

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 189

Introduced by Erdman, 47.

Read first time January 11, 2019

Committee: Government, Military and Veterans Affairs

- 1 A BILL FOR AN ACT relating to budgets; to amend sections 13-518 and
- 2 13-519, Revised Statutes Cumulative Supplement, 2018; to redefine a
- 3 term; to change provisions relating to budget limitations; to
- 4 provide an operative date; to repeal the original sections; and to
- 5 declare an emergency.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-518, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 13-518 For purposes of sections 13-518 to 13-522:

4 (1) Allowable growth means (a) for governmental units other than
5 community colleges, the percentage increase in taxable valuation in
6 excess of the base limitation established under section 77-3446, if any,
7 due to improvements to real property as a result of new construction,
8 additions to existing buildings, any improvements to real property which
9 increase the value of such property, and any increase in valuation due to
10 annexation and any personal property valuation over the prior year and
11 (b) for community colleges, the percentage increase in excess of the base
12 limitation, if any, in full-time equivalent students from the second year
13 to the first year preceding the year for which the budget is being
14 determined;

15 (2) Capital improvements means (a) acquisition of real property or
16 (b) acquisition, construction, or extension of any improvements on real
17 property;

18 (3) Governing body has the same meaning as in section 13-503;

19 (4) Governmental unit means every political subdivision which has
20 authority to levy a property tax or authority to request levy authority
21 under section 77-3443 except sanitary and improvement districts which
22 have been in existence for five years or less and school districts;

23 (5) Qualified sinking fund means a fund or funds maintained
24 separately from the general fund to pay for acquisition or replacement of
25 tangible personal property with a useful life of five years or more which
26 is to be undertaken in the future but is to be paid for in part or in
27 total in advance using periodic payments into the fund. The term includes
28 sinking funds under subdivision (13) of section 35-508 for firefighting
29 and rescue equipment or apparatus;

30 (6) Restricted funds means (a) property tax, excluding any amounts
31 refunded to taxpayers, (b) payments in lieu of property taxes, (c) local

1 option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers
2 of surpluses from any user fee, permit fee, or regulatory fee if the fee
3 surplus is transferred to fund a service or function not directly related
4 to the fee and the costs of the activity funded from the fee, (g) any
5 funds excluded from restricted funds for the prior year because they were
6 budgeted for capital improvements but which were not spent and are not
7 expected to be spent for capital improvements, (h) the tax provided in
8 sections 77-27,223 to 77-27,227 beginning in the second fiscal year in
9 which the county will receive a full year of receipts, and (i) any excess
10 tax collections returned to the county under section 77-1776. Funds
11 received pursuant to the nameplate capacity tax levied under section
12 77-6203 for the first five years after a renewable energy generation
13 facility has been commissioned are nonrestricted funds; and

14 (7) State aid means:

15 (a) For all governmental units, state aid paid pursuant to sections
16 60-3,202 and 77-3523 and reimbursement provided pursuant to section
17 77-1239;

18 (b) For municipalities, state aid to municipalities paid pursuant to
19 sections 18-2605, ~~39-2501 to 39-2520~~, 60-3,190, and 77-27,139.04 and
20 insurance premium tax paid to municipalities;

21 (c) For counties, state aid to counties paid pursuant to sections
22 60-3,184 to 60-3,190, insurance premium tax paid to counties, and
23 reimbursements to counties from funds appropriated pursuant to section
24 29-3933;

25 (d) For community colleges, (i) for fiscal years 2010-11, 2011-12,
26 and 2012-13, state aid to community colleges paid pursuant to section
27 90-517 and (ii) for fiscal year 2013-14 and each fiscal year thereafter,
28 state aid to community colleges paid pursuant to the Community College
29 Aid Act;

30 (e) For educational service units, state aid appropriated under
31 sections 79-1241.01 and 79-1241.03; and

1 (f) For local public health departments as defined in section
2 71-1626, state aid as distributed under section 71-1628.08.

3 Sec. 2. Section 13-519, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 13-519 (1)(a) Subject to subdivisions (1)(b), ~~and (c), and (d)~~ of
6 this section, for all fiscal years beginning on or after July 1, 1998, no
7 governmental unit shall adopt a budget containing a total of budgeted
8 restricted funds more than the last prior year's total of budgeted
9 restricted funds plus allowable growth plus the basic allowable growth
10 percentage of the base limitation established under section 77-3446. For
11 the second fiscal year in which a county will receive a full year of
12 receipts from the tax imposed in sections 77-27,223 to 77-27,227, the
13 prior year's total of restricted funds shall be the prior year's total of
14 restricted funds plus the total receipts from the tax imposed in sections
15 77-27,223 to 77-27,227 in the prior year. If a governmental unit
16 transfers the financial responsibility of providing a service financed in
17 whole or in part with restricted funds to another governmental unit or
18 the state, the amount of restricted funds associated with providing the
19 service shall be subtracted from the last prior year's total of budgeted
20 restricted funds for the previous provider and may be added to the last
21 prior year's total of restricted funds for the new provider. For
22 governmental units that have consolidated, the calculations made under
23 this section for consolidating units shall be made based on the combined
24 total of restricted funds, population, or full-time equivalent students
25 of each governmental unit.

26 (b) For all fiscal years beginning on or after July 1, 2008,
27 educational service units may exceed the limitations of subdivision (1)
28 (a) of this section to the extent that one hundred ten percent of the
29 needs for the educational service unit calculated pursuant to section
30 79-1241.03 exceeds the budgeted restricted funds allowed pursuant to
31 subdivision (1)(a) of this section.

1 (c) For fiscal year 2017-18, the last prior year's total of
2 restricted funds for counties shall be the last prior year's total of
3 restricted funds less the last prior year's restricted funds budgeted by
4 counties under sections 39-2501 to 39-2520, plus the last prior year's
5 amount of restricted funds budgeted by counties under sections 39-2501 to
6 39-2520 to be used for capital improvements.

7 (d) For fiscal year 2019-20, the last prior year's total of
8 restricted funds for cities and villages shall be the last prior year's
9 total of restricted funds less the last prior year's restricted funds
10 budgeted by cities and villages under sections 39-2501 to 39-2520, plus
11 the last prior year's amount of restricted funds budgeted by cities and
12 villages under sections 39-2501 to 39-2520 to be used for capital
13 improvements.

14 (2) A governmental unit may exceed the limit provided in subdivision
15 (1)(a) of this section for a fiscal year by up to an additional one
16 percent upon the affirmative vote of at least seventy-five percent of the
17 governing body.

18 (3) A governmental unit may exceed the applicable allowable growth
19 percentage otherwise prescribed in this section by an amount approved by
20 a majority of legal voters voting on the issue at a special election
21 called for such purpose upon the recommendation of the governing body or
22 upon the receipt by the county clerk or election commissioner of a
23 petition requesting an election signed by at least five percent of the
24 legal voters of the governmental unit. The recommendation of the
25 governing body or the petition of the legal voters shall include the
26 amount and percentage by which the governing body would increase its
27 budgeted restricted funds for the ensuing year over and above the current
28 year's budgeted restricted funds. The county clerk or election
29 commissioner shall call for a special election on the issue within thirty
30 days after the receipt of such governing body recommendation or legal
31 voter petition. The election shall be held pursuant to the Election Act,

1 and all costs shall be paid by the governing body. The issue may be
2 approved on the same question as a vote to exceed the levy limits
3 provided in section 77-3444.

4 (4) In lieu of the election procedures in subsection (3) of this
5 section, any governmental unit may exceed the allowable growth percentage
6 otherwise prescribed in this section by an amount approved by a majority
7 of legal voters voting at a meeting of the residents of the governmental
8 unit, called after notice is published in a newspaper of general
9 circulation in the governmental unit at least twenty days prior to the
10 meeting. At least ten percent of the registered voters residing in the
11 governmental unit shall constitute a quorum for purposes of taking action
12 to exceed the allowable growth percentage. If a majority of the
13 registered voters present at the meeting vote in favor of exceeding the
14 allowable growth percentage, a copy of the record of that action shall be
15 forwarded to the Auditor of Public Accounts along with the budget
16 documents. The issue to exceed the allowable growth percentage may be
17 approved at the same meeting as a vote to exceed the limits or final levy
18 allocation provided in section 77-3444.

19 Sec. 3. This act becomes operative on July 1, 2019.

20 Sec. 4. Original sections 13-518 and 13-519, Revised Statutes
21 Cumulative Supplement, 2018, are repealed.

22 Sec. 5. Since an emergency exists, this act takes effect when
23 passed and approved according to law.