AMENDMENTS TO LB974

Introduced by Revenue.

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

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

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

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

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

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

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

(2) Agricultural land and horticultural land as defined in section 77-1359 shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued as follows: at
seventy-five percent of its actual value.

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

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

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

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

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

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

(b) For tax year 2020, such real property shall be valued at sixty-five percent of its special valuation as defined in section 77-1343 for
purposes of taxes levied by school districts and multiple-district school
systems and at seventy-five percent of its special valuation as defined
in section 77-1343 for purposes of taxes levied by any other political
subdivision;

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

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

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

(5) Tangible personal property, not including motor vehicles,
trailers, and semitrailers registered for operation on the highways of
this state, shall constitute a separate and distinct class of property
for purposes of property taxation, shall be subject to taxation, unless
expressly exempt from taxation, and shall be valued at its net book
value. Tangible personal property transferred as a gift or devise or as
part of a transaction which is not a purchase shall be subject to
taxation based upon the date the property was acquired by the previous
owner and at the previous owner's Nebraska adjusted basis. Tangible
personal property acquired as replacement property for converted property
shall be subject to taxation based upon the date the converted property
was acquired and at the Nebraska adjusted basis of the converted property unless insurance proceeds are payable by reason of the conversion. For purposes of this subsection, (a) converted property means tangible personal property which is compulsorily or involuntarily converted as a result of its destruction in whole or in part, theft, seizure, requisition, or condemnation, or the threat or imminence thereof, and no gain or loss is recognized for federal or state income tax purposes by the holder of the property as a result of the conversion and (b) replacement property means tangible personal property acquired within two years after the close of the calendar year in which tangible personal property was converted and which is, except for date of construction or manufacture, substantially the same as the converted property.

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

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

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

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

(i) Property of the state and its governmental subdivisions means (A) property held in fee title by the state or a governmental subdivision or (B) property beneficially owned by the state or a governmental subdivision in that it is used for a public purpose and is being acquired under a lease-purchase agreement, financing lease, or other instrument which provides for transfer of legal title to the property to the state or a governmental subdivision upon payment of all amounts due thereunder. If the property to be beneficially owned by a governmental subdivision
has a total acquisition cost that exceeds the threshold amount or will be used as the site of a public building with a total estimated construction cost that exceeds the threshold amount, then such property shall qualify for an exemption under this section only if the question of acquiring such property or constructing such public building has been submitted at a primary, general, or special election held within the governmental subdivision and has been approved by the voters of the governmental subdivision. For purposes of this subdivision, threshold amount means the greater of fifty thousand dollars or six-tenths of one percent of the total actual value of real and personal property of the governmental subdivision that will beneficially own the property as of the end of the governmental subdivision's prior fiscal year; and

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

(b) Unleased property of the state or its governmental subdivisions which is not being used or developed for use for a public purpose but upon which a payment in lieu of taxes is paid for public safety, rescue, and emergency services and road or street construction or maintenance services to all governmental units providing such services to the property. Except as provided in Article VIII, section 11, of the Constitution of Nebraska, the payment in lieu of taxes shall be based on
the proportionate share of the cost of providing public safety, rescue, or emergency services and road or street construction or maintenance services unless a general policy is adopted by the governing body of the governmental subdivision providing such services which provides for a different method of determining the amount of the payment in lieu of taxes. The governing body may adopt a general policy by ordinance or resolution for determining the amount of payment in lieu of taxes by majority vote after a hearing on the ordinance or resolution. Such ordinance or resolution shall nevertheless result in an equitable contribution for the cost of providing such services to the exempt property;

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

(d) Property owned by educational, religious, charitable, or cemetery organizations, or any organization for the exclusive benefit of any such educational, religious, charitable, or cemetery organization, and used exclusively for educational, religious, charitable, or cemetery purposes, when such property is not (i) owned or used for financial gain or profit to either the owner or user, (ii) used for the sale of alcoholic liquors for more than twenty hours per week, or (iii) owned or used by an organization which discriminates in membership or employment based on race, color, or national origin. For purposes of this subdivision, educational organization means (A) an institution operated exclusively for the purpose of offering regular courses with systematic instruction in academic, vocational, or technical subjects or assisting students through services relating to the origination, processing, or guarantying of federally reinsured student loans for higher education or (B) a museum or historical society operated exclusively for the benefit and education of the public. For purposes of this subdivision, charitable organization includes an organization operated exclusively for the purpose of the mental, social, or physical benefit of the public or an
indefinite number of persons and a fraternal benefit society organized
and licensed under sections 44-1072 to 44-10,109; and

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

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

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

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

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

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

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

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

(9) Any depreciable tangible personal property used directly in the
generation of electricity using wind as the fuel source shall be exempt from the property tax levied on depreciable tangible personal property.

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

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

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

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

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

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

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

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

(d) The ratio of the taxable value of railroad real property to the
market value of railroad real property. The numerator of the ratio shall be the taxable value of railroad real property. The denominator of the ratio shall be the railroad system value allocated to Nebraska and multiplied by a factor representing the net book value of rail transportation real property divided by the net book value of total rail transportation property; and

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

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

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

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

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

77-801 (1) All public service entities shall, on or before April 15 of each year, furnish a statement specifying such information as may be required by the Property Tax Administrator on forms prescribed by the Tax Commissioner to determine and distribute the entity's total taxable value including the franchise value. All information reported by the public
service entities, not available from any other public source, and any memorandum thereof shall be confidential and available to taxing officials only. For good cause shown, the Property Tax Administrator may allow an extension of time in which to file such statement. Such extension shall not exceed fifteen days after April 15.

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

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

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

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

77-1238 (1) For tax years prior to tax year 2020, every person who is required to list his or her taxable tangible personal property as defined in section 77-105, as required under section 77-1229, shall receive an exemption from taxation for the first ten thousand dollars of valuation of his or her tangible personal property in each tax district as defined in section 77-127 in which a personal property return is required to be filed. Failure to report tangible personal property on the personal property return required by section 77-1229 shall result in a
forfeiture of the exemption for any tangible personal property not timely reported for that year.

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

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

77-1239 (1) For tax years prior to tax year 2020, reimbursement to taxing subdivisions for tax revenue that will be lost because of the personal property tax exemptions allowed in subsection (1) of section 77-1238 shall be as provided in this subsection. The county assessor and county treasurer shall, on or before November 30 of each year, certify to the Tax Commissioner, on forms prescribed by the Tax Commissioner, the total tax revenue that will be lost to all taxing subdivisions within his or her county from taxes levied and assessed in that year because of the personal property tax exemptions allowed in subsection (1) of section 77-1238. The county assessor and county treasurer may amend the certification to show any change or correction in the total tax revenue that will be lost until May 30 of the next succeeding year. The Tax Commissioner shall, on or before January 1 next
following the certification, notify the Director of Administrative Services of the amount so certified to be reimbursed by the state. Reimbursement of the tax revenue lost shall be made to each county according to the certification and shall be distributed in two approximately equal installments on the last business day of February and the last business day of June. The State Treasurer shall, on the business day preceding the last business day of February and the last business day of June, notify the Director of Administrative Services of the amount of funds available in the General Fund to pay the reimbursement. The Director of Administrative Services shall, on the last business day of February and the last business day of June, draw warrants against funds appropriated. Out of the amount received, the county treasurer shall distribute to each of the taxing subdivisions within his or her county the full tax revenue lost by each subdivision, except that one percent of such amount shall be deposited in the county general fund.

(2) For tax years prior to tax year 2020, reimbursement to taxing subdivisions for tax revenue that will be lost because of the compensating exemption factor in subsection (2) of section 77-1238 shall be as provided in this subsection. The Property Tax Administrator shall establish the average tax rate that will be used for purposes of reimbursing taxing subdivisions pursuant to this subsection. The average tax rate shall be equal to the total property taxes levied in the state divided by the total taxable value of all taxable property in the state as certified pursuant to section 77-1613.01. The total valuation that will be lost to all taxing subdivisions within each county because of the compensating exemption factor in subsection (2) of section 77-1238, multiplied by the average tax rate calculated pursuant to this subsection, shall be the tax revenue to be reimbursed to the taxing subdivisions by the state. Reimbursement of the tax revenue lost for public service entities shall be made to each county according to the certification and shall be distributed among the taxing subdivisions.
within each county in the same proportion as all public service entity
taxes levied by the taxing subdivisions. Reimbursement of the tax revenue
lost for railroads shall be made to each county according to the
certification and shall be distributed among the taxing subdivisions
within each county in the same proportion as all railroad taxes levied by
taxing subdivisions. Reimbursement of the tax revenue lost for car line
companies shall be distributed in the same manner as the taxes collected
pursuant to section 77-684. Reimbursement of the tax revenue lost for air
 carriers shall be distributed in the same manner as the taxes collected
pursuant to section 77-1250.

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

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

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

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

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

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

(b) If the ratio of the taxable value of flight equipment of air
carriers exceeds the ratio of the taxable value of commercial and
industrial depreciable tangible personal property by more than five percent, the Property Tax Administrator may adjust the value of such flight equipment of air carriers to the percentage of the taxable commercial and industrial depreciable tangible personal property pursuant to federal law applicable to air carrier transportation property or Nebraska federal court decisions applicable thereto.

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

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

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

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

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

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

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

(c) For the third year, the base-year valuation plus seventy-five percent of the difference in the base-year valuation and the current year assessed actual value;
(d) For the fourth year, the current year assessed actual value.

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

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

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

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

77-1514 (1) The county assessor shall prepare an abstract of the property assessment rolls of locally assessed real property of his or her county on forms prescribed and furnished by the Tax Commissioner. The county assessor shall file the abstract with the Property Tax Administrator on or before March 19, except beginning January 1, 2014, in
any county with a population of at least one hundred fifty thousand inhabitants according to the most recent federal decennial census, the real property abstract shall be filed on or before March 25. The abstract shall show the taxable value of real property in the county as determined by the county assessor and any other information as required by the Property Tax Administrator. The Property Tax Administrator, upon written request from the county assessor, may for good cause shown extend the final filing due date for the abstract and the statutory deadlines provided in section 77-5027. The Property Tax Administrator may extend the statutory deadline in section 77-5028 for a county if the deadline is extended for that county. Beginning January 1, 2014, in any county with a population of at least one hundred fifty thousand inhabitants according to the most recent federal decennial census, the county assessor shall request an extension of the final filing due date by March 22.

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

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

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

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

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

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

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

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

(d) Excluded from the limitations in subdivisions (2)(a) and (2)(c) of this section are (i) amounts levied to pay for current and future sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment occurring prior to September 1, 2017, (ii) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for current and future qualified voluntary termination incentives for certificated teachers pursuant to subsection (3) of section 79-8,142 that are not otherwise included in an exclusion pursuant to subdivision (2)(d)
of this section, (iii) amounts levied by a school district otherwise at
the maximum levy pursuant to subdivision (2)(a) of this section to pay
for seventy-five percent of the current and future sums agreed to be paid
to certificated employees in exchange for a voluntary termination of
employment occurring between September 1, 2017, and August 31, 2018, as a
result of a collective-bargaining agreement in force and effect on
September 1, 2017, that are not otherwise included in an exclusion
pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
school district otherwise at the maximum levy pursuant to subdivision (2)
(a) of this section to pay for fifty percent of the current and future
sums agreed to be paid to certificated employees in exchange for a
voluntary termination of employment occurring between September 1, 2018,
and August 31, 2019, as a result of a collective-bargaining agreement in
force and effect on September 1, 2017, that are not otherwise included in an
exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
levied by a school district otherwise at the maximum levy pursuant to
subdivision (2)(a) of this section to pay for twenty-five percent of the
current and future sums agreed to be paid to certificated employees in
exchange for a voluntary termination of employment occurring between
September 1, 2019, and August 31, 2020, as a result of a collective-
bargaining agreement in force and effect on September 1, 2017, that are
not otherwise included in an exclusion pursuant to subdivision (2)(d) of
this section, (vi) amounts levied in compliance with sections 79-10,110
and 79-10,110.02, (vii) for fiscal year 2021-22 and each fiscal year
thereafter, amounts levied by a school district in addition to the
maximum levy pursuant to subdivision (2)(a) of this section, with the
approval of at least two-thirds of the elected members of the school
board of such school district, up to one hundred percent of any positive
difference resulting from subtracting the aid certified pursuant to
subsection (1) of section 79-1022 for such fiscal year from the estimate
of aid without any short-term adjustment by the Legislature provided
pursuant to subsection (3) of section 79-1022 for such fiscal year, (viii) and (vii) amounts levied to pay for special building funds and sinking funds established for projects commenced prior to the effective date of this act April 1, 1996, for construction, expansion, or alteration of school district buildings up to the amount that would be generated by a levy rate equal to the levy rate for such project for the 2019-20 fiscal year, and (ix) an amount equal to any loss of revenue caused by changes to section 77-201 occurring after the passage of a levy override at an election occurring prior to the effective date of this act pursuant to subdivision (1)(b) of section 77-3444 for the period of years for which such override is applicable. For purposes of this subsection, commenced means any action taken by the school board on the record which commits the board to expend district funds in planning, constructing, or carrying out the project.

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

(f) For each fiscal year, learning communities may levy a maximum levy of one-half cent on each one hundred dollars of taxable property subject to the levy for elementary learning center facility leases, for remodeling of leased elementary learning center facilities, and for up to fifty percent of the estimated cost for focus school or program capital projects approved by the learning community coordinating council pursuant to section 79-2111.
(g) For each fiscal year, learning communities may levy a maximum levy of one and one-half cents on each one hundred dollars of taxable property subject to the levy for early childhood education programs for children in poverty, for elementary learning center employees, for contracts with other entities or individuals who are not employees of the learning community for elementary learning center programs and services, and for pilot projects, except that no more than ten percent of such levy may be used for elementary learning center employees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2)(a) (2) An acceptable range is the percentage of variation from a standard for valuation as measured by an established indicator of central
tendency of assessment. Acceptable ranges are: (a) For agricultural land and horticultural land as defined in section 77-1359, sixty-nine to seventy-five percent of actual value; (b) for lands receiving special valuation, sixty-nine to seventy-five percent of special valuation as defined in section 77-1343; and (c) for all other real property, ninety-two to one hundred percent of actual value.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) For purposes of this subsection:

(i) Agricultural land and horticultural land has the same meaning as
in section 77-1359;

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

and

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

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

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

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

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

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

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

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

(1) Adjusted general fund operating expenditures means (a) for school fiscal years 2013-14 through 2015-16, the difference of the general fund operating expenditures as calculated pursuant to subdivision (23) of this section increased by the cost growth factor calculated pursuant to section 79-1007.10, minus the transportation allowance, special receipts allowance, poverty allowance, limited English proficiency allowance, distance education and telecommunications
allowance, elementary site allowance, summer school allowance, instructional time allowance, teacher education allowance, and focus school and program allowance, (b) for school fiscal years 2016-17 through 2018-19, the difference of the general fund operating expenditures as calculated pursuant to subdivision (23) of this section increased by the cost growth factor calculated pursuant to section 79-1007.10, minus the transportation allowance, special receipts allowance, poverty allowance, limited English proficiency allowance, distance education and telecommunications allowance, elementary site allowance, summer school allowance, and focus school and program allowance, and (b) (c) for school fiscal year 2019-20 and each school fiscal year thereafter, the difference of the general fund operating expenditures as calculated pursuant to subdivision (23) of this section increased by the cost growth factor calculated pursuant to section 79-1007.10, minus the transportation allowance, special receipts allowance, poverty allowance, limited English proficiency allowance, distance education and telecommunications allowance, elementary site allowance, summer school allowance, community achievement plan allowance, and focus school and program allowance;

(2) Adjusted valuation means the assessed valuation of taxable property of each local system in the state, adjusted pursuant to the adjustment factors described in section 79-1016. Adjusted valuation means the adjusted valuation for the property tax year ending during the school fiscal year immediately preceding the school fiscal year in which the aid based upon that value is to be paid. For purposes of determining (a) for school fiscal years prior to school fiscal year 2023-24, the local effort rate yield or (b) for school fiscal year 2023-24 and each school fiscal year thereafter, the local formula contribution pursuant to section 79-1015.01, adjusted valuation does not include the value of any property which a court, by a final judgment from which no appeal is taken, has declared to be nontaxable or exempt from taxation;
(3) Allocated income tax funds means the amount of assistance paid to a local system pursuant to section 79-1005.01 for school fiscal years prior to school fiscal year 2020-21;

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

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

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

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

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

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

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

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

(12) Department means the State Department of Education;

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

(14) Ensuing school fiscal year means the school fiscal year
following the current school fiscal year;

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

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

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

(18) Formula students means:

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

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

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

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

Full-day kindergarten means kindergarten offered by a district for at least one thousand thirty-two instructional hours;

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

General fund expenditures means all expenditures from the general fund;

General fund operating expenditures means for state aid calculated for school fiscal years 2012-13 and each school fiscal year thereafter, as reported on the annual financial report for the second school fiscal year immediately preceding the school fiscal year in which aid is to be paid, the total general fund expenditures minus (a) the amount of all receipts to the general fund, to the extent that such receipts are not included in local system formula resources, from early childhood education tuition, summer school tuition, educational entities as defined in section 79-1201.01 for providing distance education courses through the Educational Service Unit Coordinating Council to such educational entities, private foundations, individuals, associations, charitable organizations, the textbook loan program authorized by section
79-734, federal impact aid, and levy override elections pursuant to section 77-3444, (b) the amount of expenditures for categorical funds, tuition paid, transportation fees paid to other districts, adult education, community services, redemption of the principal portion of general fund debt service, retirement incentive plans authorized by section 79-855, and staff development assistance authorized by section 79-856, (c) the amount of any transfers from the general fund to any bond fund and transfers from other funds into the general fund, (d) any legal expenses in excess of fifteen-hundredths of one percent of the formula need for the school fiscal year in which the expenses occurred, (e)(i) for state aid calculated for school fiscal years prior to school fiscal year 2018-19, expenditures to pay for sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination occurring prior to July 1, 2009, occurring on or after the last day of the 2010-11 school year and prior to the first day of the 2013-14 school year, or, to the extent that a district has demonstrated to the State Board of Education pursuant to section 79-1028.01 that the agreement will result in a net savings in salary and benefit costs to the school district over a five-year period, occurring on or after the first day of the 2013-14 school year or (ii) for state aid calculated for school fiscal year 2018-19 and each school fiscal year thereafter, expenditures to pay for incentives agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment for which the State Board of Education approved an exclusion pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01, (f)(i) expenditures to pay for employer contributions pursuant to subsection (2) of section 79-958 to the School Employees Retirement System of the State of Nebraska to the extent that such expenditures exceed the employer contributions under such subsection that would have been made at a contribution rate of seven and thirty-five hundredths percent or (ii) expenditures to pay for school district contributions
pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
to the retirement system established pursuant to the Class V School Employees
Retirement Act to the extent that such expenditures exceed the school
district contributions under such subdivision that would have been made
at a contribution rate of seven and thirty-seven hundredths percent, and
(g) any amounts paid by the district for lobbyist fees and expenses
reported to the Clerk of the Legislature pursuant to section 49-1483, and
(h) for state aid calculated for school fiscal year 2021-22 and each
school fiscal year thereafter, any amount received pursuant to
subdivision (2)(d)(vii) of section 77-3442.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(41) (37) Sparse local system means a local system that is not a
very sparse local system but which meets the following criteria:

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

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

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

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

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

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

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

(45) (41) State board means the State Board of Education;
(46) (42) State support means all funds provided to districts by the State of Nebraska for the general fund support of elementary and secondary education;

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

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

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

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

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

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

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

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

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

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

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

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

(2) For school fiscal years prior to 2017-18, one hundred two
million two hundred eighty-nine thousand eight hundred seventeen dollars
which is equal to the amount appropriated to the School District Income
Tax Fund for distribution in school fiscal year 1992-93 shall be
disbursed as option payments as determined under section 79-1009 and as
allocated income tax funds as determined in this section and sections
79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01. For school fiscal
years prior to school fiscal year 2017-18, funds not distributed as
allocated income tax funds due to minimum levy adjustments shall not
increase the amount available to local systems for distribution as
allocated income tax funds.
(3) Using the data certified by the Tax Commissioner pursuant to subsection (1) of this section, the department shall calculate the allocation percentage and each local system's allocated income tax funds. The allocation percentage shall be the amount stated in subsection (2) of this section minus the total amount paid for option students pursuant to section 79-1009, with the difference divided by the aggregate statewide income tax liability of all resident individuals certified pursuant to subsection (1) of this section. Each local system's allocated income tax funds shall be calculated by multiplying the allocation percentage times the local system's income tax liability certified pursuant to subsection (1) of this section.

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

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

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

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

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

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

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

(ii) The net corporate tax collections under the Nebraska Revenue...
Act of 1967 for the most recently completed calendar year; and

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

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

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

(4)(a) For school fiscal year 2022-23 and each school fiscal year thereafter, the department shall calculate the foundation aid to be paid to each local system for such school fiscal year. Except as otherwise provided in subdivision (4)(b) of this section, the foundation aid for each local system shall equal (i) the (A) fall membership for the certification of state aid pursuant to section 79-1022 or (B) average
daily membership for the final calculation of state aid pursuant to section 79-1065 for such local system multiplied by (ii) the ratio of fifteen percent of the sum of the amounts certified pursuant to subsection (1) of this section divided by the statewide (A) fall membership for the certification of state aid pursuant to section 79-1022 or (B) average daily membership for the final calculation of state aid pursuant to section 79-1065.

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

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

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

(2) Except as otherwise provided in this section, for school fiscal year 2016-17, each school district's formula need shall equal the difference of the sum of the school district's basic funding, poverty allowance, limited English proficiency allowance, focus school and
program allowance, summer school allowance, special receipts allowance, transportation allowance, elementary site allowance, distance education and telecommunications allowance, averaging adjustment, new learning community transportation adjustment, student growth adjustment, any positive student growth adjustment correction, and new school adjustment, minus the sum of the limited English proficiency allowance correction, poverty allowance correction, and any negative student growth adjustment correction.

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

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

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

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

(4) If the formula need calculated for a school district pursuant to subsections (1) and (2) through (4) of this section is more than one hundred twelve percent of the formula need for such district for the school fiscal year immediately preceding the school fiscal year for which aid is being calculated, the formula need for such district shall equal one hundred twelve percent of the formula need for such district for the school fiscal year immediately preceding the school fiscal year for which aid is being calculated, except that the formula need shall not
be reduced pursuant to this subsection for any district receiving a
student growth adjustment for the school fiscal year for which aid is
being calculated.

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

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

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

(a) The department shall calculate an averaging adjustment for
districts if the basic funding per formula student is less than the
averaging adjustment threshold and the general fund levy for the school
fiscal year immediately preceding the school fiscal year for which aid is
being calculated was at least one dollar per one hundred dollars of
taxable valuation. For the calculation of aid for school fiscal years
prior to school fiscal year 2018-19, the general fund levy for school
districts that are members of a learning community for purposes of this
section includes both the common general fund levy and the school
district general fund levy authorized pursuant to subdivisions (2)(b) and
(2)(c) of section 77-3442. The averaging adjustment shall equal the
district's formula students multiplied by the percentage specified in this subsection for such district of the difference between the averaging adjustment threshold minus such district's basic funding per formula student;

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

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

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

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

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

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

(v) If such levy was at least one dollar and four cents per one hundred dollars of taxable valuation, the percentage shall be ninety percent.
For school fiscal years 2017-18 through 2020-21 and each school fiscal year thereafter, the department shall calculate an averaging adjustment for districts with at least nine hundred formula students if the basic funding per formula student is less than the averaging adjustment threshold. The averaging adjustment shall equal the district's formula students multiplied by ninety percent of the difference of the averaging adjustment threshold minus such district's basic funding per formula student. The averaging adjustment threshold shall equal the aggregate basic funding for all districts with nine hundred or more formula students divided by the aggregate formula students for all districts with nine hundred or more formula students for the school fiscal year for which aid is being calculated.

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

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

(b) The determination of the net number of option students shall be based on (i) the number of students enrolled in the district as option students and the number of students residing in the district but enrolled in another district as option students as of the day of the fall membership count pursuant to section 79-528, for the school fiscal year immediately preceding the school fiscal year in which aid is to be paid, (ii) the number of option students that will be enrolled in the district or enrolled in another district as converted contract option students for
the fiscal year in which the aid is to be paid, and (iii) for the
calculation of aid for school fiscal year 2017-18 for school districts
that are members of a learning community, the number of students enrolled
in the district as open enrollment students and the number of students
residing in the district but enrolled in another district as open
enrollment students as of the day of the fall membership count pursuant
to section 79-528 for school fiscal year 2016-17.

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

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

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

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

(c) For school fiscal year 2021-22 and each school fiscal year
thereafter, net option funding shall be the product of the net number of
option students multiplied by the statewide average general fund property
taxes per formula student. The statewide average general fund property
taxes per formula student shall be calculated by dividing (i) the
aggregate receipts for all school districts for the most recently
available complete data year from general fund property tax levies, the
Property Tax Credit Cash Fund, homestead exemption reimbursements, and
personal property tax exemption reimbursements by (ii) the aggregate
formula students for all local systems for the school fiscal year for
which aid is being calculated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) The inflation rate yield for each local system shall equal the
sum of (i) the local formula contribution for such local system for the
school fiscal year immediately preceding the school fiscal year for which
aid is being calculated adjusted by the local formula contribution
inflation rate certified pursuant to section 20 of this act plus (ii) the
product of the local system's adjusted valuation multiplied by a local effort rate of one dollar per
one hundred dollars of adjusted valuation.
Sec. 22. Section 79-1016, Revised Statutes Cumulative Supplement, 2018, is amended to read:

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

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

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

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

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

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

(d) (c) For personal property, the net book value as defined in
section 77-120.
(4) On or before November 10, any local system may file with the Tax Commissioner written objections to any the adjusted valuations prepared by the Property Tax Administrator, stating the reasons why such adjusted valuations are not the valuations required by subsection (3) of this section. The Tax Commissioner shall fix a time for a hearing. Either party shall be permitted to introduce any evidence in reference thereto. On or before January 1, the Tax Commissioner shall enter a written order modifying or declining to modify, in whole or in part, the adjusted valuations and shall certify the order to the State Department of Education. Modification by the Tax Commissioner shall be based upon the evidence introduced at hearing and shall not be limited to the modification requested in the written objections or at hearing. A copy of the written order shall be mailed to the local system within seven days after the date of the order. The written order of the Tax Commissioner may be appealed within thirty days after the date of the order to the Tax Equalization and Review Commission in accordance with section 77-5013.

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

(6) On or before May 31 of the year following the certification of adjusted valuations pursuant to subsection (2) of this section, any local system or county official may file with the Tax Commissioner a written request for a nonappealable correction of an the adjusted valuation due to changes to the tax list that change the assessed value of taxable property. Upon the filing of the written request, the Tax
Commissioner shall require the county assessor to recertify the taxable valuation and, beginning in 2022, total real property growth value by school district in the county on forms prescribed by the Tax Commissioner. The recertified valuations shall be the valuations that were certified on the tax list, pursuant to section 77-1613, increased or decreased by changes to the tax list that change the assessed value of taxable property or, beginning in 2022, the total real property growth value in the school district in the county in the prior assessment year. On or before the following July 31, the Tax Commissioner shall approve or deny the request and, if approved, certify the corrected adjusted valuations resulting from such action to the State Department of Education.

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

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

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

79-1017.01 (1) For state aid calculated for each school fiscal years prior to school fiscal year 2020-21, local system formula
resources includes other actual receipts determined pursuant to section 79-1018.01, net option funding determined pursuant to section 79-1009, allocated income tax funds determined pursuant to section 79-1005.01, and community achievement plan aid determined pursuant to section 79-1005, and is reduced by amounts paid by the district in the most recently available complete data year as property tax refunds pursuant to or in the manner prescribed by section 77-1736.06.

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

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

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

(b) For school fiscal year 2020-21 and each school fiscal year thereafter, the amount to be distributed to each local system shall equal the sum of the equalization aid determined pursuant to section 79-1008.01, net option funding determined pursuant to section 79-1009, foundation aid determined pursuant to section 16 of this act, and community achievement plan aid determined pursuant to section 79-1005.
(c) The department shall certify the amounts to be distributed as determined pursuant to this subsection to the Director of Administrative Services, the Auditor of Public Accounts, and each district.

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

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

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

(3) On or before May 1, 2020, and on or before March 1 of each year thereafter, for the purpose of calculating any levy exclusion pursuant to subdivision (2)(d)(vii) of section 77-3442, the department shall provide to each school district an estimate of aid without any short-term adjustment by the Legislature. Such estimate shall equal the amount that would have been certified pursuant to this section for the immediately following school fiscal year using (a) the inflation rate as certified by
the Tax Commissioner pursuant to section 20 of this act as the base
limitation rate without any short-term adjustments and (b) all other
components of the Tax Equity and Educational Opportunities Support Act as
such act existed on May 1, 2020. For purposes of this subsection, short-
term adjustment means a change passed by the Legislature with a defined
period of applicability.

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

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

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

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

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

Sec. 26. Section 79-1025, Reissue Revised Statutes of Nebraska, is
amended to read:

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

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

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

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

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

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

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

79-1098 Except as otherwise provided in sections 10-701 to 10-716
for the issuance of bonds, whenever the school board or board of
education of any school district determines that an annual levy
authorized pursuant to subsection (3) of section 79-10,120 is necessary
or that the annual levy authorized pursuant to subsection (1) or (2) of
section 79-10,120 is insufficient for the purposes authorized in such
subsection, such school board or board of education may

whenever it is
deemed necessary (1) to erect a schoolhouse or school building or an
addition or additions and improvements to any existing schoolhouse or (2)
to purchase equipment for such schoolhouse or school buildings, in any
school district in this state the school board may and, upon petition of
not less than one-fourth of the legal voters of the school district,
shall submit to the people of the school district at the next regularly
scheduled primary or general election or special election a proposition
to vote a special annual tax. Such annual tax, when combined with any
annual tax imposed pursuant to section 79-10,120, shall not exceed
fourteen for that purpose of not to exceed seventeen and five-tenths
cents on each one hundred dollars of upon the taxable value and shall not
exceed of all the taxable property in such district for a term of not to
exceed ten years. Such special tax may be voted at any annual or special
meeting of the district by fifty-five percent of the legal voters
attending such meeting.

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

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

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

79-10,101 The sum levied and collected under section 79-10,100 shall
(1) constitute a special fund for the purposes for which it was voted,
(2) not be used for any other purpose unless otherwise authorized by a
fifty-five percent majority vote of the legal voters of the school
district cast at the election under section 79-1098, (3) be paid over to
the county treasurer of the county in which the administrative office of
such school district is located, (4) except as provided in subsection (6)
of section 79-10,120, be kept by the county treasurer and treasurer of
the school district separate and apart from other school district funds,
and (5) be subject to withdrawal as provided in section 79-587 or, for
Class V school districts, section 79-584. Any portion of such sum so
levied and collected, the expenditure of which is not required to
effectuate the purposes for which such sum was voted, may be transferred
by the school board, at any regular or special meeting by the vote of a majority of the members attending, to the general fund of the district. All funds received by the school district treasurer for such purpose shall be immediately invested by such treasurer in United States Government bonds or in such securities in which the state investment officer may invest the permanent school funds during the accumulation of such sinking fund.

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

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

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

(i) Acquiring sites for school buildings or teacherages;

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

(iii) Purchasing or entering into a lease-purchase agreement for relocatable classroom buildings;
(iv) Major replacement repairs on existing structures owned or
leased by the school district; and

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

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

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

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

(4) A school district or a joint public agency that includes a
school district that has been delegated the authority to tax may continue
an annual tax established pursuant to this section prior to the effective
date of this act through school fiscal year 2028-29 for any project
commenced prior to the effective date of this act. Any annual tax
continued pursuant to this subsection shall not exceed the amount needed
annually to fund such project through school fiscal year 2028-29. The
proceeds of any such annual tax shall only be used for the project for
which the tax was levied. For purposes of this subsection, commenced
means any action taken by the school board on the record which commits
the board to expend district funds in planning, constructing, or carrying
out the project. Any tax authorized pursuant to this subsection may
exceed fourteen cents on each one hundred dollars of taxable value when
combined with all other taxes imposed pursuant to this section.

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

(6) The proceeds of any annual tax imposed pursuant to this section
shall be kept separate and apart from other school district funds, except
that such proceeds may be combined with amounts levied and collected
under sections 79-1098 to 79-10,101 for the same project.
cents on each one hundred dollars upon the taxable value of all the taxable property in the district for the purpose of acquiring sites of school buildings and the erection, alteration, equipping, and furnishing of school buildings and additions to school buildings, which tax levies shall be used for no other purposes, and (3) a further fund resulting from an annual amount of tax to be determined by the board of education to pay interest on and retiring, funding, or servicing of bonded indebtedness of the district.

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

(2) For purposes of this section:

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

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

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

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

(ii) Has a percent change in school district revenue that is greater than (A) for school fiscal year 2020-21, zero percent, (B) for school fiscal year 2021-22, one percent, or (C) for school fiscal year 2022-23, two and one-half percent;
(d) Percent change in school district revenue means the change in school district revenue for a school district for a given school fiscal year divided by the school district revenue for the school fiscal year immediately preceding the given school fiscal year;

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

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

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

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

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

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

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

Transition aid shall be paid from the appropriation made for such purpose.

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


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