(iii) If such levy was at least one dollar and two cents per one~~
22 ~~hundred dollars of taxable valuation but less than one dollar and three~~
23 ~~cents per one hundred dollars of taxable valuation, the percentage shall~~
24 ~~be seventy percent;~~

25 ~~(iv) If such levy was at least one dollar and three cents per one~~
26 ~~hundred dollars of taxable valuation but less than one dollar and four~~
27 ~~cents per one hundred dollars of taxable valuation, the percentage shall~~
28 ~~be eighty percent; and~~

29 ~~(v) If such levy was at least one dollar and four cents per one~~
30 ~~hundred dollars of taxable valuation, the percentage shall be ninety~~
31 ~~percent.~~

1 ~~(2)~~ For school fiscal years ~~year~~ 2017-18 through 2020-21 ~~and each~~
2 ~~school fiscal year thereafter~~, the department shall calculate an
3 averaging adjustment for districts with at least nine hundred formula
4 students if the basic funding per formula student is less than the
5 averaging adjustment threshold. The averaging adjustment shall equal the
6 district's formula students multiplied by ninety percent of the
7 difference of the averaging adjustment threshold minus such district's
8 basic funding per formula student. The averaging adjustment threshold
9 shall equal the aggregate basic funding for all districts with nine
10 hundred or more formula students divided by the aggregate formula
11 students for all districts with nine hundred or more formula students for
12 the school fiscal year for which aid is being calculated.

13 Sec. 19. Section 79-1009, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 79-1009 (1)(a) A district shall receive net option funding if (i)
16 option students as defined in section 79-233 were actually enrolled in
17 the school year immediately preceding the school year in which the aid is
18 to be paid, (ii) option students as defined in such section will be
19 enrolled in the school year in which the aid is to be paid as converted
20 contract option students, or (iii) for the calculation of aid for school
21 fiscal year 2017-18 for school districts that are members of a learning
22 community, open enrollment students were actually enrolled for school
23 year 2016-17 pursuant to section 79-2110.

24 (b) The determination of the net number of option students shall be
25 based on (i) the number of students enrolled in the district as option
26 students and the number of students residing in the district but enrolled
27 in another district as option students as of the day of the fall
28 membership count pursuant to section 79-528, for the school fiscal year
29 immediately preceding the school fiscal year in which aid is to be paid,
30 (ii) the number of option students that will be enrolled in the district
31 or enrolled in another district as converted contract option students for

1 the fiscal year in which the aid is to be paid, and (iii) for the
2 calculation of aid for school fiscal year 2017-18 for school districts
3 that are members of a learning community, the number of students enrolled
4 in the district as open enrollment students and the number of students
5 residing in the district but enrolled in another district as open
6 enrollment students as of the day of the fall membership count pursuant
7 to section 79-528 for school fiscal year 2016-17.

8 (c) Except as otherwise provided in this subsection, net number of
9 option students means the difference of the number of option students
10 enrolled in the district minus the number of students residing in the
11 district but enrolled in another district as option students. For
12 purposes of the calculation of aid for school fiscal year 2017-18 for
13 school districts that are members of a learning community, net number of
14 option students means the difference of the number of students residing
15 in another school district who are option students or open enrollment
16 students enrolled in the district minus the number of students residing
17 in the district but enrolled in another district as option students or
18 open enrollment students.

19 ~~(2)(a) For all school fiscal years except school fiscal years~~
20 ~~2017-18 and 2018-19, net option funding shall be the product of the net~~
21 ~~number of option students multiplied by the statewide average basic~~
22 ~~funding per formula student.~~

23 (2)(a) (b) For school fiscal years 2017-18 and 2018-19, net option
24 funding shall be the product of the net number of option students
25 multiplied by ninety-five and five-tenths percent of the statewide
26 average basic funding per formula student.

27 (b) For school fiscal year 2019-20 and 2020-21, net option funding
28 shall be the product of the net number of option students multiplied by
29 the statewide average basic funding per formula student.

30 (c) For school fiscal year 2021-22 and each school fiscal year
31 thereafter, net option funding shall be the product of the net number of

1 option students multiplied by the statewide average general fund property
2 taxes per formula student. The statewide average general fund property
3 taxes per formula student shall be calculated by dividing (i) the
4 aggregate receipts for all school districts for the most recently
5 available complete data year from general fund property tax levies, the
6 Property Tax Credit Cash Fund, homestead exemption reimbursements, and
7 personal property tax exemption reimbursements by (ii) the aggregate
8 formula students for all local systems for the school fiscal year for
9 which aid is being calculated.

10 (3) A district's net option funding shall be zero if the calculation
11 produces a negative result.

12 ~~Payments made under this section for school fiscal years prior to~~
13 ~~school fiscal year 2017-18 shall be made from the funds to be disbursed~~
14 ~~under section 79-1005.01.~~

15 Such payments shall go directly to the option school district but
16 shall count as a formula resource for the local system.

17 Sec. 20. (1) On or before April 15, 2020, on or before November 15,
18 2020, and on or before November 15 of each year thereafter, the Tax
19 Commissioner shall calculate and certify to the department the inflation
20 rate and, beginning in 2022, the local formula contribution inflation
21 rate for the immediately following school fiscal year.

22 (2) Except as otherwise provided in subsection (3) or (4) of this
23 section, the inflation rate for each school fiscal year shall be
24 calculated by (a) subtracting the cost index, as defined in section
25 79-1003, immediately preceding the most recent cost index from the most
26 recent cost index and (b) dividing the difference by the cost index
27 immediately preceding the most recent cost index. The most recent cost
28 index for each school fiscal year is the most recent cost index available
29 at the time of the certification pursuant to this section.

30 (3) If the inflation rate calculated pursuant to subsection (2) of
31 this section is greater than two and one-half percent, the inflation rate

1 shall equal two and one-half percent.

2 (4) If the inflation rate calculated pursuant to subsection (2) of
3 this section is less than zero percent, the inflation rate shall equal
4 zero percent.

5 (5) The local formula contribution inflation rate shall equal the
6 inflation rate calculated pursuant to subsection (2) of this section with
7 any adjustment pursuant to subsection (4) of this section, but without
8 any adjustment pursuant to subsection (3) of this section.

9 Sec. 21. Section 79-1015.01, Revised Statutes Cumulative Supplement,
10 2018, is amended to read:

11 79-1015.01 (1) Local system formula resources for each local system
12 shall include (a) for school fiscal years prior to 2023-24, the local
13 effort rate yield or (b) for school fiscal year 2023-24 and each school
14 fiscal year thereafter, the local formula contribution which shall be
15 computed as prescribed in this section.

16 ~~(2) For each school fiscal year except school fiscal years 2019-20,~~
17 ~~2020-21, 2021-22, and 2022-23 2017-18 and 2018-19:~~ (a) For state aid
18 certified pursuant to section 79-1022, the local effort rate shall be the
19 maximum levy, for the school fiscal year for which aid is being
20 certified, authorized pursuant to subdivision (2)(a) of section 77-3442
21 less five cents; (b) for the final calculation of state aid pursuant to
22 section 79-1065, the local effort rate shall be the rate which, when
23 multiplied by the total adjusted valuation of all taxable property in
24 local systems receiving equalization aid pursuant to the Tax Equity and
25 Educational Opportunities Support Act, will produce the amount needed to
26 support the total formula need of such local systems when added to state
27 aid appropriated by the Legislature and other actual receipts of local
28 systems described in section 79-1018.01; and (c) the local effort rate
29 yield for such school fiscal years shall be determined by multiplying
30 each local system's total adjusted valuation by the local effort rate.

31 (3) For school fiscal years 2017-18 and 2018-19: (a) For state aid

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

15 (4)(a) For school fiscal year 2023-24 and each school fiscal year
16 thereafter, for both state aid certified pursuant to section 79-1022 and
17 for the final calculation of state aid pursuant to section 79-1065, the
18 local formula contribution for each local system shall equal the lesser
19 of the local effort rate yield or the inflation rate yield.

20 (b) The local effort rate yield for each local system shall equal
21 the product of the local system's total adjusted valuation multiplied by
22 a local effort rate of one dollar per one hundred dollars of adjusted
23 valuation.

24 (c) The inflation rate yield for each local system shall equal the
25 sum of (i) the local formula contribution for such local system for the
26 school fiscal year immediately preceding the school fiscal year for which
27 aid is being calculated adjusted by the local formula contribution
28 inflation rate certified pursuant to section 20 of this act plus (ii) the
29 product of the local system's adjusted valuation for the total real
30 property growth value multiplied by a local effort rate of one dollar per
31 one hundred dollars of adjusted valuation.

1 Sec. 22. Section 79-1016, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 79-1016 (1) On or before August 20 of each year, the county assessor
4 shall certify to the Property Tax Administrator the total taxable value
5 and, beginning in 2022, the total real property growth value by school
6 district in the county for the current assessment year on forms
7 prescribed by the Tax Commissioner. The county assessor may amend the
8 filing for changes made to the taxable valuation of the school district
9 in the county if corrections or errors on the original certification are
10 discovered. Amendments shall be certified to the Property Tax
11 Administrator on or before August 31.

12 (2) On or before April 15, 2020, October 10, 2020, and each October
13 10 thereafter, the Property Tax Administrator shall compute and certify
14 to the State Department of Education the adjusted valuation to be used
15 for the calculation of aid for the immediately following school fiscal
16 for the current assessment year for each class of property and, beginning
17 in 2022, for the total real property growth value in each school district
18 and each local system. The adjusted valuation of property for each school
19 district and each local system, for purposes of determining state aid
20 pursuant to the Tax Equity and Educational Opportunities Support Act,
21 shall reflect as nearly as possible state aid value as defined in
22 subsection (3) of this section. The Property Tax Administrator shall
23 notify each school district and each local system of its adjusted
24 valuation for the current assessment year by class of property on or
25 before October 10. Establishment of the adjusted valuation shall be based
26 on the taxable value certified by the county assessor for each school
27 district in the county adjusted by the determination of the level of
28 value for each school district from an analysis of the comprehensive
29 assessment ratio study or other studies developed by the Property Tax
30 Administrator, in compliance with professionally accepted mass appraisal
31 techniques, as required by section 77-1327. The Tax Commissioner shall

1 adopt and promulgate rules and regulations setting forth standards for
2 the determination of level of value and for the determination of total
3 real property growth value for state aid purposes.

4 (3) For purposes of this section, state aid value means:

5 (a) For real property other than agricultural and horticultural
6 land, (i) for school fiscal years prior to school fiscal year 2020-21,
7 ninety-six percent of actual value, (ii) for school fiscal year 2020-21,
8 ninety-one percent of actual value, (iii) for school fiscal year 2021-22,
9 eighty-seven percent of actual value, and (iv) for school fiscal year
10 2022-23 and each school fiscal year thereafter, eighty-three percent of
11 actual value;

12 (b) For agricultural and horticultural land, (i) for school fiscal
13 years prior to school fiscal year 2020-21, seventy-two percent of actual
14 value as provided in sections 77-1359 and ~~to~~ 77-1363, (ii) for school
15 fiscal year 2020-21, sixty-two percent of actual value as provided in
16 sections 77-1359 and 77-1363, (iii) for school fiscal year 2021-22,
17 fifty-seven percent of actual value as provided in sections 77-1359 and
18 77-1363, and (iv) for school fiscal year 2022-23 and each school fiscal
19 year thereafter, fifty-two percent of actual value as provided in
20 sections 77-1359 and 77-1363; -

21 (c) For agricultural and horticultural land that receives special
22 valuation pursuant to section 77-1344, (i) for school fiscal years prior
23 to school fiscal year 2020-21, seventy-two percent of special valuation
24 as defined in section 77-1343, (ii) for school fiscal year 2020-21,
25 sixty-two percent of special valuation as defined in section 77-1343,
26 (iii) for school fiscal year 2021-22, fifty-seven percent of special
27 valuation as defined in section 77-1343, and (iv) for school fiscal year
28 2022-23 and each school fiscal year thereafter, fifty-two percent of
29 special valuation as defined in section 77-1343; and

30 (d) ~~(c)~~ For personal property, the net book value as defined in
31 section 77-120.

1 (4) On or before November 10, any local system may file with the Tax
2 Commissioner written objections to any ~~the~~ adjusted valuations prepared
3 by the Property Tax Administrator, stating the reasons why such adjusted
4 valuations are not the valuations required by subsection (3) of this
5 section. The Tax Commissioner shall fix a time for a hearing. Either
6 party shall be permitted to introduce any evidence in reference thereto.
7 On or before January 1, the Tax Commissioner shall enter a written order
8 modifying or declining to modify, in whole or in part, the adjusted
9 valuations and shall certify the order to the State Department of
10 Education. Modification by the Tax Commissioner shall be based upon the
11 evidence introduced at hearing and shall not be limited to the
12 modification requested in the written objections or at hearing. A copy of
13 the written order shall be mailed to the local system within seven days
14 after the date of the order. The written order of the Tax Commissioner
15 may be appealed within thirty days after the date of the order to the Tax
16 Equalization and Review Commission in accordance with section 77-5013.

17 (5) On or before November 10, any local system or county official
18 may file with the Tax Commissioner a written request for a nonappealable
19 correction of an ~~the~~ adjusted valuation due to clerical error as defined
20 in section 77-128 or, for agricultural and horticultural land, assessed
21 value changes by reason of land qualified or disqualified for special use
22 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the
23 following January 1, the Tax Commissioner shall approve or deny the
24 request and, if approved, certify the corrected adjusted valuations
25 resulting from such action to the State Department of Education.

26 (6) On or before May 31 of the year following the certification of
27 adjusted valuations ~~valuation~~ pursuant to subsection (2) of this section,
28 any local system or county official may file with the Tax Commissioner a
29 written request for a nonappealable correction of an ~~the~~ adjusted
30 valuation due to changes to the tax list that change the assessed value
31 of taxable property. Upon the filing of the written request, the Tax

1 Commissioner shall require the county assessor to recertify the taxable
2 valuation and, beginning in 2022, total real property growth value by
3 school district in the county on forms prescribed by the Tax
4 Commissioner. The recertified valuations ~~valuation~~ shall be the
5 valuations ~~valuation~~ that were ~~was~~ certified on the tax list, pursuant to
6 section 77-1613, increased or decreased by changes to the tax list that
7 change the assessed value of taxable property or, beginning in 2022, the
8 total real property growth value in the school district in the county in
9 the prior assessment year. On or before the following July 31, the Tax
10 Commissioner shall approve or deny the request and, if approved, certify
11 the corrected adjusted valuations resulting from such action to the State
12 Department of Education.

13 (7) No injunction shall be granted restraining the distribution of
14 state aid based upon the adjusted valuations pursuant to this section.

15 (8) A school district whose state aid is to be calculated pursuant
16 to subsection (5) of this section and whose state aid payment is
17 postponed as a result of failure to calculate state aid pursuant to such
18 subsection may apply to the state board for lump-sum payment of such
19 postponed state aid. Such application may be for any amount up to one
20 hundred percent of the postponed state aid. The state board may grant the
21 entire amount applied for or any portion of such amount. The state board
22 shall notify the Director of Administrative Services of the amount of
23 funds to be paid in a lump sum and the reduced amount of the monthly
24 payments. The Director of Administrative Services shall, at the time of
25 the next state aid payment made pursuant to section 79-1022, draw a
26 warrant for the lump-sum amount from appropriated funds and forward such
27 warrant to the district.

28 Sec. 23. Section 79-1017.01, Revised Statutes Supplement, 2019, is
29 amended to read:

30 79-1017.01 (1) For state aid calculated for ~~each~~ school fiscal
31 years prior to school fiscal year 2020-21 year, local system formula

1 resources includes other actual receipts determined pursuant to section
2 79-1018.01, net option funding determined pursuant to section 79-1009,
3 allocated income tax funds determined pursuant to section 79-1005.01, and
4 community achievement plan aid determined pursuant to section 79-1005,
5 and is reduced by amounts paid by the district in the most recently
6 available complete data year as property tax refunds pursuant to or in
7 the manner prescribed by section 77-1736.06.

8 (2) For state aid calculated for school fiscal year 2020-21 and each
9 school fiscal year thereafter, local system formula resources includes
10 other actual receipts determined pursuant to section 79-1018.01, net
11 option funding determined pursuant to section 79-1009, foundation aid
12 determined pursuant to section 16 of this act, and community achievement
13 plan aid determined pursuant to section 79-1005, and is reduced by
14 amounts paid by any school district in the local system in the most
15 recently available complete data year as property tax refunds pursuant to
16 or in the manner prescribed by section 77-1736.06.

17 Sec. 24. Section 79-1022, Revised Statutes Supplement, 2019, is
18 amended to read:

19 79-1022 (1)(a) ~~(1)~~ On or before ~~May 1, 2020~~ June 10, 2019, and on
20 or before March 1 of each year thereafter, the department shall determine
21 the amounts to be distributed to each local system for the ensuing school
22 fiscal year pursuant to the Tax Equity and Educational Opportunities
23 Support Act and shall certify the amounts to the Director of
24 Administrative Services, the Auditor of Public Accounts, and each local
25 system.

26 (b) For school fiscal year 2020-21 and each school fiscal year
27 thereafter, the amount to be distributed to each local system shall equal
28 the sum of the equalization aid determined pursuant to section
29 79-1008.01, net option funding determined pursuant to section 79-1009,
30 foundation aid determined pursuant to section 16 of this act, and
31 community achievement plan aid determined pursuant to section 79-1005.

1 (c) The department shall certify the amounts to be distributed as
2 determined pursuant to this subsection to the Director of Administrative
3 Services, the Auditor of Public Accounts, and each district.

4 (d) On or before May 1, 2020 ~~June 10, 2019~~, and on or before March 1
5 of each year thereafter, the department shall report the necessary
6 funding level for the ensuing school fiscal year to the Governor, the
7 Appropriations Committee of the Legislature, and the Education Committee
8 of the Legislature. The report submitted to the committees of the
9 Legislature shall be submitted electronically.

10 (e) Except as otherwise provided in this subsection, certified state
11 aid amounts, including adjustments pursuant to section 79-1065.02, shall
12 be shown as budgeted non-property-tax receipts and deducted prior to
13 calculating the property tax request in the local system's general fund
14 budget statement as provided to the Auditor of Public Accounts pursuant
15 to section 79-1024.

16 (2) Except as provided in this subsection, subsection (8) of section
17 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
18 certified pursuant to subsection (1) of this section shall be distributed
19 in ten as nearly as possible equal payments on the last business day of
20 each month beginning in September of each ensuing school fiscal year and
21 ending in June of the following year, except that when a local system is
22 to receive a monthly payment of less than one thousand dollars, such
23 payment shall be one lump-sum payment on the last business day of
24 December during the ensuing school fiscal year.

25 (3) On or before May 1, 2020, and on or before March 1 of each year
26 thereafter, for the purpose of calculating any levy exclusion pursuant to
27 subdivision (2)(d)(vii) of section 77-3442, the department shall provide
28 to each school district an estimate of aid without any short-term
29 adjustment by the Legislature. Such estimate shall equal the amount that
30 would have been certified pursuant to this section for the immediately
31 following school fiscal year using (a) the inflation rate as certified by

1 the Tax Commissioner pursuant to section 20 of this act as the base
2 limitation rate without any short-term adjustments and (b) all other
3 components of the Tax Equity and Educational Opportunities Support Act as
4 such act existed on May 1, 2020. For purposes of this subsection, short-
5 term adjustment means a change passed by the Legislature with a defined
6 period of applicability.

7 Sec. 25. Section 79-1023, Revised Statutes Supplement, 2019, is
8 amended to read:

9 79-1023 (1) On or before May 1, 2020 ~~June 10, 2019~~, and on or before
10 March 1 of each year thereafter, the department shall determine and
11 certify to each school district budget authority for the general fund
12 budget of expenditures for the ensuing school fiscal year.

13 (2) Except as provided in subsection (3) of this section for school
14 fiscal year 2020-21 and in sections 79-1028.01, 79-1029, 79-1030, and
15 81-829.51, each school district shall have budget authority for the
16 general fund budget of expenditures equal to the greater of (a) the
17 general fund budget of expenditures for the immediately preceding school
18 fiscal year minus exclusions pursuant to subsection (1) of section
19 79-1028.01 for such school fiscal year with the difference increased by
20 the basic allowable growth rate for the school fiscal year for which
21 budget authority is being calculated, (b) the general fund budget of
22 expenditures for the immediately preceding school fiscal year minus
23 exclusions pursuant to subsection (1) of section 79-1028.01 for such
24 school fiscal year with the difference increased by an amount equal to
25 any student growth adjustment calculated for the school fiscal year for
26 which budget authority is being calculated, or (c) one hundred ten
27 percent of formula need for the school fiscal year for which budget
28 authority is being calculated minus the special education budget of
29 expenditures as filed on the school district budget statement on or
30 before September 20 for the immediately preceding school fiscal year,
31 which special education budget of expenditures is increased by the basic

1 allowable growth rate for the school fiscal year for which budget
2 authority is being calculated.

3 (3) For school fiscal year 2020-21, except as provided in sections
4 79-1028.01, 79-1029, 79-1030, and 81-829.51, each school district shall
5 have budget authority for the general fund budget of expenditures equal
6 to the lesser of (a) the budget authority for the general fund budget of
7 expenditures calculated pursuant to subsection (2) of this section or (b)
8 the greater of (i) the general fund expenditures for school fiscal year
9 2018-19 minus any expenditures that qualified for an exclusion from the
10 budget authority for the general fund budget of expenditures pursuant to
11 subsection (1) of section 79-1028.01 for such school fiscal year with the
12 difference increased by the basic allowable growth rate for school fiscal
13 year 2020-21 pursuant to section 79-1025, (ii) the general fund
14 expenditures for school fiscal year 2019-20 minus any expenditures that
15 qualified for an exclusion from the budget authority for the general fund
16 budget of expenditures pursuant to subsection (1) of section 79-1028.01
17 for such school fiscal year with the difference increased (A) by the
18 basic allowable growth rate for school fiscal year 2019-20 pursuant to
19 section 79-1025 and then (B) by an amount equal to any student growth
20 adjustment calculated for school fiscal year 2020-21, or (iii) one
21 hundred ten percent of formula need for school fiscal year 2020-21 minus
22 the special education expenditures for school fiscal year 2018-19 with
23 such special education expenditures increased by the basic allowable
24 growth rate for school fiscal year 2020-21 pursuant to section 79-1025.

25 (4) ~~(3)~~ For any school fiscal year for which the budget authority
26 for the general fund budget of expenditures for a school district is
27 based on a student growth adjustment, the budget authority for the
28 general fund budget of expenditures for such school district shall be
29 adjusted in future years to reflect any student growth adjustment
30 corrections related to such student growth adjustment.

31 Sec. 26. Section 79-1025, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 79-1025 The basic allowable growth rate for general fund
3 expenditures and all other purposes under the Tax Equity and Educational
4 Opportunities Support Act other than expenditures for special education
5 and the determination of budget authority pursuant to section 79-1023 for
6 school fiscal year 2020-21 shall be the base limitation established under
7 section 77-3446. The budget authority for special education for all
8 classes of school districts shall be the actual anticipated expenditures
9 for special education subject to the approval of the state board. Such
10 budget authority and funds generated pursuant to such budget authority
11 shall be used only for special education expenditures. The basic
12 allowable growth rate for purposes of the determination of budget
13 authority pursuant to section 79-1023 for school fiscal year 2019-20
14 shall be two percent.

15 Sec. 27. Section 79-1030, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

17 79-1030 (1) For school fiscal years prior to school fiscal year
18 2020-21, a A school district may choose not to increase its general fund
19 budget of expenditures by the full amount of budget authority for the
20 general fund budget of expenditures as calculated pursuant to section
21 79-1023. In such cases, the department shall calculate the amount of
22 unused budget authority which shall be carried forward to future budget
23 years. The amount of unused budget authority that may be used by a
24 district in a single school fiscal year to increase its general fund
25 budget of expenditures above the budget authority for the general fund
26 budget of expenditures as calculated pursuant to section 79-1023 shall be
27 limited to two percent of the difference of the general fund budget of
28 expenditures minus the sum of special grant funds, the special education
29 budget of expenditures, and exceptions pursuant to subsection (1) of
30 section 79-1028.01 for the immediately preceding school fiscal year.

31 (2) For school fiscal year 2020-21 and each school fiscal year

1 thereafter, a school district may choose not to increase its general fund
2 budget of expenditures by the full amount of budget authority for the
3 general fund budget of expenditures as calculated pursuant to section
4 79-1023. In such cases, the department shall calculate the amount of
5 unused budget authority which shall be carried forward to future budget
6 years. Unused budget authority calculated pursuant to this subsection
7 shall not include any unused budget authority from school fiscal years
8 prior to school fiscal year 2020-21.

9 Sec. 28. Section 79-1082, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 79-1082 The aggregate school tax for a Class V school district,
12 including the levy for the site and building fund as authorized by
13 section 79-10,120 ~~79-10,126~~, shall be subject to the limits provided in
14 section 77-3442.

15 Sec. 29. Section 79-1098, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

17 79-1098 Except as otherwise provided in sections 10-701 to 10-716
18 for the issuance of bonds, whenever the school board or board of
19 education of any school district determines that an annual levy
20 authorized pursuant to subsection (3) of section 79-10,120 is necessary
21 or that the annual levy authorized pursuant to subsection (1) or (2) of
22 section 79-10,120 is insufficient for the purposes authorized in such
23 subsection, such school board or board of education may ~~Whenever it is~~
24 ~~deemed necessary (1) to erect a schoolhouse or school building or an~~
25 ~~addition or additions and improvements to any existing schoolhouse or (2)~~
26 ~~to purchase equipment for such schoolhouse or school buildings, in any~~
27 ~~school district in this state the school board may and, upon petition of~~
28 ~~not less than one-fourth of the legal voters of the school district,~~
29 ~~shall~~ submit to the people of the school district at the next regularly
30 scheduled primary or general election or special election a proposition
31 to vote a special annual tax. Such annual tax, when combined with any

1 annual tax imposed pursuant to section 79-10,120, shall not exceed
2 fourteen ~~for that purpose of not to exceed seventeen and five tenths~~
3 cents on each one hundred dollars of upon the taxable value and shall not
4 exceed ~~of all the taxable property in such district for a term of not to~~
5 exceed ten years. ~~Such special tax may be voted at any annual or special~~
6 ~~meeting of the district by fifty-five percent of the legal voters~~
7 ~~attending such meeting.~~

8 Sec. 30. Section 79-10,100, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 79-10,100 The school board or board of education, upon being
11 satisfied that all the requirements of section 79-1098 have been
12 substantially complied with and that a majority ~~fifty-five percent~~ of all
13 votes cast at the election under such section are in favor of such tax,
14 shall enter such proposition and all the proceedings had thereon upon the
15 records of the school district and shall certify the special tax levy to
16 the county clerk in the same manner as other tax levies.

17 Sec. 31. Section 79-10,101, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-10,101 The sum levied and collected under section 79-10,100 shall
20 (1) constitute a special fund for the purposes for which it was voted,
21 (2) not be used for any other purpose ~~unless otherwise authorized by a~~
22 ~~fifty-five percent majority vote of the legal voters of the school~~
23 ~~district cast at the election under section 79-1098,~~ (3) be paid over to
24 the county treasurer of the county in which the administrative office of
25 such school district is located, (4) except as provided in subsection (6)
26 of section 79-10,120, be kept by the county treasurer and treasurer of
27 the school district separate and apart from other school district funds,
28 and (5) be subject to withdrawal as provided in section 79-587 or, for
29 Class V school districts, section 79-584. ~~Any portion of such sum so~~
30 ~~levied and collected, the expenditure of which is not required to~~
31 ~~effectuate the purposes for which such sum was voted, may be transferred~~

1 ~~by the school board, at any regular or special meeting by the vote of a~~
2 ~~majority of the members attending, to the general fund of the district.~~
3 All funds received by the school district treasurer for such purpose
4 shall be immediately invested by such treasurer in United States
5 Government bonds or in such securities in which the state investment
6 officer may invest the permanent school funds during the accumulation of
7 such sinking fund.

8 Sec. 32. Section 79-10,120, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 79-10,120 (1) Prior to the effective date of this act, the The
11 school board or board of education of any school district may establish a
12 special fund for purposes of acquiring sites for school buildings or
13 teacherages, purchasing existing buildings for use as school buildings or
14 teacherages, including the sites upon which such buildings are located,
15 and the erection, alteration, equipping, and furnishing of school
16 buildings or teacherages and additions to school buildings for elementary
17 and high school grades and for no other purpose. The fund shall be
18 established from the proceeds of an annual tax levy, to be determined by
19 the board, of not to exceed fourteen cents on each one hundred dollars
20 upon the taxable value of all taxable property in the district which
21 shall be in addition to any other taxes authorized to be levied for
22 school purposes. Such tax shall be levied and collected as are other
23 taxes for school purposes.

24 (2)(a) On and after the effective date of this act, the school board
25 or board of education of any school district may establish a special fund
26 pursuant to this subsection only for purposes of:

27 (i) Acquiring sites for school buildings or teacherages;

28 (ii) Purchasing existing buildings for use as teacherages, including
29 the sites upon which such buildings are located;

30 (iii) Purchasing or entering into a lease-purchase agreement for
31 relocatable classroom buildings;

1 (iv) Major replacement repairs on existing structures owned or
2 leased by the school district; and

3 (v) The alteration, equipping, and furnishing of school buildings or
4 teacherages.

5 (b) Any fund established under this subsection shall be established
6 from the proceeds of an annual tax levy, to be determined by the board,
7 not to exceed six cents on each one hundred dollars of taxable value of
8 all taxable property in the district. Such tax shall be in addition to
9 any other taxes authorized to be levied for school purposes and shall be
10 within the limits contained in sections 77-3442 and 79-1098. Such tax
11 shall be levied and collected in the same manner as other taxes levied
12 for school purposes.

13 (3)(a) On and after the effective date of this act, the school board
14 or board of education of any school district may, only after a vote
15 pursuant to section 79-1098, establish a special fund for purposes of
16 erecting, purchasing, or entering into a lease-purchase agreement for a
17 new school building or an addition to a school building for elementary
18 and high school grades.

19 (b) Any fund established under this subsection shall be established
20 from the proceeds of an annual tax levy approved by the people of the
21 school district pursuant to section 79-1098 for such purpose not to
22 exceed fourteen cents on each one hundred dollars of taxable value of all
23 taxable property in the school district. Such tax shall be in addition to
24 any other taxes authorized to be levied for school purposes and shall be
25 within the limits contained in sections 77-3442 and 79-1098. Such tax
26 shall be levied and collected in the same manner as other taxes levied
27 for school purposes.

28 (4) A school district or a joint public agency that includes a
29 school district that has been delegated the authority to tax may continue
30 an annual tax established pursuant to this section prior to the effective
31 date of this act through school fiscal year 2028-29 for any project

1 commenced prior to the effective date of this act. Any annual tax
2 continued pursuant to this subsection shall not exceed the amount needed
3 annually to fund such project through school fiscal year 2028-29. The
4 proceeds of any such annual tax shall only be used for the project for
5 which the tax was levied. For purposes of this subsection, commenced
6 means any action taken by the school board on the record which commits
7 the board to expend district funds in planning, constructing, or carrying
8 out the project. Any tax authorized pursuant to this subsection may
9 exceed fourteen cents on each one hundred dollars of taxable value when
10 combined with all other taxes imposed pursuant to this section.

11 (5) On or before October 1, 2020, the school board or board of
12 education of any school district that levied an annual tax pursuant to
13 this section for school fiscal year 2019-20 shall file with the Auditor
14 of Public Accounts a statement describing any projects for which an
15 annual tax may be continued pursuant to subsection (4) of this section,
16 the rate levied for school fiscal year 2019-20 attributable to each such
17 project, and the anticipated completion date for each such project.

18 (6) The proceeds of any annual tax imposed pursuant to this section
19 shall be kept separate and apart from other school district funds, except
20 that such proceeds may be combined with amounts levied and collected
21 under sections 79-1098 to 79-10,101 for the same project.

22 Sec. 33. Section 79-10,126, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 79-10,126 For school fiscal year 2017-18 and each school fiscal year
25 thereafter, each Class V school district shall establish (1) for the
26 general operation of the schools, such fund as will result from an annual
27 levy of such rate of tax upon the taxable value of all the taxable
28 property in such school district as the board of education determines to
29 be necessary for such purpose, (2) funds a fund resulting from an annual
30 levies amount of tax to be determined by the board of education pursuant
31 to sections 79-1098 to 79-10,101 and 79-10,120 of not to exceed fourteen

1 ~~cents on each one hundred dollars upon the taxable value of all the~~
2 ~~taxable property in the district~~ for the purpose of acquiring sites of
3 school buildings and the erection, alteration, equipping, and furnishing
4 of school buildings and additions to school buildings, which tax levies
5 levy shall be used for no other purposes, and (3) a further fund
6 resulting from an annual amount of tax to be determined by the board of
7 education to pay interest on and retiring, funding, or servicing of
8 bonded indebtedness of the district.

9 Sec. 34. (1) On or before August 31, 2020, on or before August 31,
10 2021, and on or before August 31, 2022, the State Department of Education
11 shall calculate and certify transition aid pursuant to this section for
12 each eligible school district for the immediately following school fiscal
13 year.

14 (2) For purposes of this section:

15 (a) Calculated property tax request means an amount equal to the
16 taxable valuation of property subject to the general fund levy of the
17 school district for the school fiscal year multiplied by the ratio of one
18 dollar and five cents per one hundred dollars of such taxable valuation;

19 (b) Change in school district revenue means any positive difference
20 resulting from subtracting the school district revenue for a given school
21 fiscal year from the school district revenue for the school fiscal year
22 immediately preceding the given school fiscal year;

23 (c) Eligible school district means a school district that:

24 (i) Levied a general fund and special building fund combined levy of
25 one dollar and five cents or greater on each one hundred dollars of
26 taxable valuation of property subject to the levy for the school fiscal
27 year in which the certification pursuant to this section is made; and

28 (ii) Has a percent change in school district revenue that is greater
29 than (A) for school fiscal year 2020-21, zero percent, (B) for school
30 fiscal year 2021-22, one percent, or (C) for school fiscal year 2022-23,
31 two and one-half percent;

1 (d) Percent change in school district revenue means the change in
2 school district revenue for a school district for a given school fiscal
3 year divided by the school district revenue for the school fiscal year
4 immediately preceding the given school fiscal year;

5 (e) School district revenue means the sum of the calculated property
6 tax request and the state aid for a school district for a single school
7 fiscal year; and

8 (f) State aid means the amount of aid calculated and certified for
9 the school fiscal year pursuant to the Tax Equity and Educational
10 Opportunities Support Act without any adjustment pursuant to section
11 79-1065.

12 (3) The department shall calculate transition aid for each eligible
13 school district as follows:

14 (a) For school fiscal year 2020-21, the transition aid for each
15 eligible school district shall equal one hundred percent of the change in
16 school district revenue for school fiscal year 2020-21;

17 (b) For school fiscal year 2021-22, the transition aid for each
18 eligible school district shall equal seventy-five percent of the
19 difference of the change in school district revenue for school fiscal
20 year 2021-22 minus one percent of the school district revenue for school
21 fiscal year 2020-21; and

22 (c) For school fiscal year 2022-23, the transition aid for each
23 eligible school district shall equal fifty percent of the difference of
24 the change in school district revenue for school fiscal year 2022-23
25 minus two and one-half percent of the school district revenue for school
26 fiscal year 2021-22.

27 (4) If the transition aid calculated for any eligible school
28 district is less than ten thousand dollars, transition aid for such
29 eligible school district shall be paid in one lump-sum payment on the
30 last business day of September. All other transition aid shall be paid to
31 eligible school districts in ten monthly payments on the last business

1 day of each month beginning in September of such school fiscal year.
2 Transition aid shall be paid from the appropriation made for such
3 purpose.

4 (5) The Property Tax Transition Aid Cash Fund is hereby created. The
5 fund shall consist of appropriations to the fund by the Legislature and
6 shall be administered by the State Department of Education. The fund
7 shall be used exclusively for the disbursement of transition aid pursuant
8 to this section. Any money in the fund available for investment shall be
9 invested by the state investment officer pursuant to the Nebraska Capital
10 Expansion Act and the Nebraska State Funds Investment Act.

11 Sec. 35. Original sections 77-201, 77-202, 77-693, 77-801, 77-1238,
12 77-1248, 77-1391, 77-1514, 77-5023, 79-1025, and 79-1082, Reissue Revised
13 Statutes of Nebraska, sections 79-1001, 79-1007.11, 79-1007.18, 79-1009,
14 79-1015.01, 79-1016, 79-1030, 79-1098, 79-10,100, 79-10,101, 79-10,120,
15 and 79-10,126, Revised Statutes Cumulative Supplement, 2018, and sections
16 77-1239, 77-3442, 77-3446, 79-1003, 79-1005.01, 79-1017.01, 79-1022, and
17 79-1023, Revised Statutes Supplement, 2019, are repealed.

18 Sec. 36. Since an emergency exists, this act takes effect when
19 passed and approved according to law.