

AMENDMENTS TO LB408

(Amendments to Standing Committee amendments, AM371)

Introduced by Briese, 41.

1 1. Strike the original sections and all amendments thereto and
2 insert the following new 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 as defined in subdivision (1) of
7 section 10-134 and approved according to law;

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

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

14 (4) Real growth percentage means the percentage obtained by dividing
15 (a) the political subdivision's real growth value by (b) the political
16 subdivision's total real property valuation from the prior year; and

17 (5) Real growth value means the increase in a political
18 subdivision's real property valuation from the prior year to the current
19 year due to (a) improvements to real property as a result of new
20 construction and additions to existing buildings, (b) any other
21 improvements to real property which increase the value of such property,
22 and (c) annexation of property by the political subdivision.

23 Sec. 3. Section 77-1601.02, Revised Statutes Cumulative Supplement,
24 2020, is amended to read:

25 ~~77-1601.02~~ (1) If the annual assessment of property would result in
26 an increase in the total property taxes levied by a political subdivision

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

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

1 request at an amount that exceeds its property tax request in the prior
2 year, it may do so, to the extent allowed under section 4 of this act,
3 after holding the public hearing required in subsection (3) of this
4 section and by passing a resolution or ordinance that complies with
5 subsection (4) of this section.

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

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

1 (a) The name of the political subdivision;

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

3 (c) The following statements:

4 (i) The total assessed value of property differs from last year's
5 total assessed value by percent;

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

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

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

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

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

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

23 Sec. 4. (1) Except as otherwise provided in this section, a
24 political subdivision's property tax request for any year shall not
25 exceed its request authority. A political subdivision's request authority
26 for any year shall be equal to such political subdivision's property tax
27 request from the prior year increased by three percent. For purposes of
28 calculating request authority under this subsection, the following
29 amounts shall be excluded from the political subdivision's property tax
30 request from the prior year:

31 (a) Any amount approved by voters under subsection (3) of this

1 section that was included in the political subdivision's property tax
2 request in the prior year; and

3 (b) Any amount described in subsection (4) of this section that was
4 included in the political subdivision's property tax request in the prior
5 year.

6 (2) A political subdivision may, by majority vote of its governing
7 body, exceed the limit provided in subsection (1) of this section for no
8 more than two consecutive years, in which case the political
9 subdivision's property tax request shall be reduced in subsequent years
10 to ensure that the average annual increase in the political subdivision's
11 property tax requests over any three-year period does not exceed three
12 percent. For purposes of calculating the annual increases over such
13 three-year period, the amounts described in subdivisions (1)(a) and (b)
14 of this section shall be excluded from the political subdivision's
15 property tax request from the prior year. Such three-year period shall be
16 measured using the year in which the political subdivision exceeds such
17 limit as the first year of the period. If the political subdivision votes
18 to exceed the limit for two consecutive years, the three-year period
19 shall be measured twice using each of the two consecutive years as the
20 first year of the applicable three-year period.

21 (3) A political subdivision may exceed the limit provided in
22 subsection (1) of this section by an amount approved by a majority of
23 registered voters voting on the issue in a primary or general election
24 held in an even-numbered year or in a special election held during the
25 month of May or November in an odd-numbered year. The governing body of
26 the political subdivision shall call for the submission of the issue to
27 the voters by passing a resolution, by majority vote of the governing
28 body, calling for exceeding the limit and delivering a copy of the
29 resolution to the county clerk or election commissioner of every county
30 which contains all or part of the political subdivision. The resolution
31 shall include the amount which would be requested in excess of the limit

1 provided in subsection (1) of this section. Any resolution calling for
2 submission of the issue to the voters at a primary or general election
3 shall be filed with the county clerk or election commissioner no later
4 than March 1 for placement on the primary election ballot or September 1
5 for placement on the general election ballot. Any resolution calling for
6 submission of the issue to the voters at a special election shall be
7 filed with the county clerk or election commissioner no later than March
8 1 for a May special election or September 1 for a November special
9 election. Nothing in this section shall prevent a political subdivision
10 from holding a special election in any month authorized in the Election
11 Act due to the need to request funds as a result of a natural disaster.
12 The election shall be held pursuant to the Election Act. If a majority of
13 the votes cast upon the ballot question are in favor of allowing the
14 political subdivision to exceed the limit in subsection (1) of this
15 section, the political subdivision shall be authorized to do so. If a
16 majority of those voting on the ballot question do not vote to allow the
17 political subdivision to exceed such limit, the political subdivision
18 shall not be authorized to do so.

19 (4)(a) The limit in subsection (1) of this section shall not apply
20 to that portion of a political subdivision's property tax request that is
21 (i) budgeted for capital improvements to address fire or flood mitigation
22 or prevention, an environmental hazard, an accessibility barrier, or a
23 life safety code violation, (ii) pledged to retire approved bonds, (iii)
24 budgeted to pay for repairs to infrastructure damaged by a natural
25 disaster, or (iv) budgeted to pay for the portion of wages and benefits
26 mandated by an order of the Commission of Industrial Relations.

27 (b) For purposes of this subsection:

28 (i) Accessibility barrier means anything which impedes entry into,
29 exit from, or use of any building or facility by all people; and

30 (ii) Environmental hazard means any contamination of the air, water,
31 or land surface or subsurface caused by any substance adversely affecting

1 human health or safety if such substance has been declared hazardous by a
2 federal or state statute, rule, or regulation.

3 (5) A political subdivision may exceed the limit provided in
4 subsection (1) of this section by an amount equal to the political
5 subdivision's property tax request from the prior year multiplied by the
6 political subdivision's real growth percentage.

7 (6)(a) A school district may exceed the limit provided in subsection
8 (1) of this section by an amount equal to (i) the reduction, if any, in
9 the school district's certified state aid amount from the prior school
10 fiscal year to the current school fiscal year resulting from an increase
11 in real property valuation, excluding any reduction in net option funding
12 under section 79-1009, minus (ii) the amount of the school district's
13 property tax request in excess of the limit provided in subsection (1) of
14 this section due to the school district utilizing the exception to such
15 limit authorized in subsection (5) of this section.

16 (b) For purposes of this subsection, certified state aid amount
17 means the amount of state aid certified pursuant to section 79-1022.

18 (7) A political subdivision may choose not to increase its property
19 tax request by the full amount allowed by the political subdivision's
20 request authority calculated under subsection (1) of this section. In
21 such cases, the political subdivision may carry forward one-half of the
22 unused request authority to future years as carryover request authority.
23 Such carryover request authority may then be used in later years to
24 increase the political subdivision's property tax request above the
25 amount calculated under subsection (1) of this section.

26 (8) The limit in subsection (1) of this section shall apply to
27 property tax requests set in 2022 through 2027. For property tax requests
28 set in 2028 and thereafter, such limit shall no longer apply.

29 Sec. 5. Section 13-506, Revised Statutes Cumulative Supplement,
30 2020, is amended to read:

31 13-506 (1) Each governing body shall each year or biennial period

1 conduct a public hearing on its proposed budget statement. Such hearing
2 shall be held separately from any regularly scheduled meeting of the
3 governing body and shall not be limited by time. Notice of place and time
4 of such hearing, together with a summary of the proposed budget
5 statement, shall be published at least four calendar days prior to the
6 date set for hearing in a newspaper of general circulation within the
7 governing body's jurisdiction. For purposes of such notice, the four
8 calendar days shall include the day of publication but not the day of
9 hearing. When the total operating budget, not including reserves, does
10 not exceed ten thousand dollars per year or twenty thousand dollars per
11 biennial period, the proposed budget summary may be posted at the
12 governing body's principal headquarters. At such hearing, the governing
13 body shall make at least three copies of the proposed budget statement
14 available to the public and shall make a presentation outlining key
15 provisions of the proposed budget statement, including, but not limited
16 to, a comparison with the prior year's budget. For any political
17 subdivision that is subject to the Property Tax Request Act, the
18 presentation shall also include information showing that the political
19 subdivision is in compliance with the Property Tax Request Act. Any
20 member of the public desiring to speak on the proposed budget statement
21 shall be allowed to address the governing body at the hearing and shall
22 be given a reasonable amount of time to do so. After such hearing, the
23 proposed budget statement shall be adopted, or amended and adopted as
24 amended, and a written record shall be kept of such hearing. The amount
25 to be received from personal and real property taxation shall be
26 certified to the levying board after the proposed budget statement is
27 adopted or is amended and adopted as amended. If the levying board
28 represents more than one county, a member or a representative of the
29 governing board shall, upon the written request of any represented
30 county, appear and present its budget at the hearing of the requesting
31 county. The certification of the amount to be received from personal and

1 real property taxation shall specify separately (a) the amount to be
2 applied to the payment of principal or interest on bonds issued by the
3 governing body and (b) the amount to be received for all other purposes.
4 If the adopted budget statement reflects a change from that shown in the
5 published proposed budget statement, a summary of such changes shall be
6 published within twenty calendar days after its adoption in the manner
7 provided in this section, but without provision for hearing, setting
8 forth the items changed and the reasons for such changes.

9 (2) Upon approval by the governing body, the budget shall be filed
10 with the auditor. The auditor may review the budget for errors in
11 mathematics, improper accounting, and noncompliance with the Nebraska
12 Budget Act or sections 13-518 to 13-522. If the auditor detects such
13 errors, he or she shall immediately notify the governing body of such
14 errors. The governing body shall correct any such error as provided in
15 section 13-511. Warrants for the payment of expenditures provided in the
16 budget adopted under this section shall be valid notwithstanding any
17 errors or noncompliance for which the auditor has notified the governing
18 body.

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

21 77-1601 (1) The county board of equalization shall each year, on or
22 before October 15, levy the necessary taxes for the current year if
23 within the limit of the law. The levy shall include an amount for
24 operation of all functions of county government and shall also include
25 all levies necessary to fund tax requests certified under the Property
26 Tax Request Act ~~section 77-1601.02~~ that are authorized as provided in
27 sections 77-3442 to 77-3444.

28 (2) On or before November 5, the county board of equalization upon
29 its own motion may act to correct a clerical error which has resulted in
30 the calculation of an incorrect levy by any political subdivision ~~entity~~
31 otherwise authorized to certify a tax request under the Property Tax

1 ~~Request Act section 77-1601.02~~. The county board of equalization shall
2 hold a public hearing to determine what adjustment to the levy is proper,
3 legal, or necessary. Notice shall be provided to the governing body of
4 each political subdivision affected by the error. Notice of the hearing
5 as required by section 84-1411 shall include the following: (a) The time
6 and place of the hearing, (b) the dollar amount at issue, and (c) a
7 statement setting forth the nature of the error.

8 (3) Upon the conclusion of the hearing, the county board of
9 equalization shall issue a corrected levy if it determines that an error
10 was made in the original levy which warrants correction. The county board
11 of equalization shall then order (a) the county assessor, county clerk,
12 and county treasurer to revise assessment books, unit valuation ledgers,
13 tax statements, and any other tax records to reflect the correction made
14 and (b) the recertification of the information provided to the Property
15 Tax Administrator pursuant to section 77-1613.01.

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

18 77-1776 Any political subdivision which has received proceeds from a
19 levy imposed on all taxable property within an entire county which is in
20 excess of that requested by the political subdivision under the Property
21 Tax Request Act section 77-1601.02 as a result of a clerical error or
22 mistake shall, in the fiscal year following receipt, return the excess
23 tax collections, net of the collection fee, to the county. By July 31 of
24 the fiscal year following the receipt of any excess tax collections, the
25 county treasurer shall certify to the political subdivision the amount to
26 be returned. Such excess tax collections shall be restricted funds in the
27 budget of the county that receives the funds under section 13-518.

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

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