

AMENDMENTS TO LB408

Introduced by Revenue.

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

3           Section 1. Sections 1 to 4 of this act shall be known and may be  
4 cited as the Property Tax Request Act.

5           Sec. 2. For purposes of the Property Tax Request Act:

6           (1) Approved bonds means bonds that are issued by a political  
7 subdivision after the question of issuing such bonds has been approved by  
8 the voters of such political subdivision;

9           (2) Political subdivision means any county, city, village, school  
10 district, learning community, sanitary and improvement district, natural  
11 resources district, educational service unit, or community college;

12           (3) Property tax request means the total amount of property taxes  
13 requested to be raised for a political subdivision through the levy  
14 imposed pursuant to section 77-1601; and

15           (4) Real growth value means the increase in real property valuation  
16 due to (a) improvements to real property as a result of new construction  
17 and additions to existing buildings, (b) any other improvements to real  
18 property which increase the value of such property, and (c) annexation of  
19 property by the political subdivision.

20           Sec. 3. Section 77-1601.02, Revised Statutes Cumulative Supplement,  
21 2020, is amended to read:

22           ~~77-1601.02~~ (1) If the annual assessment of property would result in  
23 an increase in the total property taxes levied by a political subdivision  
24 ~~county, municipality, school district, learning community, sanitary and~~  
25 ~~improvement district, natural resources district, educational service~~  
26 ~~unit, or community college~~, as determined using the previous year's rate  
27 of levy, such political subdivision's property tax request for the

1 current year shall be no more than its property tax request in the prior  
2 year, and the political subdivision's rate of levy for the current year  
3 shall be decreased accordingly when such rate is set by the county board  
4 of equalization pursuant to section 77-1601. The governing body of the  
5 political subdivision shall pass a resolution or ordinance to set the  
6 amount of its property tax request after holding the public hearing  
7 required in subsection (3) of this section. If the governing body of a  
8 political subdivision seeks to set its property tax request at an amount  
9 that exceeds its property tax request in the prior year, it may do so, to  
10 the extent allowed under section 4 of this act, after holding the public  
11 hearing required in subsection (3) of this section and by passing a  
12 resolution or ordinance that complies with subsection (4) of this  
13 section.

14 (2) If the annual assessment of property would result in no change  
15 or a decrease in the total property taxes levied by a political  
16 subdivision ~~county, municipality, school district, learning community,~~  
17 ~~sanitary and improvement district, natural resources district,~~  
18 ~~educational service unit, or community college,~~ as determined using the  
19 previous year's rate of levy, such political subdivision's property tax  
20 request for the current year shall be no more than its property tax  
21 request in the prior year, and the political subdivision's rate of levy  
22 for the current year shall be adjusted accordingly when such rate is set  
23 by the county board of equalization pursuant to section 77-1601. The  
24 governing body of the political subdivision shall pass a resolution or  
25 ordinance to set the amount of its property tax request after holding the  
26 public hearing required in subsection (3) of this section. If the  
27 governing body of a political subdivision seeks to set its property tax  
28 request at an amount that exceeds its property tax request in the prior  
29 year, it may do so, to the extent allowed under section 4 of this act,  
30 after holding the public hearing required in subsection (3) of this  
31 section and by passing a resolution or ordinance that complies with

1 subsection (4) of this section.

2 (3) The resolution or ordinance required under this section shall  
3 only be passed after a special public hearing called for such purpose is  
4 held and after notice is published in a newspaper of general circulation  
5 in the area of the political subdivision at least four calendar days  
6 prior to the hearing. For purposes of such notice, the four calendar days  
7 shall include the day of publication but not the day of hearing. If the  
8 political subdivision's total operating budget, not including reserves,  
9 does not exceed ten thousand dollars per year or twenty thousand dollars  
10 per biennial period, the notice may be posted at the governing body's  
11 principal headquarters. The hearing notice shall contain the following  
12 information: The certified taxable valuation under section 13-509 for the  
13 prior year, the certified taxable valuation under section 13-509 for the  
14 current year, and the percentage increase or decrease in such valuations  
15 from the prior year to the current year; the dollar amount of the prior  
16 year's tax request and the property tax rate that was necessary to fund  
17 that tax request; the property tax rate that would be necessary to fund  
18 last year's tax request if applied to the current year's valuation; the  
19 proposed dollar amount of the tax request for the current year and the  
20 property tax rate that will be necessary to fund that tax request; the  
21 percentage increase or decrease in the property tax rate from the prior  
22 year to the current year; and the percentage increase or decrease in the  
23 total operating budget from the prior year to the current year.

24 (4) Any resolution or ordinance setting a political subdivision's  
25 property tax request at an amount that exceeds the political  
26 subdivision's property tax request in the prior year shall include, but  
27 not be limited to, the following information:

28 (a) The name of the political subdivision;

29 (b) The amount of the property tax request;

30 (c) The following statements:

31 (i) The total assessed value of property differs from last year's

1 total assessed value by ..... percent;

2 (ii) The tax rate which would levy the same amount of property taxes  
3 as last year, when multiplied by the new total assessed value of  
4 property, would be \$..... per \$100 of assessed value;

5 (iii) The (name of political subdivision) proposes to adopt a  
6 property tax request that will cause its tax rate to be \$..... per \$100  
7 of assessed value; and

8 (iv) Based on the proposed property tax request and changes in other  
9 revenue, the total operating budget of (name of political subdivision)  
10 will exceed last year's by ..... percent; and

11 (d) The record vote of the governing body in passing such resolution  
12 or ordinance.

13 (5) Any resolution or ordinance setting a property tax request under  
14 this section shall be certified and forwarded to the county clerk on or  
15 before October 13 of the year for which the tax request is to apply.

16 (6) Any levy which is not in compliance with the Property Tax  
17 Request Act ~~this section~~ and section 77-1601 shall be construed as an  
18 unauthorized levy under section 77-1606.

19 Sec. 4. (1) Except as otherwise provided in this section, a  
20 political subdivision's property tax request for any year shall not  
21 exceed its request authority. A political subdivision's request authority  
22 for any year shall be equal to such political subdivision's property tax  
23 request from the prior year multiplied by one hundred three percent.

24 (2) A political subdivision may, by majority vote of its governing  
25 body, exceed the limit provided in subsection (1) of this section for no  
26 more than two consecutive years, in which case the political  
27 subdivision's property tax request shall be reduced in subsequent years  
28 to ensure the increase in the property tax request does not exceed nine  
29 percent over a three-year period. Such three-year period shall be  
30 measured using the year in which the political subdivision exceeds such  
31 limit as the first year of the period. If the political subdivision votes

1 to exceed the limit for two consecutive years, the three-year period  
2 shall be measured twice using each of the two consecutive years as the  
3 first year of the applicable three-year period.

4 (3) A political subdivision may exceed the limit provided in  
5 subsection (1) of this section by an amount approved by a majority of  
6 registered voters voting on the issue in a primary, general, or special  
7 election at which the issue is placed before the registered voters. The  
8 governing body of the political subdivision shall call for the submission  
9 of the issue to the voters by passing a resolution, by majority vote of  
10 the governing body, calling for exceeding the limit and delivering a copy  
11 of the resolution to the county clerk or election commissioner of every  
12 county which contains all or part of the political subdivision. The  
13 resolution shall include the amount which would be requested in excess of  
14 the limit provided in subsection (1) of this section. Any resolution  
15 calling for a special election shall be filed with the county clerk or  
16 election commissioner no later than thirty days prior to the date of the  
17 election, and the time of publication and providing a copy of the notice  
18 of election required in section 32-802 shall be no later than twenty days  
19 prior to the election. The county clerk or election commissioner shall  
20 place the issue on the ballot at an election as called for in the  
21 resolution which is at least thirty days after receipt of the resolution.  
22 The election shall be held pursuant to the Election Act. If a majority of  
23 the votes cast upon the ballot question are in favor of allowing the  
24 political subdivision to exceed the limit in subsection (1) of this  
25 section, the political subdivision shall be authorized to do so. If a  
26 majority of those voting on the ballot question do not vote to allow the  
27 political subdivision to exceed such limit, the political subdivision  
28 shall not be authorized to do so.

29 (4) The limit in subsection (1) of this section shall not apply to  
30 that portion of a political subdivision's property tax request that is  
31 needed to pay the principal and interest on approved bonds.

1       (5) The limit in subsection (1) of this section shall not apply to  
2 that portion of a political subdivision's property tax request that will  
3 be derived from the real growth value for the political subdivision.

4       (6) A political subdivision may choose not to increase its property  
5 tax request by the full amount allowed by the political subdivision's  
6 request authority calculated under subsection (1) of this section. In  
7 such cases, the political subdivision may carry forward one-half of the  
8 unused request authority to future years as carryover request authority.  
9 Such carryover request authority may then be used in later years to  
10 increase the political subdivision's property tax request above the  
11 amount calculated under subsection (1) of this section.

12       (7) The limit in subsection (1) of this section shall apply to  
13 property tax requests set in 2022 through 2027. For property tax requests  
14 set in 2028 and thereafter, such limit shall no longer apply.

15       Sec. 5. Section 13-506, Revised Statutes Cumulative Supplement,  
16 2020, is amended to read:

17       13-506 (1) Each governing body shall each year or biennial period  
18 conduct a public hearing on its proposed budget statement. Such hearing  
19 shall be held separately from any regularly scheduled meeting of the  
20 governing body and shall not be limited by time. Notice of place and time  
21 of such hearing, together with a summary of the proposed budget  
22 statement, shall be published at least four calendar days prior to the  
23 date set for hearing in a newspaper of general circulation within the  
24 governing body's jurisdiction. For purposes of such notice, the four  
25 calendar days shall include the day of publication but not the day of  
26 hearing. When the total operating budget, not including reserves, does  
27 not exceed ten thousand dollars per year or twenty thousand dollars per  
28 biennial period, the proposed budget summary may be posted at the  
29 governing body's principal headquarters. At such hearing, the governing  
30 body shall make at least three copies of the proposed budget statement  
31 available to the public and shall make a presentation outlining key

1 provisions of the proposed budget statement, including, but not limited  
2 to, a comparison with the prior year's budget. For any political  
3 subdivision that is subject to the Property Tax Request Act, the  
4 presentation shall also include information showing that the political  
5 subdivision is in compliance with the Property Tax Request Act. Any  
6 member of the public desiring to speak on the proposed budget statement  
7 shall be allowed to address the governing body at the hearing and shall  
8 be given a reasonable amount of time to do so. After such hearing, the  
9 proposed budget statement shall be adopted, or amended and adopted as  
10 amended, and a written record shall be kept of such hearing. The amount  
11 to be received from personal and real property taxation shall be  
12 certified to the levying board after the proposed budget statement is  
13 adopted or is amended and adopted as amended. If the levying board  
14 represents more than one county, a member or a representative of the  
15 governing board shall, upon the written request of any represented  
16 county, appear and present its budget at the hearing of the requesting  
17 county. The certification of the amount to be received from personal and  
18 real property taxation shall specify separately (a) the amount to be  
19 applied to the payment of principal or interest on bonds issued by the  
20 governing body and (b) the amount to be received for all other purposes.  
21 If the adopted budget statement reflects a change from that shown in the  
22 published proposed budget statement, a summary of such changes shall be  
23 published within twenty calendar days after its adoption in the manner  
24 provided in this section, but without provision for hearing, setting  
25 forth the items changed and the reasons for such changes.

26 (2) Upon approval by the governing body, the budget shall be filed  
27 with the auditor. The auditor may review the budget for errors in  
28 mathematics, improper accounting, and noncompliance with the Nebraska  
29 Budget Act or sections 13-518 to 13-522. If the auditor detects such  
30 errors, he or she shall immediately notify the governing body of such  
31 errors. The governing body shall correct any such error as provided in

1 section 13-511. Warrants for the payment of expenditures provided in the  
2 budget adopted under this section shall be valid notwithstanding any  
3 errors or noncompliance for which the auditor has notified the governing  
4 body.

5 Sec. 6. Section 77-1601, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 77-1601 (1) The county board of equalization shall each year, on or  
8 before October 15, levy the necessary taxes for the current year if  
9 within the limit of the law. The levy shall include an amount for  
10 operation of all functions of county government and shall also include  
11 all levies necessary to fund tax requests certified under the Property  
12 Tax Request Act ~~section 77-1601.02~~ that are authorized as provided in  
13 sections 77-3442 to 77-3444.

14 (2) On or before November 5, the county board of equalization upon  
15 its own motion may act to correct a clerical error which has resulted in  
16 the calculation of an incorrect levy by any political subdivision ~~entity~~  
17 otherwise authorized to certify a tax request under the Property Tax  
18 Request Act ~~section 77-1601.02~~. The county board of equalization shall  
19 hold a public hearing to determine what adjustment to the levy is proper,  
20 legal, or necessary. Notice shall be provided to the governing body of  
21 each political subdivision affected by the error. Notice of the hearing  
22 as required by section 84-1411 shall include the following: (a) The time  
23 and place of the hearing, (b) the dollar amount at issue, and (c) a  
24 statement setting forth the nature of the error.

25 (3) Upon the conclusion of the hearing, the county board of  
26 equalization shall issue a corrected levy if it determines that an error  
27 was made in the original levy which warrants correction. The county board  
28 of equalization shall then order (a) the county assessor, county clerk,  
29 and county treasurer to revise assessment books, unit valuation ledgers,  
30 tax statements, and any other tax records to reflect the correction made  
31 and (b) the recertification of the information provided to the Property



1 Tax Administrator pursuant to section 77-1613.01.

2 Sec. 7. Section 77-1776, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 77-1776 Any political subdivision which has received proceeds from a  
5 levy imposed on all taxable property within an entire county which is in  
6 excess of that requested by the political subdivision under the Property  
7 Tax Request Act ~~section 77-1601.02~~ as a result of a clerical error or  
8 mistake shall, in the fiscal year following receipt, return the excess  
9 tax collections, net of the collection fee, to the county. By July 31 of  
10 the fiscal year following the receipt of any excess tax collections, the  
11 county treasurer shall certify to the political subdivision the amount to  
12 be returned. Such excess tax collections shall be restricted funds in the  
13 budget of the county that receives the funds under section 13-518.

14 Sec. 8. This act becomes operative on January 1, 2022.

15 Sec. 9. Original sections 77-1601 and 77-1776, Reissue Revised  
16 Statutes of Nebraska, and sections 13-506 and 77-1601.02, Revised  
17 Statutes Cumulative Supplement, 2020, are repealed.