

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 974

Introduced by Revenue Committee: Linehan, 39, Chairperson; Briese, 41;
Friesen, 34; Groene, 42; Kolterman, 24; Lindstrom, 18.

Read first time January 13, 2020

Committee: Revenue

1 A BILL FOR AN ACT relating to school funding; to amend sections 77-201,
2 77-1391, 77-5023, 79-1025, and 79-1082, Reissue Revised Statutes of
3 Nebraska, sections 79-1001, 79-1007.11, 79-1007.18, 79-1009,
4 79-1015.01, 79-1016, 79-1030, 79-1098, 79-10,100, 79-10,101,
5 79-10,120, and 79-10,126, Revised Statutes Cumulative Supplement,
6 2018, and sections 77-3442, 77-3446, 79-1003, 79-1005.01,
7 79-1017.01, 79-1022, 79-1022.02, 79-1023, 79-1027, and 79-1031.01,
8 Revised Statutes Supplement, 2019; to change the valuation of
9 property for taxes levied by school districts and multiple-district
10 school systems; to change provisions relating to levy limitations,
11 the base limitation, and acceptable ranges for property valuation;
12 to change the Tax Equity and Educational Opportunities Support Act;
13 to change provisions relating to certain school taxes and special
14 funds; to provide for transition aid; to harmonize provisions; to
15 repeal the original sections; and to declare an emergency.
16 Be it enacted by the people of the State of Nebraska,

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

3 77-201 (1) Except as provided in subsections (2) through (4) of this
4 section, all real property in this state, not expressly exempt therefrom,
5 shall be subject to taxation and shall be valued as follows: at its
6 actual value.

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

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

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

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

22 (2) Agricultural land and horticultural land as defined in section
23 77-1359 shall constitute a separate and distinct class of property for
24 purposes of property taxation, shall be subject to taxation, unless
25 expressly exempt from taxation, and shall be valued as follows: at
26 seventy-five percent of its actual value.

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

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

1 percent of its actual value for purposes of taxes levied by any other
2 political subdivision; and

3 (c) For tax year 2021 and each tax year thereafter, such real
4 property shall be valued at fifty-five percent of its actual value for
5 purposes of taxes levied by school districts and multiple-district school
6 systems and at seventy-five percent of its actual value for purposes of
7 taxes levied by any other political subdivision.

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

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

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

25 (c) For tax year 2021 and each tax year thereafter, such real
26 property shall be valued at fifty-five percent of its special valuation
27 as defined in section 77-1343 for purposes of taxes levied by school
28 districts and multiple-district school systems and at seventy-five
29 percent of its special valuation as defined in section 77-1343 for
30 purposes of taxes levied by any other political subdivision.

31 (4) Historically significant real property which meets the

1 qualifications for historic rehabilitation valuation under sections
2 77-1385 to 77-1394 shall be valued for taxation as provided in such
3 sections.

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

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

31 Sec. 2. Section 77-1391, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-1391 (1) Commencing January 1, 2006, for all real property for
3 which a final certificate of rehabilitation has been issued, the
4 valuation for purposes of assessment shall be no more than the base-year
5 valuation for eight years following issuance of the final certificate of
6 rehabilitation.

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

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

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

16 (c) For the third year, the base-year valuation plus seventy-five
17 percent of the difference in the base-year valuation and the current year
18 assessed ~~actual~~ value; and

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

20 (3) For purposes of sections 77-1385 to 77-1394, base-year valuation
21 means the assessed valuation of the historically significant real
22 property in the assessment year the preliminary certificate of
23 rehabilitation was issued as certified in subdivision (1)(c) of section
24 77-1388 or as finally determined if appealed.

25 (4) If, during the eight-year period and the four-year period
26 specified in subsections (1) and (2) of this section, the State Historic
27 Preservation Officer determines that historically significant real
28 property for which a final certificate of rehabilitation has been issued
29 (a) has been the subject of repair, renovation, remodeling, or
30 improvement but not in accordance with the Standards for Rehabilitation
31 as described in 36 C.F.R. 67.7, as such regulation existed on January 1,

1 2005, (b) is no longer of historical significance to a qualified historic
2 district, or (c) no longer possesses the qualifications for listing in
3 the National Register of Historic Places, he or she shall revoke the
4 final certificate of rehabilitation by written notice to the owner and
5 transmit a copy of the revocation to the county assessor.

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

11 Sec. 3. Section 77-3442, Revised Statutes Supplement, 2019, is
12 amended to read:

13 77-3442 (1) Property tax levies for the support of local governments
14 for fiscal years beginning on or after July 1, 1998, shall be limited to
15 the amounts set forth in this section except as provided in section
16 77-3444.

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

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

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

30 (b) For each fiscal year prior to fiscal year 2017-18, learning
31 communities may levy a maximum levy for the general fund budgets of

1 member school districts of ninety-five cents per one hundred dollars of
2 taxable valuation of property subject to the levy. The proceeds from the
3 levy pursuant to this subdivision shall be distributed pursuant to
4 section 79-1073.

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

13 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
14 of this section are (i) amounts levied to pay for current and future sums
15 agreed to be paid by a school district to certificated employees in
16 exchange for a voluntary termination of employment occurring prior to
17 September 1, 2017, (ii) amounts levied by a school district otherwise at
18 the maximum levy pursuant to subdivision (2)(a) of this section to pay
19 for current and future qualified voluntary termination incentives for
20 certificated teachers pursuant to subsection (3) of section 79-8,142 that
21 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
22 of this section, (iii) amounts levied by a school district otherwise at
23 the maximum levy pursuant to subdivision (2)(a) of this section to pay
24 for seventy-five percent of the current and future sums agreed to be paid
25 to certificated employees in exchange for a voluntary termination of
26 employment occurring between September 1, 2017, and August 31, 2018, as a
27 result of a collective-bargaining agreement in force and effect on
28 September 1, 2017, that are not otherwise included in an exclusion
29 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
30 school district otherwise at the maximum levy pursuant to subdivision (2)
31 (a) of this section to pay for fifty percent of the current and future

1 sums agreed to be paid to certificated employees in exchange for a
2 voluntary termination of employment occurring between September 1, 2018,
3 and August 31, 2019, as a result of a collective-bargaining agreement in
4 force and effect on September 1, 2017, that are not otherwise included in
5 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
6 levied by a school district otherwise at the maximum levy pursuant to
7 subdivision (2)(a) of this section to pay for twenty-five percent of the
8 current and future sums agreed to be paid to certificated employees in
9 exchange for a voluntary termination of employment occurring between
10 September 1, 2019, and August 31, 2020, as a result of a collective-
11 bargaining agreement in force and effect on September 1, 2017, that are
12 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
13 this section, (vi) amounts levied in compliance with sections 79-10,110
14 and 79-10,110.02, (vii) for fiscal year 2021-22 and each fiscal year
15 thereafter, amounts levied by a school district, with the approval of at
16 least two-thirds of the elected members of the school board of such
17 school district, up to seventy-five percent of any positive difference
18 resulting from subtracting the aid certified pursuant to section 79-1022
19 for such fiscal year from the January estimate of aid provided pursuant
20 to such section for such fiscal year, and (viii) ~~(vii)~~ amounts levied to
21 pay for special building funds and sinking funds established for projects
22 commenced prior to the effective date of this act April 1, 1996, for
23 construction, expansion, or alteration of school district buildings up to
24 the amount that would be generated by a levy rate equal to the levy rate
25 for such project for the 2019-20 fiscal year. For purposes of this
26 subsection, commenced means any action taken by the school board on the
27 record which commits the board to expend district funds in planning,
28 constructing, or carrying out the project.

29 (e) Federal aid school districts may exceed the maximum levy
30 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
31 extent necessary to qualify to receive federal aid pursuant to 20 U.S.C.

1 ~~7701 et seq., as such sections existed on January 1, 2020 Title VIII of~~
2 ~~Public Law 103-382, as such title existed on September 1, 2001.~~ For
3 purposes of this subdivision, federal aid school district means any
4 school district which receives ten percent or more of the revenue for its
5 general fund budget from federal government sources pursuant to 20 U.S.C.
6 ~~7701 et seq., as such sections existed on January 1, 2020 Title VIII of~~
7 ~~Public Law 103-382, as such title existed on September 1, 2001.~~

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

15 (g) For each fiscal year, learning communities may levy a maximum
16 levy of one and one-half cents on each one hundred dollars of taxable
17 property subject to the levy for early childhood education programs for
18 children in poverty, for elementary learning center employees, for
19 contracts with other entities or individuals who are not employees of the
20 learning community for elementary learning center programs and services,
21 and for pilot projects, except that no more than ten percent of such levy
22 may be used for elementary learning center employees.

23 (3) For each fiscal year, community college areas may levy the
24 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
25 accordance with the provisions of such subdivisions. A community college
26 area may exceed the levy provided in subdivision (2)(b) of section
27 85-1517 by the amount necessary to retire general obligation bonds
28 assumed by the community college area or issued pursuant to section
29 85-1515 according to the terms of such bonds or for any obligation
30 pursuant to section 85-1535 entered into prior to January 1, 1997.

31 (4)(a) Natural resources districts may levy a maximum levy of four

1 and one-half cents per one hundred dollars of taxable valuation of
2 property subject to the levy.

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

12 (c) In addition, natural resources districts located in a river
13 basin, subbasin, or reach that has been determined to be fully
14 appropriated pursuant to section 46-714 or designated as overappropriated
15 pursuant to section 46-713 by the Department of Natural Resources shall
16 also have the power and authority to levy a tax equal to the dollar
17 amount by which their restricted funds budgeted to administer and
18 implement ground water management activities and integrated management
19 activities under the Nebraska Ground Water Management and Protection Act
20 exceed their restricted funds budgeted to administer and implement ground
21 water management activities and integrated management activities for
22 FY2005-06, not to exceed three cents on each one hundred dollars of
23 taxable valuation on all of the taxable property within the district for
24 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
25 2017-18.

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

30 (6)(a) Incorporated cities and villages which are not within the
31 boundaries of a municipal county may levy a maximum levy of forty-five

1 cents per one hundred dollars of taxable valuation of property subject to
2 the levy plus an additional five cents per one hundred dollars of taxable
3 valuation to provide financing for the municipality's share of revenue
4 required under an agreement or agreements executed pursuant to the
5 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
6 levy shall include amounts levied to pay for sums to support a library
7 pursuant to section 51-201, museum pursuant to section 51-501, visiting
8 community nurse, home health nurse, or home health agency pursuant to
9 section 71-1637, or statue, memorial, or monument pursuant to section
10 80-202.

11 (b) Incorporated cities and villages which are within the boundaries
12 of a municipal county may levy a maximum levy of ninety cents per one
13 hundred dollars of taxable valuation of property subject to the levy. The
14 maximum levy shall include amounts paid to a municipal county for county
15 services, amounts levied to pay for sums to support a library pursuant to
16 section 51-201, a museum pursuant to section 51-501, a visiting community
17 nurse, home health nurse, or home health agency pursuant to section
18 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

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

28 (8) Counties may levy or authorize a maximum levy of fifty cents per
29 one hundred dollars of taxable valuation of property subject to the levy,
30 except that five cents per one hundred dollars of taxable valuation of
31 property subject to the levy may only be levied to provide financing for

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

21 (9) Municipal counties may levy or authorize a maximum levy of one
22 dollar per one hundred dollars of taxable valuation of property subject
23 to the levy. The municipal county may allocate levy authority to any
24 political subdivision or entity subject to allocation under section
25 77-3443.

26 (10) Beginning July 1, 2016, rural and suburban fire protection
27 districts may levy a maximum levy of ten and one-half cents per one
28 hundred dollars of taxable valuation of property subject to the levy if
29 (a) such district is located in a county that had a levy pursuant to
30 subsection (8) of this section in the previous year of at least forty
31 cents per one hundred dollars of taxable valuation of property subject to

1 the levy or (b) such district had a levy request pursuant to section
2 77-3443 in any of the three previous years and the county board of the
3 county in which the greatest portion of the valuation of such district is
4 located did not authorize any levy authority to such district in such
5 year.

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

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

26 (13) The limitations on tax levies provided in this section are to
27 include all other general or special levies provided by law.
28 Notwithstanding other provisions of law, the only exceptions to the
29 limits in this section are those provided by or authorized by sections
30 77-3442 to 77-3444.

31 (14) Tax levies in excess of the limitations in this section shall

1 be considered unauthorized levies under section 77-1606 unless approved
2 under section 77-3444.

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

6 (16) For school districts that file a binding resolution on or
7 before May 9, 2008, with the county assessors, county clerks, and county
8 treasurers for all counties in which the school district has territory
9 pursuant to subsection (7) of section 79-458, if the combined levies,
10 except levies for bonded indebtedness approved by the voters of the
11 school district and levies for the refinancing of such bonded
12 indebtedness, are in excess of the greater of (a) one dollar and twenty
13 cents per one hundred dollars of taxable valuation of property subject to
14 the levy or (b) the maximum levy authorized by a vote pursuant to section
15 77-3444, all school district levies, except levies for bonded
16 indebtedness approved by the voters of the school district and levies for
17 the refinancing of such bonded indebtedness, shall be considered
18 unauthorized levies under section 77-1606.

19 Sec. 4. Section 77-3446, Revised Statutes Supplement, 2019, is
20 amended to read:

21 77-3446 Base limitation means the budget limitation rate applicable
22 to school districts and the limitation on growth of restricted funds
23 applicable to other political subdivisions prior to any increases in the
24 rate as a result of special actions taken by a supermajority of any
25 governing board or of any exception allowed by law. The base limitation
26 is two and one-half percent until adjusted, except that the base
27 limitation for school districts for school fiscal years 2017-18 and
28 2018-19 is one and one-half percent, the base limitation for school
29 districts and for school fiscal year 2019-20 is two percent, and the base
30 limitation for school districts for school fiscal year 2020-21 and each
31 school fiscal year thereafter is the inflation rate for such school

1 fiscal year as certified by the Tax Commissioner pursuant to section 13
2 of this act, including any adjustment pursuant to subsection (3) or (4)
3 of such section. The base limitation may be adjusted annually by the
4 Legislature to reflect changes in the prices of services and products
5 used by school districts and political subdivisions.

6 Sec. 5. Section 77-5023, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 77-5023 (1) Pursuant to section 77-5022, the commission shall have
9 the power to increase or decrease the value of a class or subclass of
10 real property in any county or taxing authority or of real property
11 valued by the state so that all classes or subclasses of real property in
12 all counties fall within an acceptable range.

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

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

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

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

30 (iii) For tax year 2021 and each tax year thereafter, forty-nine to
31 fifty-five percent of actual value for purposes of taxes levied by school

1 districts and multiple-district school systems and sixty-nine to seventy-
2 five percent of actual value for purposes of taxes levied by any other
3 political subdivision.

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

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

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

13 (iii) For tax year 2021 and each tax year thereafter, forty-nine to
14 fifty-five percent of special valuation for purposes of taxes levied by
15 school districts and multiple-district school systems and sixty-nine to
16 seventy-five percent of special valuation for purposes of taxes levied by
17 any other political subdivision.

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

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

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

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

31 (iv) For tax year 2022 and each tax year thereafter, seventy-seven

1 to eighty-five percent of actual value for purposes of taxes levied by
2 school districts and multiple-district school systems and ninety-two to
3 one hundred percent of actual value for purposes of taxes levied by any
4 other political subdivision.

5 (e) For purposes of this subsection:

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

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

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

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

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

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

22 Sec. 6. Section 79-1001, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 79-1001 Sections 79-1001 to 79-1033 and sections 9 and 13 of this
25 act shall be known and may be cited as the Tax Equity and Educational
26 Opportunities Support Act.

27 Sec. 7. Section 79-1003, Revised Statutes Supplement, 2019, is
28 amended to read:

29 79-1003 For purposes of the Tax Equity and Educational Opportunities
30 Support Act:

31 (1) Adjusted general fund operating expenditures means (a) ~~for~~

1 ~~school fiscal years 2013-14 through 2015-16, the difference of the~~
2 ~~general fund operating expenditures as calculated pursuant to subdivision~~
3 ~~(23) of this section increased by the cost growth factor calculated~~
4 ~~pursuant to section 79-1007.10, minus the transportation allowance,~~
5 ~~special receipts allowance, poverty allowance, limited English~~
6 ~~proficiency allowance, distance education and telecommunications~~
7 ~~allowance, elementary site allowance, summer school allowance,~~
8 ~~instructional time allowance, teacher education allowance, and focus~~
9 ~~school and program allowance, (b) for school fiscal years 2016-17 through~~
10 ~~2018-19, the difference of the general fund operating expenditures as~~
11 ~~calculated pursuant to subdivision (23) of this section increased by the~~
12 ~~cost growth factor calculated pursuant to section 79-1007.10, minus the~~
13 ~~transportation allowance, special receipts allowance, poverty allowance,~~
14 ~~limited English proficiency allowance, distance education and~~
15 ~~telecommunications allowance, elementary site allowance, summer school~~
16 ~~allowance, and focus school and program allowance, and (b) (e) for school~~
17 ~~fiscal year 2019-20 and each school fiscal year thereafter, the~~
18 ~~difference of the general fund operating expenditures as calculated~~
19 ~~pursuant to subdivision (23) of this section increased by the cost growth~~
20 ~~factor calculated pursuant to section 79-1007.10, minus the~~
21 ~~transportation allowance, special receipts allowance, poverty allowance,~~
22 ~~limited English proficiency allowance, distance education and~~
23 ~~telecommunications allowance, elementary site allowance, summer school~~
24 ~~allowance, community achievement plan allowance, and focus school and~~
25 ~~program allowance;~~

26 (2) Adjusted valuation means the assessed valuation of taxable
27 property of each local system in the state, adjusted pursuant to the
28 adjustment factors described in section 79-1016. Adjusted valuation means
29 the adjusted valuation for the property tax year ending during the school
30 fiscal year immediately preceding the school fiscal year in which the aid
31 based upon that value is to be paid. For purposes of determining (a) for

1 school fiscal years prior to school fiscal year 2023-24, the local effort
2 rate yield or (b) for school fiscal year 2023-24 and each school fiscal
3 year thereafter, the local formula contribution pursuant to section
4 79-1015.01, adjusted valuation does not include the value of any property
5 which a court, by a final judgment from which no appeal is taken, has
6 declared to be nontaxable or exempt from taxation;

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

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

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

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

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

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

27 (9) Converted contract means an expired contract that was in effect
28 for at least fifteen school years beginning prior to school year 2012-13
29 for the education of students in a nonresident district in exchange for
30 tuition from the resident district when the expiration of such contract
31 results in the nonresident district educating students, who would have

1 been covered by the contract if the contract were still in effect, as
2 option students pursuant to the enrollment option program established in
3 section 79-234;

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

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

14 (12) ~~(11)~~ Department means the State Department of Education;

15 (13) ~~(12)~~ District means any school district or unified system as
16 defined in section 79-4,108;

17 (14) ~~(13)~~ Ensuing school fiscal year means the school fiscal year
18 following the current school fiscal year;

19 (15) ~~(14)~~ Equalization aid means the amount of assistance calculated
20 to be paid to a local system pursuant to section 79-1008.01;

21 (16) ~~(15)~~ Fall membership means the total membership in kindergarten
22 through grade twelve attributable to the local system as reported on the
23 fall school district membership reports for each district pursuant to
24 section 79-528;

25 (17) ~~(16)~~ Fiscal year means the state fiscal year which is the
26 period from July 1 to the following June 30;

27 (18) ~~(17)~~ Formula students means:

28 (a) For state aid certified pursuant to section 79-1022, the sum of
29 the product of fall membership from the school fiscal year immediately
30 preceding the school fiscal year in which the aid is to be paid
31 multiplied by the average ratio of average daily membership to fall

1 membership for the second school fiscal year immediately preceding the
2 school fiscal year in which the aid is to be paid and the prior two
3 school fiscal years plus sixty percent of the qualified early childhood
4 education fall membership plus tuitioned students from the school fiscal
5 year immediately preceding the school fiscal year in which aid is to be
6 paid minus the product of the number of students enrolled in kindergarten
7 that is not full-day kindergarten from the fall membership multiplied by
8 0.5; and

9 (b) For the final calculation of state aid pursuant to section
10 79-1065, the sum of average daily membership plus sixty percent of the
11 qualified early childhood education average daily membership plus
12 tuitioned students minus the product of the number of students enrolled
13 in kindergarten that is not full-day kindergarten from the average daily
14 membership multiplied by 0.5 from the school fiscal year immediately
15 preceding the school fiscal year in which aid was paid;

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

1 the most recent school fiscal year for which the school did not provide
2 free meals to all students pursuant to the community eligibility
3 provision or one hundred ten percent of the product of the students who
4 qualified for free meals at such school pursuant to the community
5 eligibility provision multiplied by the identified student percentage
6 calculated pursuant to such federal provision, except that the free lunch
7 and free milk students calculated for any school pursuant to subdivision
8 ~~(19)(b)(ii)~~ ~~(18)(b)(ii)~~ of this section shall not exceed one hundred
9 percent of the students qualified for free meals at such school pursuant
10 to the community eligibility provision;

11 (20) ~~(19)~~ Free lunch and free milk student means, for school fiscal
12 years prior to school fiscal year 2016-17, a student who qualified for
13 free lunches or free milk from the most recent data available on November
14 1 of the school fiscal year immediately preceding the school fiscal year
15 in which aid is to be paid;

16 (21) ~~(20)~~ Full-day kindergarten means kindergarten offered by a
17 district for at least one thousand thirty-two instructional hours;

18 (22) ~~(21)~~ General fund budget of expenditures means the total budget
19 of disbursements and transfers for general fund purposes as certified in
20 the budget statement adopted pursuant to the Nebraska Budget Act, except
21 that for purposes of the limitation imposed in section 79-1023, the
22 general fund budget of expenditures does not include any special grant
23 funds, exclusive of local matching funds, received by a district;

24 (23) ~~(22)~~ General fund expenditures means all expenditures from the
25 general fund;

26 (24) ~~(23)~~ General fund operating expenditures means for state aid
27 calculated for school fiscal years 2012-13 and each school fiscal year
28 thereafter, as reported on the annual financial report for the second
29 school fiscal year immediately preceding the school fiscal year in which
30 aid is to be paid, the total general fund expenditures minus (a) the
31 amount of all receipts to the general fund, to the extent that such

1 receipts are not included in local system formula resources, from early
2 childhood education tuition, summer school tuition, educational entities
3 as defined in section 79-1201.01 for providing distance education courses
4 through the Educational Service Unit Coordinating Council to such
5 educational entities, private foundations, individuals, associations,
6 charitable organizations, the textbook loan program authorized by section
7 79-734, federal impact aid, and levy override elections pursuant to
8 section 77-3444, (b) the amount of expenditures for categorical funds,
9 tuition paid, transportation fees paid to other districts, adult
10 education, community services, redemption of the principal portion of
11 general fund debt service, retirement incentive plans authorized by
12 section 79-855, and staff development assistance authorized by section
13 79-856, (c) the amount of any transfers from the general fund to any bond
14 fund and transfers from other funds into the general fund, (d) any legal
15 expenses in excess of fifteen-hundredths of one percent of the formula
16 need for the school fiscal year in which the expenses occurred, (e)(i)
17 for state aid calculated for school fiscal years prior to school fiscal
18 year 2018-19, expenditures to pay for sums agreed to be paid by a school
19 district to certificated employees in exchange for a voluntary
20 termination occurring prior to July 1, 2009, occurring on or after the
21 last day of the 2010-11 school year and prior to the first day of the
22 2013-14 school year, or, to the extent that a district has demonstrated
23 to the State Board of Education pursuant to section 79-1028.01 that the
24 agreement will result in a net savings in salary and benefit costs to the
25 school district over a five-year period, occurring on or after the first
26 day of the 2013-14 school year or (ii) for state aid calculated for
27 school fiscal year 2018-19 and each school fiscal year thereafter,
28 expenditures to pay for incentives agreed to be paid by a school district
29 to certificated employees in exchange for a voluntary termination of
30 employment for which the State Board of Education approved an exclusion
31 pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01,

1 (f)(i) expenditures to pay for employer contributions pursuant to
2 subsection (2) of section 79-958 to the School Employees Retirement
3 System of the State of Nebraska to the extent that such expenditures
4 exceed the employer contributions under such subsection that would have
5 been made at a contribution rate of seven and thirty-five hundredths
6 percent or (ii) expenditures to pay for school district contributions
7 pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
8 retirement system established pursuant to the Class V School Employees
9 Retirement Act to the extent that such expenditures exceed the school
10 district contributions under such subdivision that would have been made
11 at a contribution rate of seven and thirty-seven hundredths percent, ~~and~~
12 (g) any amounts paid by the district for lobbyist fees and expenses
13 reported to the Clerk of the Legislature pursuant to section 49-1483, and
14 (h) for state aid calculated for school fiscal year 2021-22 and each
15 school fiscal year thereafter, any amount received pursuant to
16 subdivision (2)(d)(vii) of section 77-3442.

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

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

29 (26) ~~(25)~~ Income tax receipts means the amount of income tax
30 collected pursuant to the Nebraska Revenue Act of 1967 less all
31 nonrefundable credits earned and refunds made;

1 (27) Inflation rate means the inflation rate certified by the Tax
2 Commissioner pursuant to section 13 of this act for each school fiscal
3 year, including any adjustments pursuant to subsection (3) or (4) of such
4 section;

5 (28) (26) Limited English proficiency students means the number of
6 students with limited English proficiency in a district from the most
7 recent data available on November 1 of the school fiscal year preceding
8 the school fiscal year in which aid is to be paid plus the difference of
9 such students with limited English proficiency minus the average number
10 of limited English proficiency students for such district, prior to such
11 addition, for the three immediately preceding school fiscal years if such
12 difference is greater than zero;

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

15 (30) Local formula contribution inflation rate means the local
16 formula contribution inflation rate certified by the Tax Commissioner
17 pursuant to section 13 of this act as determined pursuant to subsection
18 (5) of such section for each school fiscal year;

19 (31) (27) Local system means a unified system or a school district;

20 (32) (28) Low-income child means (a) for school fiscal years prior
21 to 2016-17, a child under nineteen years of age living in a household
22 having an annual adjusted gross income for the second calendar year
23 preceding the beginning of the school fiscal year for which aid is being
24 calculated equal to or less than the maximum household income that would
25 allow a student from a family of four people to be a free lunch and free
26 milk student during the school fiscal year immediately preceding the
27 school fiscal year for which aid is being calculated and (b) for school
28 fiscal year 2016-17 and each school fiscal year thereafter, a child under
29 nineteen years of age living in a household having an annual adjusted
30 gross income for the second calendar year preceding the beginning of the
31 school fiscal year for which aid is being calculated equal to or less

1 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
2 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
3 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
4 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
5 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
6 existed on January 1, 2015, for a household of that size that would have
7 allowed the child to meet the income qualifications for free meals during
8 the school fiscal year immediately preceding the school fiscal year for
9 which aid is being calculated;

10 (33) ~~(29)~~ Low-income students means the number of low-income
11 children within the district multiplied by the ratio of the formula
12 students in the district divided by the total children under nineteen
13 years of age residing in the district as derived from income tax
14 information;

15 (34) ~~(30)~~ Most recently available complete data year means the most
16 recent single school fiscal year for which the annual financial report,
17 fall school district membership report, annual statistical summary,
18 Nebraska income tax liability by school district for the calendar year in
19 which the majority of the school fiscal year falls, and adjusted
20 valuation data are available;

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

1 such addition, for the three immediately preceding school fiscal years if
2 such difference is greater than zero;

3 (36) ~~(32)~~ Qualified early childhood education average daily
4 membership means the product of the average daily membership for school
5 fiscal year 2006-07 and each school fiscal year thereafter of students
6 who will be eligible to attend kindergarten the following school year and
7 are enrolled in an early childhood education program approved by the
8 department pursuant to section 79-1103 for such school district for such
9 school year multiplied by the ratio of the actual instructional hours of
10 the program divided by one thousand thirty-two if: (a) The program is
11 receiving a grant pursuant to such section for the third year; (b) the
12 program has already received grants pursuant to such section for three
13 years; or (c) the program has been approved pursuant to subsection (5) of
14 section 79-1103 for such school year and the two preceding school years,
15 including any such students in portions of any of such programs receiving
16 an expansion grant;

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

30 (38) ~~(34)~~ Regular route transportation means the transportation of
31 students on regularly scheduled daily routes to and from the attendance

1 center;

2 ~~(39) (35)~~ Reorganized district means any district involved in a
3 consolidation and currently educating students following consolidation;

4 ~~(40) (36)~~ School year or school fiscal year means the fiscal year of
5 a school district as defined in section 79-1091;

6 ~~(41) (37)~~ Sparse local system means a local system that is not a
7 very sparse local system but which meets the following criteria:

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

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

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

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

24 ~~(42) (38)~~ Special education means specially designed kindergarten
25 through grade twelve instruction pursuant to section 79-1125, and
26 includes special education transportation;

27 ~~(43) (39)~~ Special grant funds means the budgeted receipts for
28 grants, including, but not limited to, categorical funds, reimbursements
29 for wards of the court, short-term borrowings including, but not limited
30 to, registered warrants and tax anticipation notes, interfund loans,
31 insurance settlements, and reimbursements to county government for

1 previous overpayment. The state board shall approve a listing of grants
2 that qualify as special grant funds;

3 (44) ~~(40)~~ State aid means the amount of assistance paid to a
4 district pursuant to the Tax Equity and Educational Opportunities Support
5 Act;

6 (45) ~~(41)~~ State board means the State Board of Education;

7 (46) ~~(42)~~ State support means all funds provided to districts by the
8 State of Nebraska for the general fund support of elementary and
9 secondary education;

10 (47) ~~(43)~~ Statewide average basic funding per formula student means
11 the statewide total basic funding for all districts divided by the
12 statewide total formula students for all districts;

13 (48) ~~(44)~~ Statewide average general fund operating expenditures per
14 formula student means the statewide total general fund operating
15 expenditures for all districts divided by the statewide total formula
16 students for all districts;

17 (49) ~~(45)~~ Teacher has the definition found in section 79-101;

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

29 (51) ~~(47)~~ Tuition receipts from converted contracts means tuition
30 receipts received by a district from another district in the most
31 recently available complete data year pursuant to a converted contract

1 prior to the expiration of the contract;

2 ~~(52) (48)~~ Tuitioned students means students in kindergarten through
3 grade twelve of the district whose tuition is paid by the district to
4 some other district or education agency;

5 ~~(53) (49)~~ Unadjusted poverty students means, for school fiscal year
6 2016-17 and each school fiscal year thereafter, the greater of the number
7 of low-income students or the free lunch and free milk calculated
8 students in a district; and

9 ~~(54) (50)~~ Very sparse local system means a local system that has:

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

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

21 Sec. 8. Section 79-1005.01, Revised Statutes Supplement, 2019, is
22 amended to read:

23 79-1005.01 (1) Not later than November 15 of each year through 2019,
24 the Tax Commissioner shall certify to the department for the preceding
25 tax year the income tax liability of resident individuals for each local
26 system.

27 ~~(2) For school fiscal years prior to 2017-18, one hundred two~~
28 ~~million two hundred eighty-nine thousand eight hundred seventeen dollars~~
29 ~~which is equal to the amount appropriated to the School District Income~~
30 ~~Tax Fund for distribution in school fiscal year 1992-93 shall be~~
31 ~~disbursed as option payments as determined under section 79-1009 and as~~

1 ~~allocated income tax funds as determined in this section and sections~~
2 ~~79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01. For school fiscal~~
3 ~~years prior to school fiscal year 2017-18, funds not distributed as~~
4 ~~allocated income tax funds due to minimum levy adjustments shall not~~
5 ~~increase the amount available to local systems for distribution as~~
6 ~~allocated income tax funds.~~

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

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

23 Sec. 9. (1)(a) On or before April 15, 2020, for the calculation of
24 aid for school fiscal year 2020-21, the Tax Commissioner shall certify to
25 the department:

26 (i) The aggregate net income tax collections under the Nebraska
27 Revenue Act of 1967 for the tax year ending or deemed to have ended on
28 December 31, 2018;

29 (ii) The aggregate net corporate tax collections under the Nebraska
30 Revenue Act of 1967 for the tax year ending or deemed to have ended on
31 December 31, 2018; and

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

3 (b) On or before November 15, 2020, and on or before November 15 of
4 each year thereafter, for the calculation of aid for the following school
5 fiscal year, the Tax Commissioner shall certify to the department:

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

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

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

13 (2) For school fiscal year 2020-21, the department shall calculate
14 the foundation aid to be paid to each local system for such school fiscal
15 year. The foundation aid for each local system shall equal (a) the (i)
16 fall membership for the certification of state aid pursuant to section
17 79-1022 or (ii) average daily membership for the final calculation of
18 state aid pursuant to section 79-1065 for such local system multiplied by
19 (b) the ratio of five percent of the sum of the amounts certified
20 pursuant to subsection (1) of this section divided by the statewide (i)
21 fall membership for the certification of state aid pursuant to section
22 79-1022 or (ii) average daily membership for the final calculation of
23 state aid pursuant to section 79-1065.

24 (3) For school fiscal year 2021-22, the department shall calculate
25 the foundation aid to be paid to each local system for such school fiscal
26 year. The foundation aid for each local system shall equal (a) the (i)
27 fall membership for the certification of state aid pursuant to section
28 79-1022 or (ii) average daily membership for the final calculation of
29 state aid pursuant to section 79-1065 for such local system multiplied by
30 (b) the ratio of ten percent of the sum of the amounts certified pursuant
31 to subsection (1) of this section divided by the statewide (i) fall

1 membership for the certification of state aid pursuant to section 79-1022
2 or (ii) average daily membership for the final calculation of state aid
3 pursuant to section 79-1065.

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

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

22 Sec. 10. Section 79-1007.11, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 ~~79-1007.11 (1) Except as otherwise provided in this section, for~~
25 ~~school fiscal years 2013-14 through 2015-16, each school district's~~
26 ~~formula need shall equal the difference of the sum of the school~~
27 ~~district's basic funding, poverty allowance, limited English proficiency~~
28 ~~allowance, focus school and program allowance, summer school allowance,~~
29 ~~special receipts allowance, transportation allowance, elementary site~~
30 ~~allowance, instructional time allowance, teacher education allowance,~~
31 ~~distance education and telecommunications allowance, averaging~~

1 ~~adjustment, new learning community transportation adjustment, student~~
2 ~~growth adjustment, any positive student growth adjustment correction, and~~
3 ~~new school adjustment, minus the sum of the limited English proficiency~~
4 ~~allowance correction, poverty allowance correction, and any negative~~
5 ~~student growth adjustment correction.~~

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

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

30 ~~(1) (4) Except as otherwise provided in this section, for school~~
31 ~~fiscal year 2019-20 and 2020-21 and each school fiscal year thereafter,~~

1 each school district's formula need shall equal the difference of the sum
2 of the school district's basic funding, poverty allowance, limited
3 English proficiency allowance, focus school and program allowance, summer
4 school allowance, special receipts allowance, transportation allowance,
5 elementary site allowance, distance education and telecommunications
6 allowance, community achievement plan allowance, averaging adjustment,
7 new community achievement plan adjustment, student growth adjustment, any
8 positive student growth adjustment correction, and new school adjustment
9 minus the sum of the limited English proficiency allowance correction,
10 poverty allowance correction, and any negative student growth adjustment
11 correction.

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

25 (3) (5) If the formula need calculated for a school district
26 pursuant to subsections (1) and (2) through (4) of this section is less
27 than one hundred percent of the formula need for such district for the
28 school fiscal year immediately preceding the school fiscal year for which
29 aid is being calculated, the formula need for such district shall equal
30 one hundred percent of the formula need for such district for the school
31 fiscal year immediately preceding the school fiscal year for which aid is

1 being calculated.

2 ~~(4)~~ ~~(6)~~ If the formula need calculated for a school district
3 pursuant to subsections (1) and (2) ~~through (4)~~ of this section is more
4 than one hundred twelve percent of the formula need for such district for
5 the school fiscal year immediately preceding the school fiscal year for
6 which aid is being calculated, the formula need for such district shall
7 equal one hundred twelve percent of the formula need for such district
8 for the school fiscal year immediately preceding the school fiscal year
9 for which aid is being calculated, except that the formula need shall not
10 be reduced pursuant to this subsection for any district receiving a
11 student growth adjustment for the school fiscal year for which aid is
12 being calculated.

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

26 Sec. 11. Section 79-1007.18, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 79-1007.18 ~~(1) For school fiscal years prior to school fiscal year~~
29 ~~2017-18:~~

30 ~~(a) The department shall calculate an averaging adjustment for~~
31 ~~districts if the basic funding per formula student is less than the~~

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

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

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

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

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

30 ~~(iii) If such levy was at least one dollar and two cents per one~~
31 ~~hundred dollars of taxable valuation but less than one dollar and three~~

1 ~~cents per one hundred dollars of taxable valuation, the percentage shall~~
2 ~~be seventy percent;~~

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

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

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

22 Sec. 12. Section 79-1009, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 79-1009 (1)(a) A district shall receive net option funding if (i)
25 option students as defined in section 79-233 were actually enrolled in
26 the school year immediately preceding the school year in which the aid is
27 to be paid, (ii) option students as defined in such section will be
28 enrolled in the school year in which the aid is to be paid as converted
29 contract option students, or (iii) for the calculation of aid for school
30 fiscal year 2017-18 for school districts that are members of a learning
31 community, open enrollment students were actually enrolled for school

1 year 2016-17 pursuant to section 79-2110.

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

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

28 ~~(2)(a) For all school fiscal years except school fiscal years~~
29 ~~2017-18 and 2018-19, net option funding shall be the product of the net~~
30 ~~number of option students multiplied by the statewide average basic~~
31 ~~funding per formula student.~~

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

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

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

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

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

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

26 Sec. 13. (1) On or before April 15, 2020, on or before November 15,
27 2020, and on or before November 15 of each year thereafter, the Tax
28 Commissioner shall calculate and certify to the department the inflation
29 rate and, beginning in 2020, the local formula contribution inflation
30 rate for the immediately following school fiscal year.

31 (2) Except as otherwise provided in subsection (3) or (4) of this

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

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

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

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

18 Sec. 14. Section 79-1015.01, Revised Statutes Cumulative Supplement,
19 2018, is amended to read:

20 79-1015.01 (1) Local system formula resources for each local system
21 shall include (a) for school fiscal years prior to 2023-24, the local
22 effort rate yield or (b) for school fiscal year 2023-24 and each school
23 fiscal year thereafter, the local formula contribution which shall be
24 computed as prescribed in this section.

25 (2) For each school fiscal year except school fiscal years 2019-20,
26 2020-21, 2021-22, and 2022-23 2017-18 and 2018-19: (a) For state aid
27 certified pursuant to section 79-1022, the local effort rate shall be the
28 maximum levy, for the school fiscal year for which aid is being
29 certified, authorized pursuant to subdivision (2)(a) of section 77-3442
30 less five cents; (b) for the final calculation of state aid pursuant to
31 section 79-1065, the local effort rate shall be the rate which, when

1 multiplied by the total adjusted valuation of all taxable property in
2 local systems receiving equalization aid pursuant to the Tax Equity and
3 Educational Opportunities Support Act, will produce the amount needed to
4 support the total formula need of such local systems when added to state
5 aid appropriated by the Legislature and other actual receipts of local
6 systems described in section 79-1018.01; and (c) the local effort rate
7 yield for such school fiscal years shall be determined by multiplying
8 each local system's total adjusted valuation by the local effort rate.

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

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

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

1 valuation.

2 (c) The inflation rate yield for each local system shall equal the
3 sum of (i) the local formula contribution for such local system for the
4 school fiscal year immediately preceding the school fiscal year for which
5 aid is being calculated adjusted by the local formula contribution
6 inflation rate certified pursuant to section 13 of this act plus (ii) the
7 product of the local system's adjusted valuation for the total real
8 property growth value multiplied by a local effort rate of one dollar per
9 one hundred dollars of adjusted valuation.

10 Sec. 15. Section 79-1016, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 79-1016 (1) On or before August 20 of each year, the county assessor
13 shall certify to the Property Tax Administrator the total taxable value
14 and, beginning in 2022, the total real property growth value by school
15 district in the county for the current assessment year on forms
16 prescribed by the Tax Commissioner. The county assessor may amend the
17 filing for changes made to the taxable valuation of the school district
18 in the county if corrections or errors on the original certification are
19 discovered. Amendments shall be certified to the Property Tax
20 Administrator on or before August 31.

21 (2) On or before April 15, 2020, October 10, 2020, and each October
22 10 thereafter, the Property Tax Administrator shall compute and certify
23 to the State Department of Education the adjusted valuation to be used
24 for the calculation of aid for the immediately following school fiscal
25 for the current assessment year for each class of property and, beginning
26 in 2022, for the total real property growth value in each school district
27 and each local system. The adjusted valuation of property for each school
28 district and each local system, for purposes of determining state aid
29 pursuant to the Tax Equity and Educational Opportunities Support Act,
30 shall reflect as nearly as possible state aid value as defined in
31 subsection (3) of this section. The Property Tax Administrator shall

1 notify each school district and each local system of its adjusted
2 valuation for the current assessment year by class of property on or
3 before October 10. Establishment of the adjusted valuation shall be based
4 on the taxable value certified by the county assessor for each school
5 district in the county adjusted by the determination of the level of
6 value for each school district from an analysis of the comprehensive
7 assessment ratio study or other studies developed by the Property Tax
8 Administrator, in compliance with professionally accepted mass appraisal
9 techniques, as required by section 77-1327. The Tax Commissioner shall
10 adopt and promulgate rules and regulations setting forth standards for
11 the determination of level of value and for the determination of total
12 real property growth value for state aid purposes.

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

14 (a) For real property other than agricultural and horticultural
15 land, (i) for school fiscal years prior to school fiscal year 2020-21,
16 ninety-six percent of actual value, (ii) for school fiscal year 2020-21,
17 ninety-one percent of actual value, (iii) for school fiscal year 2021-22,
18 eighty-six percent of actual value, and (iv) for school fiscal year
19 2022-23 and each school fiscal year thereafter, eighty-one percent of
20 actual value;

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

28 (c) For agricultural and horticultural land that receives special
29 valuation pursuant to section 77-1344, (i) for school fiscal years prior
30 to school fiscal year 2020-21, seventy-two percent of special valuation
31 as defined in section 77-1343, (ii) for school fiscal year 2020-21,

1 sixty-two percent of special valuation as defined in section 77-1343, and
2 (iii) for school fiscal year 2021-22 and each school fiscal year
3 thereafter, fifty-two percent of special valuation as defined in section
4 77-1343; and

5 (d) ~~(e)~~ For personal property, the net book value as defined in
6 section 77-120.

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

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

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

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

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

1 warrant for the lump-sum amount from appropriated funds and forward such
2 warrant to the district.

3 Sec. 16. Section 79-1017.01, Revised Statutes Supplement, 2019, is
4 amended to read:

5 79-1017.01 (1) For state aid calculated for each school fiscal
6 years prior to school fiscal year 2020-21 year, local system formula
7 resources includes other actual receipts determined pursuant to section
8 79-1018.01, net option funding determined pursuant to section 79-1009,
9 allocated income tax funds determined pursuant to section 79-1005.01, and
10 community achievement plan aid determined pursuant to section 79-1005,
11 and is reduced by amounts paid by the district in the most recently
12 available complete data year as property tax refunds pursuant to or in
13 the manner prescribed by section 77-1736.06.

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

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

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

1 (b) For school fiscal year 2020-21 and each school fiscal year
2 thereafter, except as provided in subdivision (1)(c) of this section, the
3 amount to be distributed to each local system shall equal the sum of the
4 equalization aid determined pursuant to section 79-1008.01, net option
5 funding determined pursuant to section 79-1009, foundation aid determined
6 pursuant to section 9 of this act, and community achievement plan aid
7 determined pursuant to section 79-1005.

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

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

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

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

1 (3) In January of each year, the department shall provide an
2 estimate of the amount to be certified pursuant to this section for the
3 immediately following school fiscal year to each school district.

4 Sec. 18. Section 79-1022.02, Revised Statutes Supplement, 2019, is
5 amended to read:

6 79-1022.02 Notwithstanding any other provision of law, any
7 certification of state aid pursuant to section 79-1022, certification of
8 budget authority pursuant to section 79-1023, and certification of
9 applicable allowable reserve percentages pursuant to section 79-1027
10 completed prior to the effective date of this act ~~March 1, 2019~~, for
11 school fiscal year 2020-21 ~~2019-20~~ is null and void.

12 Sec. 19. Section 79-1023, Revised Statutes Supplement, 2019, is
13 amended to read:

14 79-1023 (1) On or before May 1, 2020 ~~June 10, 2019~~, and on or before
15 March 1 of each year thereafter, the department shall determine and
16 certify to each school district budget authority for the general fund
17 budget of expenditures for the ensuing school fiscal year.

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

1 percent of formula need for the school fiscal year for which budget
2 authority is being calculated minus the special education budget of
3 expenditures as filed on the school district budget statement on or
4 before September 20 for the immediately preceding school fiscal year,
5 which special education budget of expenditures is increased by the basic
6 allowable growth rate for the school fiscal year for which budget
7 authority is being calculated.

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

30 (4) ~~(3)~~ For any school fiscal year for which the budget authority
31 for the general fund budget of expenditures for a school district is

1 based on a student growth adjustment, the budget authority for the
2 general fund budget of expenditures for such school district shall be
3 adjusted in future years to reflect any student growth adjustment
4 corrections related to such student growth adjustment.

5 Sec. 20. Section 79-1025, Reissue Revised Statutes of Nebraska, is
6 amended to read:

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

20 Sec. 21. Section 79-1027, Revised Statutes Supplement, 2019, is
21 amended to read:

22 79-1027 No district shall adopt a budget, which includes total
23 requirements of depreciation funds, necessary employee benefit fund cash
24 reserves, and necessary general fund cash reserves, exceeding the
25 applicable allowable reserve percentages of total general fund budget of
26 expenditures as specified in the schedule set forth in this section.

| | | |
|----|----------------|------------|
| 27 | Average daily | Allowable |
| 28 | membership of | reserve |
| 29 | district | percentage |
| 30 | 0 - 471 | 45 |
| 31 | 471.01 - 3,044 | 35 |

| | | |
|---|--------------------|----|
| 1 | 3,044.01 - 10,000 | 25 |
| 2 | 10,000.01 and over | 20 |

3 On or before May 1, 2020 ~~June 10, 2019~~, and on or before March 1
4 each year thereafter, the department shall determine and certify each
5 district's applicable allowable reserve percentage for the ensuing school
6 fiscal year.

7 Each district with combined necessary general fund cash reserves,
8 total requirements of depreciation funds, and necessary employee benefit
9 fund cash reserves less than the applicable allowable reserve percentage
10 specified in this section may, notwithstanding the district's applicable
11 allowable growth rate, increase its necessary general fund cash reserves
12 such that the total necessary general fund cash reserves, total
13 requirements of depreciation funds, and necessary employee benefit fund
14 cash reserves do not exceed such applicable allowable reserve percentage.

15 Sec. 22. Section 79-1030, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

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

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

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

9 Sec. 23. Section 79-1031.01, Revised Statutes Supplement, 2019, is
10 amended to read:

11 79-1031.01 The Appropriations Committee of the Legislature shall
12 annually include the amount necessary to fund the state aid that will be
13 certified to school districts on or before May 1, 2020 ~~June 10, 2019~~, and
14 on or before March 1 of each year thereafter for each ensuing school
15 fiscal year in its recommendations to the Legislature to carry out the
16 requirements of the Tax Equity and Educational Opportunities Support Act.

17 Sec. 24. Section 79-1082, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 79-1082 The aggregate school tax for a Class V school district,
20 including the levy for the site and building fund as authorized by
21 section 79-10,120 ~~79-10,126~~, shall be subject to the limits provided in
22 section 77-3442.

23 Sec. 25. Section 79-1098, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 79-1098 Except as otherwise provided in sections 10-701 to 10-716
26 for the issuance of bonds, whenever the school board or board of
27 education of any school district determines that an annual levy
28 authorized pursuant to subsection (3) of section 79-10,120 is necessary
29 or that the annual levy authorized pursuant to subsection (1) or (2) of
30 section 79-10,120 is insufficient for the purposes authorized in such
31 subsection, such school board or board of education may ~~whenever it is~~

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

16 Sec. 26. Section 79-10,100, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 79-10,100 The school board or board of education, upon being
19 satisfied that all the requirements of section 79-1098 have been
20 substantially complied with and that a majority ~~fifty five percent~~ of all
21 votes cast at the election under such section are in favor of such tax,
22 shall enter such proposition and all the proceedings had thereon upon the
23 records of the school district and shall certify the special tax levy to
24 the county clerk in the same manner as other tax levies.

25 Sec. 27. Section 79-10,101, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 79-10,101 The sum levied and collected under section 79-10,100 shall
28 (1) constitute a special fund for the purposes for which it was voted,
29 (2) not be used for any other purpose ~~unless otherwise authorized by a~~
30 ~~fifty five percent majority vote of the legal voters of the school~~
31 ~~district cast at the election under section 79-1098, (3) be paid over to~~

1 the county treasurer of the county in which the administrative office of
2 such school district is located, (4) except as provided in subsection (6)
3 of section 79-10,120, be kept by the county treasurer and treasurer of
4 the school district separate and apart from other school district funds,
5 and (5) be subject to withdrawal as provided in section 79-587 or, for
6 Class V school districts, section 79-584. ~~Any portion of such sum so~~
7 ~~levied and collected, the expenditure of which is not required to~~
8 ~~effectuate the purposes for which such sum was voted, may be transferred~~
9 ~~by the school board, at any regular or special meeting by the vote of a~~
10 ~~majority of the members attending, to the general fund of the district.~~
11 All funds received by the school district treasurer for such purpose
12 shall be immediately invested by such treasurer in United States
13 Government bonds or in such securities in which the state investment
14 officer may invest the permanent school funds during the accumulation of
15 such sinking fund.

16 Sec. 28. Section 79-10,120, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

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

1 taxes for school purposes.

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

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

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

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

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

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

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

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

28 (b) Any fund established under this subsection shall be established
29 from the proceeds of an annual tax levy approved by the people of the
30 school district pursuant to section 79-1098 for such purpose not to
31 exceed fourteen cents on each one hundred dollars of taxable value of all

1 taxable property in the school district. Such tax shall be in addition to
2 any other taxes authorized to be levied for school purposes and shall be
3 within the limits contained in sections 77-3442 and 79-1098. Such tax
4 shall be levied and collected in the same manner as other taxes levied
5 for school purposes.

6 (4) The school board or board of education of any school district
7 may continue an annual tax established pursuant to this section prior to
8 the effective date of this act through school fiscal year 2026-27 for any
9 project commenced prior to the effective date of this act. Any annual tax
10 continued pursuant to this subsection shall not exceed the rate levied
11 for such project for school fiscal year 2019-20. The proceeds of any such
12 annual tax shall only be used for the project for which the tax was
13 levied. For purposes of this subsection, commenced means any action taken
14 by the school board on the record which commits the board to expend
15 district funds in planning, constructing, or carrying out the project.
16 Any tax authorized pursuant to this subsection shall not exceed fourteen
17 cents on each one hundred dollars of taxable value when combined with all
18 other taxes imposed pursuant to this section.

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

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

30 Sec. 29. Section 79-10,126, Revised Statutes Cumulative Supplement,
31 2018, is amended to read:

1 79-10,126 For school fiscal year 2017-18 and each school fiscal year
2 thereafter, each Class V school district shall establish (1) for the
3 general operation of the schools, such fund as will result from an annual
4 levy of such rate of tax upon the taxable value of all the taxable
5 property in such school district as the board of education determines to
6 be necessary for such purpose, (2) funds ~~a fund~~ resulting from ~~an~~ annual
7 levies amount of tax to be determined by the board of education pursuant
8 to sections 79-1098 to 79-10,101 and 79-10,120 ~~of not to exceed fourteen~~
9 ~~cents on each one hundred dollars upon the taxable value of all the~~
10 ~~taxable property in the district~~ for the purpose of acquiring sites of
11 school buildings and the erection, alteration, equipping, and furnishing
12 of school buildings and additions to school buildings, which tax levies
13 levy shall be used for no other purposes, and (3) a further fund
14 resulting from an annual amount of tax to be determined by the board of
15 education to pay interest on and retiring, funding, or servicing of
16 bonded indebtedness of the district.

17 Sec. 30. (1) On or before October 31, 2020, on or before October
18 31, 2021, and on or before October 31, 2022, a school district may apply
19 to the State Department of Education for transition aid pursuant to this
20 section for the then current school fiscal year if such school district:

21 (a) Has a levy pursuant to subsection (2) of section 77-3442 of one
22 dollar and five cents per one hundred dollars of taxable valuation of
23 property subject to the levy for the then current fiscal year; and

24 (b) Has a total budget of disbursements and transfers for the then
25 current school fiscal year that is less than the total budget of
26 disbursements and transfers for the immediately preceding school fiscal
27 year for such school district by a difference of at least one percent of
28 such total budget of disbursements and transfers for the immediately
29 preceding school fiscal year.

30 (2) The department shall calculate and disburse transition aid for
31 each applicant school district described in subsection (1) of this

1 section equal to the difference of the total budget of disbursements and
2 transfers for the immediately preceding school fiscal year minus the
3 total budget of disbursements and transfers for the then current school
4 fiscal year multiplied by (a) one hundred percent for school fiscal year
5 2020-21, (b) seventy-five percent for school fiscal year 2021-22, and (c)
6 fifty percent for school fiscal year 2022-23.

7 (3) If the total amount of transition aid for all applicant school
8 districts for any school fiscal year for which transition aid is
9 calculated is greater than the amount appropriated by the Legislature for
10 such purpose, the transition aid for each applicant school district shall
11 be reduced proportionally such that the total transition aid to be paid
12 to all applicant school districts equals the amount appropriated by the
13 Legislature for such purpose.

14 (4) If the transition aid calculated for any school district is
15 greater than five hundred thousand dollars, transition aid for such
16 school district shall be paid in one lump-sum payment on the last
17 business day of November. All other transition aid shall be paid to
18 school districts in eight monthly payments on the last business day of
19 each month beginning in November of such school fiscal year. Transition
20 aid shall be paid from the appropriation made for such purpose.

21 Sec. 31. Original sections 77-201, 77-1391, 77-5023, 79-1025, and
22 79-1082, Reissue Revised Statutes of Nebraska, sections 79-1001,
23 79-1007.11, 79-1007.18, 79-1009, 79-1015.01, 79-1016, 79-1030, 79-1098,
24 79-10,100, 79-10,101, 79-10,120, and 79-10,126, Revised Statutes
25 Cumulative Supplement, 2018, and sections 77-3442, 77-3446, 79-1003,
26 79-1005.01, 79-1017.01, 79-1022, 79-1022.02, 79-1023, 79-1027, and
27 79-1031.01, Revised Statutes Supplement, 2019, are repealed.

28 Sec. 32. Since an emergency exists, this act takes effect when
29 passed and approved according to law.