Introduced by La Grone, 49.

Read first time January 11, 2019

Committee: Government, Military and Veterans Affairs

A BILL FOR AN ACT relating to state and local government; to amend section 77-1601.02, Reissue Revised Statutes of Nebraska, and sections 13-519 and 13-520, Revised Statutes Cumulative Supplement, 2018; to change provisions relating to budget limitations and procedures and property tax request public hearing notice requirements as prescribed; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 13-519, Revised Statutes Cumulative Supplement, 2018, is amended to read:

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

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

(c) For fiscal year 2017-18, the last prior year’s total of restricted funds for counties shall be the last prior year’s total of

-2-
restricted funds less the last prior year’s restricted funds budgeted by counties under sections 39-2501 to 39-2520, plus the last prior year’s amount of restricted funds budgeted by counties under sections 39-2501 to 39-2520 to be used for capital improvements.

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

(3) A governmental unit may exceed the applicable allowable growth percentage otherwise prescribed in this section by an amount approved by a majority of legal voters voting on the issue at a special election called for such purpose upon the recommendation of the governing body or upon the receipt by the county clerk or election commissioner of a petition requesting an election signed by at least five percent of the legal voters of the governmental unit. The recommendation of the governing body or the petition of the legal voters shall include the amount and percentage by which the governing body would increase its budgeted restricted funds for the ensuing year over and above the current year's budgeted restricted funds. The county clerk or election commissioner shall call for a special election on the issue within thirty days after the receipt of such governing body recommendation or legal voter petition. The election shall be held pursuant to the Election Act, and all costs shall be paid by the governing body. The issue may be approved on the same question as a vote to exceed the levy limits provided in section 77-3444.

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

Sec. 2. Section 13-520, Revised Statutes Cumulative Supplement, 2018, is amended to read:

13-520 The limitations in section 13-519 shall not apply to (1) restricted funds budgeted for capital improvements, (2) restricted funds expended from a qualified sinking fund for acquisition or replacement of tangible personal property with a useful life of five years or more, (3) restricted funds pledged to retire bonds as defined in subdivision (1) of section 10-134 and approved according to law, (4) restricted funds bonded indebtedness, used 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, (5) or used to pay other financial instruments that are approved and agreed to before July 1, 1999, in the same manner as bonds by a governing body created under section 35-501, (4) restricted funds budgeted in support of a service which is the subject of an agreement or a modification of an existing agreement whether operated by one of the parties to the agreement or by an independent joint entity or joint public agency, (5) restricted funds budgeted to pay for repairs to infrastructure damaged by a natural disaster which is declared a disaster emergency pursuant to the Emergency Management Act, (7) (6) restricted funds budgeted to pay for judgments, except judgments or orders from the Commission of Industrial Relations, obtained against a governmental unit.
which require or obligate a governmental unit to pay such judgment, to
the extent such judgment is not paid by liability insurance coverage of a
governmental unit, or (8) (7) the dollar amount by which restricted funds
budgeted by a natural resources district to administer and implement
ground water management activities and integrated management activities
under the Nebraska Ground Water Management and Protection Act exceed its
restricted funds budgeted to administer and implement ground water
management activities and integrated management activities for FY2003-04.

Sec. 3. Section 77-1601.02, Reissue Revised Statutes of Nebraska, is
amended to read:

77-1601.02 (1) The property tax request for the prior year shall be
the property tax request for the current year for purposes of the levy
set by the county board of equalization in section 77-1601 unless the
governing body of the county, municipality, school district, learning
community, sanitary and improvement district, natural resources district,
educational service unit, or community college passes by a majority vote
a resolution or ordinance setting the tax request at a different amount.
Such resolution or ordinance shall only be passed after a special public
hearing called for such purpose is held and after notice is published in
a newspaper of general circulation in the area of the political
subdivision at least four calendar five days prior to the hearing. For
purposes of such notice, the four calendar days shall include the day of
publication but not the day of hearing. The hearing notice shall contain
the following information: The dollar amount of the prior year's tax
request and the property tax rate that was necessary to fund that tax
request; the property tax rate that would be necessary to fund last
year's tax request if applied to the current year's valuation; and the
proposed dollar amount of the tax request for the current year and the
property tax rate that will be necessary to fund that tax request. Any
resolution setting a tax request under this section shall be certified
and forwarded to the county clerk on or before October 13 of the year for
which the tax request is to apply.

(2) Any levy which is not in compliance with this section and section 77-1601 shall be construed as an unauthorized levy under section 77-1606.

Sec. 4. Original section 77-1601.02, Reissue Revised Statutes of Nebraska, and sections 13-519 and 13-520, Revised Statutes Cumulative Supplement, 2018, are repealed.