Legislature of Nebraska
One Hundred Seventh Legislature
Second Session

Legislative Bill 891

Introduced by Lindstrom, 18; Kolterman, 24; Walz, 15.

Read first time January 07, 2022

Committee: Revenue

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 70-651.04, 79-1081, 79-1082, and 79-2404, Reissue Revised Statutes of Nebraska, sections 79-525, 79-528, 79-1001, 79-1024, 79-1041, 79-10,110, 79-10,110.02, 79-10,120, 79-10,126, 79-2104, and 81-12,193, Revised Statutes Cumulative Supplement, 2020, and sections 77-1736.06, 77-27,132, 77-3442, 77-4212, 77-4602, 77-6703, and 79-1003, Revised Statutes Supplement, 2021; to change the distribution of sales and use tax revenue as prescribed; to change levy limitations for school districts; to change provisions relating to the amount of relief granted under the Property Tax Credit Act; to discontinue the granting of credits under the Nebraska Property Tax Incentive Act; to redefine a term; to create a fund; to state intent; to change provisions relating to special building funds and qualified capital purpose undertaking funds; to eliminate obsolete provisions; to harmonize provisions; to repeal the original sections; to outright repeal sections 79-1073 and 79-10,126.01, Revised Statutes Cumulative Supplement, 2020; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 70-651.04, Reissue Revised Statutes of Nebraska, is amended to read:

70-651.04 All payments which are based on retail revenue from each incorporated city or village shall be divided and distributed by the county treasurer to that city or village, to the school districts located in that city or village, to any learning community located in that city or village for payments distributed prior to September 1, 2017, and to the county in which may be located any such incorporated city or village in the proportion that their respective property tax levies in the preceding year bore to the total of such levies, except that the only learning community levies to be included are the common levies for which the proceeds are distributed to member school districts pursuant to section 79-1073.

Sec. 2. Section 77-1736.06, Revised Statutes Supplement, 2021, is amended to read:

77-1736.06 The following procedure shall apply when making a property tax refund:

(1) Within thirty days of the entry of a final nonappealable order, an unprotested determination of a county assessor, an unappealed decision of a county board of equalization, or other final action requiring a refund of real or personal property taxes paid or, for property valued by the state, within thirty days of a recertification of value by the Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the county assessor shall determine the amount of refund due the person entitled to the refund, certify that amount to the county treasurer, and send a copy of such certification to the person entitled to the refund. Within thirty days from the date the county assessor certifies the amount of the refund, the county treasurer shall notify each political subdivision, including any school district receiving a distribution pursuant to section 79-1073 and any land bank receiving real property taxes pursuant to subdivision (3)(a) of section 18-3411, of its
respective share of the refund, except that for any political subdivision
whose share of the refund is two hundred dollars or less, the county
board may waive this notice requirement. Notification shall be by first-
class mail, postage prepaid, to the last-known address of record of the
political subdivision. The county treasurer shall pay the refund from
funds in his or her possession belonging to any political subdivision,
including any school district receiving a distribution pursuant to
section 79-1073 and any land bank receiving real property taxes pursuant
to subdivision (3)(a) of section 18-3411, which received any part of the
tax or penalty being refunded. If sufficient funds are not available, the
county treasurer shall register the refund or portion thereof which
remains unpaid as a claim against such political subdivision and shall
issue the person entitled to the refund a receipt for the registration of
the claim;

(2) The refund of a tax or penalty or the receipt for the
registration of a claim made or issued pursuant to this section shall be
satisfied in full as soon as practicable. If a receipt for the
registration of a claim is given:

(a) The governing body of the political subdivision shall make
provisions in its next budget for the amount of such claim; or

(b) If mutually agreed to by the governing body of the political
subdivision and the person holding the receipt, such receipt shall be
applied to satisfy any tax levied or assessed by that political
subdivision which becomes due from the person holding the receipt until
the claim is satisfied in full;

(3) The county treasurer shall mail the refund or the receipt by
first-class mail, postage prepaid, to the last-known address of the
person entitled thereto. Multiple refunds to the same person may be
combined into one refund. If a refund is not claimed by June 1 of the
year following the year of mailing, the refund shall be canceled and the
resultant amount credited to the various funds originally charged;
(4) When the refund involves property valued by the state, the Tax
Commissioner shall be authorized to negotiate a settlement of the amount
of the refund or claim due pursuant to this section on behalf of the
political subdivision from which such refund or claim is due. Any
political subdivision which does not agree with the settlement terms as
negotiated may reject such terms, and the refund or claim due from the
political subdivision then shall be satisfied as set forth in this
section as if no such negotiation had occurred;

(5) In the event that the Legislature appropriates state funds to be
disbursed for the purposes of satisfying all or any portion of any refund
or claim, the Tax Commissioner shall order the county treasurer to
disburse such refund amounts directly to the persons entitled to the
refund in partial or total satisfaction of such persons' claims. The
county treasurer shall disburse such amounts within forty-five days after
receipt thereof;

(6) If all or any portion of the refund is reduced by way of
settlement or forgiveness by the person entitled to the refund, the
proportionate amount of the refund that was paid by an appropriation of
state funds shall be reimbursed by the county treasurer to the State
Treasurer within forty-five days after receipt of the settlement
agreement or receipt of the forgiven refund. The amount so reimbursed
shall be credited to the General Fund; and

(7) For any refund or claim due under this section, interest shall
accrue on the unpaid balance at the rate of nine percent beginning thirty
days after the date the county assessor certifies the amount of refund
based upon the final nonappealable order or other action approving the
refund.

Sec. 3. Section 77-27,132, Revised Statutes Supplement, 2021, is
amended to read:

77-27,132 (1) There is hereby created a fund to be designated the
Revenue Distribution Fund which shall be set apart and maintained by the
Tax Commissioner. Revenue not required to be credited to the General Fund
or any other specified fund may be credited to the Revenue Distribution
Fund. Credits and refunds of such revenue shall be paid from the Revenue
Distribution Fund. The balance of the amount credited, after credits and
refunds, shall be allocated as provided by the statutes creating such
revenue.

(2) The Tax Commissioner shall pay to a depository bank designated
by the State Treasurer all amounts collected under the Nebraska Revenue
Act of 1967. The Tax Commissioner shall present to the State Treasurer
bank receipts showing amounts so deposited in the bank, and of the
amounts so deposited the State Treasurer shall:

(a) For transactions occurring on or after October 1, 2014, and
before October 1, 2027, credit to the Game and Parks Commission Capital
Maintenance Fund all of the proceeds of the sales and use taxes imposed
pursuant to section 77-2703 on the sale or lease of motorboats as defined
in section 37-1204, personal watercraft as defined in section 37-1204.01,
all-terrain vehicles as defined in section 60-103, and utility-type
vehicles as defined in section 60-135.01;

(b) Credit to the Highway Trust Fund all of the proceeds of the
sales and use taxes derived from the sale or lease for periods of more
than thirty-one days of motor vehicles, trailers, and semitrailers,
except that the proceeds equal to any sales tax rate provided for in
section 77-2701.02 that is in excess of five percent derived from the
sale or lease for periods of more than thirty-one days of motor vehicles,
trailers, and semitrailers shall be credited to the Highway Allocation
Fund;

(c) For transactions occurring on or after July 1, 2013, and before
July 1, 2033, of the proceeds of the sales and use taxes derived from
transactions other than those listed in subdivisions (2)(a) and (b) of
this section from a sales tax rate of one-quarter of one percent, credit
monthly eighty-five percent to the State Highway Capital Improvement Fund
and fifteen percent to the Highway Allocation Fund; and

(d) Of the proceeds of the sales and use taxes derived from transactions other than those listed in subdivisions (2)(a) and (b) of this section, credit to the Property Tax Credit Cash Fund the amount certified under section 77-27,237, if any such certification is made; and

(e) For transactions occurring on or after July 1, 2022, credit monthly to the Education Stabilization Base Aid Trust Fund the proceeds of the sales and use taxes derived from transactions other than those listed in subdivisions (2)(a) and (b) of this section from a sales tax rate of one-half of one percent.

The balance of all amounts collected under the Nebraska Revenue Act of 1967 shall be credited to the General Fund.

Sec. 4. Section 77-3442, Revised Statutes Supplement, 2021, is amended to read:

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

(2)(a) Except as provided in subdivisions (2)(d), (2)(b) and (2)(e) of this section, school districts and multiple-district school systems may levy (i) for fiscal years prior to fiscal year 2022-23, a maximum levy of one dollar and five cents per one hundred dollars of taxable valuation of property subject to the levy and (ii) for fiscal year 2022-23 and each fiscal year thereafter, a maximum levy of ninety-five cents per one hundred dollars of taxable valuation of property subject to the levy.

(b) For fiscal year 2022-23 and each fiscal year thereafter, except as provided in subdivision (2)(c) of this section, each school district or multiple-district school system may levy a maximum total levy for all special building fund purposes of ten cents per one hundred dollars of
taxable valuation of property subject to the levy. For purposes of this
section, levy for a special building fund purpose means any levy for a
special building fund, sinking fund, or bond fund that has not been
approved by voters pursuant to section 77-3444 and includes any levy
under section 79-10,110 or 79-10,110.02.

(c) Subject to the conditions contained in this subdivision, the
limitation in subdivision (2)(b) of this section may be increased up to
five cents per one hundred dollars of taxable valuation of property
subject to the levy with the approval of a two-thirds majority of all
members of the school board or the board of the multiple-district school
system, except that no increase under this subdivision shall cause the
combined levy under subdivisions (2)(a), (b), and (c) of this section to
exceed one dollar and five cents per one hundred dollars of taxable
valuation of property subject to the levy. The portion of the levy for
special building fund purposes approved pursuant to this subdivision
shall only be used for capital improvement projects designated by the
board at the time of such approval, real property acquisition, or special
building funds or sinking funds established for projects commenced prior
to the effective date of this act pursuant to section 79-10,110 or
79-10,110.02. For purposes of this subdivision, commenced means any
action taken on the record by the school board or the board of the
multiple-district school system which commits the board to expend funds
in planning, constructing, or carrying out the project.

(b) For each fiscal year prior to fiscal year 2017-18, learning
communities may levy a maximum levy for the general fund budgets of
member school districts of ninety-five cents per one hundred dollars of
taxable valuation of property subject to the levy. The proceeds from the
levy pursuant to this subdivision shall be distributed pursuant to
section 79-1073.

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

(d) Excluded from the limitations in subdivision subdivisions (2)(a) and (2)(c) of this section are (i) amounts levied to pay for current and future sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment occurring prior to September 1, 2017, (ii) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for current and future qualified voluntary termination incentives for certificated teachers pursuant to subsection (3) of section 79-8,142 that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (iii) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for seventy-five percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2017, and August 31, 2018, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for fifty percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2018, and August 31, 2019, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, and (v) amounts levied by a school district otherwise at...
the maximum levy pursuant to subdivision (2)(a) of this section to pay for twenty-five percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2019, and August 31, 2020, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (vi) amounts levied in compliance with sections 79-10,110 and 79-10,110.02, and (vii) amounts levied to pay for special building funds and sinking funds established for projects commenced prior to April 1, 1996, for construction, expansion, or alteration of school district buildings. For purposes of this subsection, commenced means any action taken by the school board on the record which commits the board to expend district funds in planning, constructing, or carrying out the project.

(e) Federal aid school districts may exceed the maximum levy prescribed by subdivision (2)(a) or (2)(c) of this section only to the extent necessary to qualify to receive federal aid pursuant to 20 U.S.C. 7701 et seq. Title VIII of Public Law 103-382, as such sections title existed on January 1, 2022. For purposes of this subdivision, federal aid school district means any school district which receives ten percent or more of the revenue for its general fund budget from federal government sources pursuant to 20 U.S.C. 7701 et seq. Title VIII of Public Law 103-382, as such sections title existed on January 1, 2022.

(f) For each fiscal year, learning communities may levy a maximum levy of one-half cent on each one hundred dollars of taxable property subject to the levy for elementary learning center facility leases, for remodeling of leased elementary learning center facilities, and for up to fifty percent of the estimated cost for focus school or program capital projects approved by the learning community coordinating council pursuant to section 79-2111.
(g) For each fiscal year, learning communities may levy a maximum
levy of one and one-half cents on each one hundred dollars of taxable
property subject to the levy for early childhood education programs for
children in poverty, for elementary learning center employees, for
contracts with other entities or individuals who are not employees of the
learning community for elementary learning center programs and services,
and for pilot projects, except that no more than ten percent of such levy
may be used for elementary learning center employees.

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

(4)(a) Natural resources districts may levy a maximum levy of four
and one-half cents per one hundred dollars of taxable valuation of
property subject to the levy.

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

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

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

(6)(a) Incorporated cities and villages which are not within the boundaries of a municipal county may levy a maximum levy of forty-five cents per one hundred dollars of taxable valuation of property subject to the levy plus an additional five cents per one hundred dollars of taxable valuation to provide financing for the municipality's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to section 51-201, museum pursuant to section 51-501, visiting community nurse, home health nurse, or home health agency pursuant to section 71-1637, or statue, memorial, or monument pursuant to section 80-202.

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

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

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

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

(10) Beginning July 1, 2016, rural and suburban fire protection
districts may levy a maximum levy of ten and one-half cents per one
hundred dollars of taxable valuation of property subject to the levy if
(a) such district is located in a county that had a levy pursuant to
subsection (8) of this section in the previous year of at least forty
cents per one hundred dollars of taxable valuation of property subject to
the levy or (b) such district had a levy request pursuant to section
77-3443 in any of the three previous years and the county board of the
county in which the greatest portion of the valuation of such district is
located did not authorize any levy authority to such district in such
year.

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

(12) Property tax levies (a) for judgments, except judgments or
orders from the Commission of Industrial Relations, obtained against a
political subdivision which require or obligate a political subdivision
to pay such judgment, to the extent such judgment is not paid by
liability insurance coverage of a political subdivision, (b) for
preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
for bonds as defined in section 10-134 approved according to law and
secured by a levy on property except as provided in section 44-4317 for
bonded indebtedness issued by educational service units and school
districts, (d) for payments by a public airport to retire interest-free
loans from the Division of Aeronautics of the Department of
Transportation in lieu of bonded indebtedness at a lower cost to the
public airport, and (e) to pay for cancer benefits provided on or after
January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not
included in the levy limits established by this section.

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

(14) Tax levies in excess of the limitations in this section shall
be considered unauthorized levies under section 77-1606 unless approved
under section 77-3444.

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

(16) For school districts that file a binding resolution on or
before May 9, 2008, with the county assessors, county clerks, and county
treasurers for all counties in which the school district has territory
pursuant to subsection (7) of section 79-458, if the combined levies,
except levies for bonded indebtedness approved by the voters of the
school district and levies for the refinancing of such bonded
indebtedness, are in excess of the greater of (a) one dollar and twenty

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cents per one hundred dollars of taxable valuation of property subject to the levy or (b) the maximum levy authorized by a vote pursuant to section 77-3444, all school district levies, except levies for bonded indebtedness approved by the voters of the school district and levies for the refinancing of such bonded indebtedness, shall be considered unauthorized levies under section 77-1606.

Sec. 5. Section 77-4212, Revised Statutes Supplement, 2021, is amended to read:

77-4212 (1) For tax year 2007, the amount of relief granted under the Property Tax Credit Act shall be one hundred five million dollars. For tax year 2008, the amount of relief granted under the act shall be one hundred fifteen million dollars. It is the intent of the Legislature to fund the Property Tax Credit Act for tax years after tax year 2008 using available revenue. For tax year 2017, the amount of relief granted under the act shall be two hundred twenty-four million dollars. For tax year 2020 and each tax year thereafter, the minimum amount of relief granted under the act shall be two hundred seventy-five million dollars. For tax year 2021, the amount of relief granted under the act shall be three hundred million dollars. For tax year 2022 and each tax year thereafter, the amount of relief granted under the act shall be equal to the base amount plus any amount credited to the Property Tax Credit Cash Fund pursuant to section 9-1204. If money is transferred or credited to the Property Tax Credit Cash Fund pursuant to any other state law, such amount shall be added to the minimum amount required under this subsection when determining the total amount of relief granted under the act. The relief shall be in the form of a property tax credit which appears on the property tax statement.

(2)(a) For tax years prior to tax year 2017, to determine the amount of the property tax credit, the county treasurer shall multiply the amount disbursed to the county under subdivision (4)(a) of this section by the ratio of the real property valuation of the parcel to the total
real property valuation in the county. The amount determined shall be the
property tax credit for the property.

(b) Beginning with tax year 2017, to determine the amount of the
property tax credit, the county treasurer shall multiply the amount
disbursed to the county under subdivision (4)(b) of this section by the
ratio of the credit allocation valuation of the parcel to the total
credit allocation valuation in the county. The amount determined shall be
the property tax credit for the property.

(3) If the real property owner qualifies for a homestead exemption
under sections 77-3501 to 77-3529, the owner shall also be qualified for
the relief provided in the act to the extent of any remaining liability
after calculation of the relief provided by the homestead exemption. If
the credit results in a property tax liability on the homestead that is
less than zero, the amount of the credit which cannot be used by the
taxpayer shall be returned to the Property Tax Administrator by July 1 of
the year the amount disbursed to the county was disbursed. The Property
Tax Administrator shall immediately credit any funds returned under this
subsection to the Property Tax Credit Cash Fund. Upon the return of any
funds under this subsection, the county treasurer shall electronically
file a report with the Property Tax Administrator, on a form prescribed
by the Tax Commissioner, indicating the amount of funds distributed to
each taxing unit in the county in the year the funds were returned, any
collection fee retained by the county in such year, and the amount of
unused credits returned.

(4)(a) For tax years prior to tax year 2017, the amount disbursed to
each county shall be equal to the amount available for disbursement
determined under subsection (1) of this section multiplied by the ratio
of the real property valuation in the county to the real property
valuation in the state. By September 15, the Property Tax Administrator
shall determine the amount to be disbursed under this subdivision to each
county and certify such amounts to the State Treasurer and to each
county. The disbursements to the counties shall occur in two equal payments, the first on or before January 31 and the second on or before April 1. After retaining one percent of the receipts for costs, the county treasurer shall allocate the remaining receipts to each taxing unit levying taxes on taxable property in the tax district in which the real property is located in the same proportion that the levy of such taxing unit bears to the total levy on taxable property of all the taxing units in the tax district in which the real property is located.

(b) Beginning with tax year 2017, the amount disbursed to each county shall be equal to the amount available for disbursement determined under subsection (1) of this section multiplied by the ratio of the credit allocation valuation in the county to the credit allocation valuation in the state. By September 15, the Property Tax Administrator shall determine the amount to be disbursed under this subdivision to each county and certify such amounts to the State Treasurer and to each county. The disbursements to the counties shall occur in two equal payments, the first on or before January 31 and the second on or before April 1. After retaining one percent of the receipts for costs, the county treasurer shall allocate the remaining receipts to each taxing unit based on its share of the credits granted to all taxpayers in the taxing unit.

(5) For purposes of this section:

(a) Base amount means:

(i) For tax year 2022, three hundred seven million five hundred thousand dollars; and

(ii) For tax year 2023 and each tax year thereafter, the base amount from the prior year increased by the base limitation established under section 77-3446; and

(b) Credit allocation valuation means the taxable value for all real property except agricultural land and horticultural land, one hundred twenty percent of taxable value for agricultural land and horticultural
land that is not subject to special valuation, and one hundred twenty
percent of taxable value for agricultural land and horticultural land
that is subject to special valuation.

(6) The State Treasurer shall transfer from the General Fund to the
Property Tax Credit Cash Fund one hundred five million dollars by August
1, 2007, and one hundred fifteen million dollars by August 1, 2008.

(7) The Legislature shall have the power to transfer funds from the
Property Tax Credit Cash Fund to the General Fund.

Sec. 6. Section 77-4602, Revised Statutes Supplement, 2021, is
amended to read:

77-4602 (1) Within fifteen days after the end of each month, the Tax
Commissioner shall provide a public statement of actual General Fund net
receipts, a comparison of such actual net receipts to the monthly
estimated net receipts from the most recent forecast provided by the
Nebraska Economic Forecasting Advisory Board pursuant to section
77-27,158, and a comparison of such actual net receipts to the monthly
actual net receipts for the same month of the previous fiscal year.

(2) Within fifteen days after the end of each fiscal year, the
public statement shall also include (a) a summary of actual General Fund
net receipts and estimated General Fund net receipts for the fiscal year
as certified pursuant to sections 77-4601 and 77-4603 and (b) a
comparison of the actual General Fund net receipts for the fiscal year to
the actual General Fund net receipts for the previous fiscal year.

(3)(a) Within fifteen days after the end of fiscal year 2020-21 and
each fiscal year thereafter through fiscal year 2022-23, the Tax
Commissioner shall determine the balance of the Cash Reserve Fund.

(b) If the balance of the Cash Reserve Fund is less than five
hundred million dollars:

(i) The Tax Commissioner shall determine:

(A) Actual General Fund net receipts for the most recently completed
fiscal year minus estimated General Fund net receipts for such fiscal

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(B) Actual General Fund net receipts for the most recently completed fiscal year minus one hundred three and one-half percent of actual General Fund net receipts for the prior fiscal year.

(ii) If the amounts calculated under subdivisions (3)(b)(i)(A) and (3)(b)(i)(B) of this section are both positive numbers, the Tax Commissioner shall certify (A) the amount determined under subdivision (3)(b)(i)(A) of this section and (B) fifty percent of the amount determined under subdivision (3)(b)(i)(B) of this section to the State Treasurer. The State Treasurer shall transfer the difference between the two certified amounts to the Cash Reserve Fund.

(iii) If the amount calculated under subdivision (3)(b)(i)(A) of this section is a positive number but the amount calculated under subdivision (3)(b)(i)(B) of this section is a negative number, the Tax Commissioner shall certify the amount determined under subdivision (3)(b)(i)(A) of this section to the State Treasurer and the State Treasurer shall transfer such certified amount to the Cash Reserve Fund.

(c) If the balance of the Cash Reserve Fund is five hundred million dollars or more:

(i) The Tax Commissioner shall determine:

(A) Actual General Fund net receipts for the most recently completed fiscal year minus estimated General Fund net receipts for such fiscal year as certified pursuant to sections 77-4601 and 77-4603; and

(B) Actual General Fund net receipts for the most recently completed fiscal year minus one hundred three and one-half percent of actual General Fund net receipts for the prior fiscal year.

(ii) If the amounts calculated under subdivisions (3)(c)(i)(A) and (3)(c)(i)(B) of this section are both positive numbers, the Tax Commissioner shall certify (A) the amount determined under subdivision (3)(c)(i)(A) of this section and (B) the amount determined under subdivision (3)(c)(i)(B) of this section to the State Treasurer. The
State Treasurer shall transfer the difference between the two certified amounts to the Cash Reserve Fund.  

(iii) If the amount calculated under subdivision (3)(c)(i)(A) of this section is a positive number but the amount calculated under subdivision (3)(c)(i)(B) of this section is a negative number, the Tax Commissioner shall certify the amount determined under subdivision (3)(c)(i)(A) of this section to the State Treasurer and the State Treasurer shall transfer such certified amount to the Cash Reserve Fund.  

(4)(a) Within fifteen days after the end of fiscal year 2021-22 and each fiscal year thereafter, the Tax Commissioner shall determine the following:  

(i) Actual General Fund net receipts for the most recently completed fiscal year minus estimated General Fund net receipts for such fiscal year as certified pursuant to sections 77-4601 and 77-4603; and  

(ii) Fifty percent of the product of actual General Fund net receipts for the most recently completed fiscal year times the difference between the annual percentage increase in the actual General Fund net receipts for the most recently completed fiscal year and the average annual percentage increase in the actual General Fund net receipts over the twenty previous fiscal years, excluding the year in which the annual percentage change in actual General Fund net receipts is the lowest.  

(b) If the number determined under subdivision (4)(a)(i) of this section is a positive number, the Tax Commissioner shall immediately certify the greater of the two numbers determined under subdivision (4)(a) of this section to the director. The State Treasurer shall transfer the certified amount from the General Fund to the Cash Reserve Fund upon certification by the director of such amount. The transfer shall be made according to the following schedule:  

(i) An amount equal to the amount determined under subdivision (4)(a)(i) of this section shall be transferred immediately; and  

(ii) The remainder, if any, shall be transferred by the end of the
subsequent fiscal year.

(c) If the transfer required under subdivision (4)(b) of this section causes the balance in the Cash Reserve Fund to exceed sixteen percent of the total budgeted General Fund expenditures for the current fiscal year, such transfer shall be reduced so that the balance of the Cash Reserve Fund does not exceed such amount.

(d) Nothing in this subsection prohibits the balance in the Cash Reserve Fund from exceeding sixteen percent of the total budgeted General Fund expenditures each fiscal year if the Legislature determines it necessary to prepare for and respond to budgetary requirements which may include, but are not limited to, capital construction projects and responses to emergencies.

Sec. 7. Section 77-6703, Revised Statutes Supplement, 2021, is amended to read:

77-6703 (1) For taxable years beginning or deemed to begin on or after January 1, 2020, and before January 1, 2022, under the Internal Revenue Code of 1986, as amended, there shall be allowed to each eligible taxpayer a refundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 or against the franchise tax imposed by sections 77-3801 to 77-3807. The credit shall be equal to the credit percentage for the taxable year, as set by the department under subsection (2) of this section, multiplied by the amount of school district taxes paid by the eligible taxpayer during such taxable year.

(2)(a) For taxable years beginning or deemed to begin during calendar year 2020, the department shall set the credit percentage so that the total amount of credits for such taxable years shall be one hundred twenty-five million dollars; and

(b) For taxable years beginning or deemed to begin during calendar year 2021, the department shall set the credit percentage so that the total amount of credits for such taxable years shall be one hundred twenty-five million dollars plus either (i) the amount calculated for
such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
(ii) the amount calculated for such calendar year under subdivision (3)
(c)(ii)(B) of section 77-4602, whichever is applicable.

c) For taxable years beginning or deemed to begin during calendar
year 2022, the department shall set the credit percentage so that the
total amount of credits for such taxable years shall be the maximum
amount of credits allowed under subdivision (2)(b) of this section plus
either (i) the amount calculated for such calendar year under subdivision
(3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,
whichever is applicable;

d) For taxable years beginning or deemed to begin during calendar
year 2023, the department shall set the credit percentage so that the
total amount of credits for such taxable years shall be the maximum
amount of credits allowed under subdivision (2)(c) of this section plus
either (i) the amount calculated for such calendar year under subdivision
(3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,
whichever is applicable;

e) For taxable years beginning or deemed to begin during calendar
year 2024, the department shall set the credit percentage so that the
total amount of credits for such taxable years shall be three hundred
seventy-five million dollars; and

f) For taxable years beginning or deemed to begin during calendar
year 2025 and each calendar year thereafter, the department shall set the
credit percentage so that the total amount of credits for such taxable
years shall be the maximum amount of credits allowed in the prior year
increased by the allowable growth percentage.

(3) If the school district taxes are paid by a corporation having an
election in effect under subchapter S of the Internal Revenue Code, a
partnership, a limited liability company, a trust, or an estate, the
amount of school district taxes paid during the taxable year may be allocated to the shareholders, partners, members, or beneficiaries in the same proportion that income is distributed for taxable years beginning or deemed to begin before January 1, 2021, and before January 1, 2022, under the Internal Revenue Code of 1986, as amended. The department shall provide forms and schedules necessary for verifying eligibility for the credit provided in this section and for allocating the school district taxes paid. For taxable years beginning or deemed to begin on or after January 1, 2021, under the Internal Revenue Code of 1986, as amended, the refundable credit shall be claimed by the corporation having an election in effect under subchapter S of the Internal Revenue Code, the partnership, the limited liability company, the trust, or the estate that paid the school district taxes.

(4) For any fiscal year or short year taxpayer, the credit may be claimed in the first taxable year that begins following the calendar year for which the credit percentage was determined. The credit shall be taken for the school district taxes paid by the taxpayer during the immediately preceding calendar year.

(5) For the first taxable year beginning or deemed to begin on or after January 1, 2021, and before January 1, 2022, under the Internal Revenue Code of 1986, as amended, for a corporation having an election in effect under subchapter S of the Internal Revenue Code, a partnership, a limited liability company, a trust, or an estate that paid school district taxes in calendar year 2020 but did not claim the credit directly or allocate such school district taxes to the shareholders, partners, members, or beneficiaries as permitted under subsection (3) of this section, there shall be allowed an additional refundable credit. This credit shall be equal to six percent, multiplied by the amount of school district taxes paid during 2020 by the eligible taxpayer.

(6) It is the intent of the Legislature that the total dollar amount saved each fiscal year due to the elimination of credits under the
Nebraska Property Tax Incentive Act be used to increase the appropriation to the State Department of Education for the Tax Equity and Educational Opportunities Support Act by such amount for fiscal year 2022-23 and each fiscal year thereafter.

Sec. 8. Section 79-525, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-525 The school board or board of education of a Class III or IV school district shall (1) provide the necessary appendages for the schoolhouse, (2) keep the same in good condition and repair during the time school is taught in the schoolhouse, and (3) keep an accurate account of all expenses incurred. Such account shall be prepared by the secretary, audited by the president and treasurer, and, on their written order, paid out of the general school fund or a special building fund, as appropriate.

Sec. 9. Section 79-528, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-528 (1)(a) On or before July 20 in all school districts, the superintendent shall file with the State Department of Education a report showing the number of children from five through eighteen years of age belonging to the school district according to the census taken as provided in sections 79-524 and 79-578.

(b) The board of any district neglecting to take and report the enumeration shall be liable to the school district for all school money which such district may lose by such neglect.

(2) On or before June 30 the superintendent of each school district shall file with the Commissioner of Education a report described as an end-of-the-school-year annual statistical summary showing (a) the number of children attending school during the year under five years of age, (b) the length of time the school has been taught during the year by a qualified teacher, (c) the length of time taught by each substitute teacher, and (d) such other information as the Commissioner of Education
directs.

(3) On or before November 1 the superintendent of each school district shall submit to the Commissioner of Education a report described as the annual financial report showing (a) (i) the amount of money received from all sources during the year and the amount of money expended by the school district during the year, (b) (ii) the amount of bonded indebtedness, (c) (iii) such other information as shall be necessary to fulfill the requirements of the Tax Equity and Educational Opportunities Support Act and section 79-1114, and (d) (iv) such other information as the Commissioner of Education directs.

(4)(a) On or before October 15 of each year, the superintendent of each school district shall file with the commissioner the fall school district membership report, which report shall include the number of children from birth through twenty years of age enrolled in the district on October 1 of a given school year. The report shall enumerate (i) students by grade level, (ii) school district levies and total assessed valuation for the current fiscal year, (iii) students enrolled in the district as option students, resident students enrolled in another district as option students, students enrolled in the district as open enrollment students, and resident students enrolled in another district as open enrollment students, and (iv) such other information as the Commissioner of Education directs.

(b) On or before October 15 of each year prior to 2017, each learning community coordinating council shall issue to the department a report which enumerates the learning community levies pursuant to subdivision (2)(b) of section 77-3442 and total assessed valuation for the current fiscal year.

(b) (e) When any school district fails to submit its fall membership report by November 1, the commissioner shall, after notice to the district and an opportunity to be heard, direct that any state aid granted pursuant to the Tax Equity and Educational Opportunities Support
Act be withheld until such time as the report is received by the department. In addition, the commissioner shall direct the county treasurer to withhold all school money belonging to the school district until such time as the commissioner notifies the county treasurer of receipt of such report. The county treasurer shall withhold such money.

Sec. 10. Section 79-1001, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-1001 Sections 79-1001 to 79-1033 and section 12 of this act shall be known and may be cited as the Tax Equity and Educational Opportunities Support Act.

Sec. 11. Section 79-1003, Revised Statutes Supplement, 2021, is amended to read:

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

(1) Adjusted general fund operating expenditures means the difference of the general fund operating expenditures increased by the cost growth factor calculated pursuant to section 79-1007.10, minus the transportation allowance, special receipts allowance, poverty allowance, limited English proficiency allowance, distance education and telecommunications allowance, elementary site allowance, summer school allowance, community achievement plan allowance, and focus school and program allowance;

(2) Adjusted valuation means the assessed valuation of taxable property of each local system in the state, adjusted pursuant to the adjustment factors described in section 79-1016. Adjusted valuation means the adjusted valuation for the property tax year ending during the school fiscal year immediately preceding the school fiscal year in which the aid based upon that value is to be paid. For purposes of determining the local effort rate yield pursuant to section 79-1015.01, adjusted valuation does not include the value of any property which a court, by a final judgment from which no appeal is taken, has declared to be
nontaxable or exempt from taxation;

(3) Allocated income tax funds means the amount of assistance paid to a local system pursuant to section 79-1005.01;

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

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

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

(7) Categorical funds means funds limited to a specific purpose by federal or state law, including, but not limited to, Title I funds, Title VI funds, federal career and technical education funds, federal school lunch funds, Indian education funds, Head Start funds, and funds received prior to July 1, 2022, from the Nebraska Education Improvement Fund;

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

(9) Converted contract means an expired contract that was in effect for at least fifteen school years beginning prior to school year 2012-13 for the education of students in a nonresident district in exchange for tuition from the resident district when the expiration of such contract results in the nonresident district educating students, who would have been covered by the contract if the contract were still in effect, as option students pursuant to the enrollment option program established in section 79-234;

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

(11) Department means the State Department of Education;

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

(13) Ensuing school fiscal year means the school fiscal year following the current school fiscal year;

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

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

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

(17) Formula students means:

(a) For state aid certified pursuant to section 79-1022, the sum of the product of fall membership from the school fiscal year immediately preceding the school fiscal year in which the aid is to be paid multiplied by the average ratio of average daily membership to fall membership for the second school fiscal year immediately preceding the school fiscal year in which the aid is to be paid and the prior two school fiscal years plus sixty percent of the qualified early childhood education fall membership plus tuitioned students from the school fiscal year immediately preceding the school fiscal year in which aid is to be paid minus the product of the number of students enrolled in kindergarten that is not full-day kindergarten from the fall membership multiplied by 0.5; and

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

(18) Free lunch and free milk calculated students means, using the
most recent data available on November 1 of the school fiscal year
immediately preceding the school fiscal year in which aid is to be paid,
(a) for schools that did not provide free meals to all students pursuant
to the community eligibility provision, students who individually
qualified for free lunches or free milk pursuant to the federal Richard
B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
and sections existed on January 1, 2021, and rules and regulations
adopted thereunder, plus (b) for schools that provided free meals to all
students pursuant to the community eligibility provision, the greater of
the number of students in such school who individually qualified for free
lunch or free milk using the most recent school fiscal year for which the
school did not provide free meals to all students pursuant to the
community eligibility provision or one hundred ten percent of the product
of the students who qualified for free meals at such school pursuant to
the community eligibility provision multiplied by the identified student
percentage calculated pursuant to such federal provision, except that the
free lunch and free milk calculated students for any school pursuant to
subdivision (18)(b) of this section shall not exceed one hundred percent
of the students qualified for free meals at such school pursuant to the
community eligibility provision;

(19) Full-day kindergarten means kindergarten offered by a district
for at least one thousand thirty-two instructional hours;

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

(21) General fund expenditures means all expenditures from the general fund;

(22) General fund operating expenditures means, for state aid calculated for each school fiscal year, as reported on the annual financial report for the second school fiscal year immediately preceding the school fiscal year in which aid is to be paid, the total general fund expenditures minus (a) the amount of all receipts to the general fund, to the extent that such receipts are not included in local system formula resources, from early childhood education tuition, summer school tuition, educational entities as defined in section 79-1201.01 for providing distance education courses through the Educational Service Unit Coordinating Council to such educational entities, private foundations, individuals, associations, charitable organizations, the textbook loan program authorized by section 79-734, federal impact aid, and levy override elections pursuant to section 77-3444, (b) the amount of expenditures for categorical funds, tuition paid to other school districts, tuition paid to postsecondary institutions for college credit, transportation fees paid to other districts, adult education, community services, redemption of the principal portion of general fund debt service, retirement incentive plans authorized by section 79-855, and staff development assistance authorized by section 79-856, (c) the amount of any transfers from the general fund to any bond fund and transfers from other funds into the general fund, (d) any legal expenses in excess of fifteen-hundredths of one percent of the formula need for the school fiscal year in which the expenses occurred, (e) expenditures to pay for incentives agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment for which
the State Board of Education approved an exclusion pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01, (f)(i) expenditures to pay for employer contributions pursuant to subsection (2) of section 79-958 to the School Employees Retirement System of the State of Nebraska to the extent that such expenditures exceed the employer contributions under such subsection that would have been made at a contribution rate of seven and thirty-five hundredths percent or (ii) expenditures to pay for school district contributions pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the retirement system established pursuant to the Class V School Employees Retirement Act to the extent that such expenditures exceed the school district contributions under such subdivision that would have been made at a contribution rate of seven and thirty-seven hundredths percent, and (g) any amounts paid by the district for lobbyist fees and expenses reported to the Clerk of the Legislature pursuant to section 49-1483.

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

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

(24) Income tax receipts means the amount of income tax collected pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable credits earned and refunds made;

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

(26) Local system means a unified system or a school district;

(27) Low-income child means a child under nineteen years of age
living in a household having an annual adjusted gross income for the
second calendar year preceding the beginning of the school fiscal year
for which aid is being calculated equal to or less than the maximum
household income pursuant to sections 9(b)(1) and 17(c)(4) of the Richard
B. Russell National School Lunch Act, 42 U.S.C. 1758(b)(1) and 42 U.S.C.
1766(c)(4), respectively, and sections 3(a)(6) and 4(e)(1)(A) of the
(1)(A), respectively, as such acts and sections existed on January 1,
2021, for a household of that size that would have allowed the child to
meet the income qualifications for free meals during the school fiscal
year immediately preceding the school fiscal year for which aid is being
calculated;

(28) Low-income students means the number of low-income children
within the district multiplied by the ratio of the formula students in
the district divided by the total children under nineteen years of age
residing in the district as derived from income tax information;

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

(30) Poverty students means the unadjusted poverty students plus the
difference of such unadjusted poverty students minus the average number
of poverty students for such district, prior to such addition, for the
three immediately preceding school fiscal years if such difference is
greater than zero;

(31) Qualified early childhood education average daily membership
means the product of the average daily membership of students who will be
eligible to attend kindergarten the following school year and are
enrolled in an early childhood education program approved by the
department pursuant to section 79-1103 for such school district for such
school year multiplied by the ratio of the actual instructional hours of
the program divided by one thousand thirty-two if: (a) The program is
receiving a grant pursuant to such section for the third year; (b) the
program has already received grants pursuant to such section for three
years; or (c) the program has been approved pursuant to subsection (5) of
section 79-1103 for such school year and the two preceding school years,
including any such students in portions of any of such programs receiving
an expansion grant;

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

(33) Regular route transportation means the transportation of
students on regularly scheduled daily routes to and from the schools such
students attend;

(34) Reorganized district means any district involved in a
consolidation and currently educating students following consolidation;

(35) School year or school fiscal year means the fiscal year of a
school district as defined in section 79-1091;

(36) Sparse local system means a local system that is not a very
sparse local system but which meets the following criteria:

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

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

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

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

(37) Special education means specially designed kindergarten through
grade twelve instruction pursuant to section 79-1125, and includes
special education transportation;

(38) Special grant funds means the budgeted receipts for grants,
including, but not limited to, categorical funds, reimbursements for
wards of the court, short-term borrowings including, but not limited to,
registered warrants and tax anticipation notes, interfund loans,
insurance settlements, and reimbursements to county government for
previous overpayment. The state board shall approve a listing of grants that qualify as special grant funds;

(39) State aid means the amount of assistance paid to a district pursuant to the Tax Equity and Educational Opportunities Support Act;

(40) State board means the State Board of Education;

(41) State support means all funds provided to districts by the State of Nebraska for the general fund support of elementary and secondary education;

(42) Statewide average basic funding per formula student means the statewide total basic funding for all districts divided by the statewide total formula students for all districts;

(43) Statewide average general fund operating expenditures per formula student means the statewide total general fund operating expenditures for all districts divided by the statewide total formula students for all districts;

(44) Teacher has the definition found in section 79-101;

(45) Tuition receipts from converted contracts means tuition receipts received by a district from another district in the most recently available complete data year pursuant to a converted contract prior to the expiration of the contract;

(46) Tuitioned students means students in kindergarten through grade twelve of the district whose tuition is paid by the district to some other district or education agency;

(47) Unadjusted poverty students means the greater of the number of low-income students or the free lunch and free milk calculated students in a district; and

(48) Very sparse local system means a local system that has:

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

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

Sec. 12. (1) The Education Stabilization Base Aid Trust Fund is created. The fund shall consist of money credited to the fund pursuant to section 77-27,132 and money transferred to the fund by the Legislature, and all such money shall be held in trust solely for the purposes of paying state aid pursuant to the Tax Equity and Educational Opportunities Support Act. Any excess money in the fund shall be reserved for future payments of such state aid.

(2) It is the intent of the Legislature that the State Treasurer shall transfer a monthly amount from the General Fund to the Education Stabilization Base Aid Trust Fund beginning in July 2022. It is further the intent of the Legislature that such monthly amount shall match the total amount of money credited to the Education Stabilization Base Aid Trust Fund during such month pursuant to section 77-27,132.

(3) Any money in the Education Stabilization Base Aid Trust Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act, and the earnings, if any, shall be credited to the fund.

Sec. 13. Section 79-1024, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-1024 (1) The department may require each district to submit to the department a duplicate copy of such portions of the district's budget statement as the Commissioner of Education directs. The department may verify any data used to meet the requirements of the Tax Equity and Educational Opportunities Support Act. The Auditor of Public Accounts shall review each district's budget statement for statutory compliance,
make necessary changes in the budget documents for districts to
effectuate the budget limitations imposed pursuant to sections 79-1023 to
79-1030, and notify the Commissioner of Education of any district failing
to submit to the auditor the budget documents required pursuant to this
subsection by the date established in subsection (1) of section 13-508 or
failing to make any corrections of errors in the documents pursuant to
section 13-504 or 13-511.

(2) If a school district fails to submit to the department or the
auditor the budget documents required pursuant to subsection (1) of this
section by the date established in subsection (1) of section 13-508 or
fails to make any corrections of errors in the documents pursuant to
section 13-504 or 13-511, the commissioner, upon notification from the
auditor or upon his or her own knowledge that the required budget
documents and any required corrections of errors from any school district
have not been properly filed in accordance with the Nebraska Budget Act
and after notice to the district and an opportunity to be heard, shall
direct that any state aid granted pursuant to the Tax Equity and
Educational Opportunities Support Act be withheld until such time as the
required budget documents or corrections of errors are received by the
auditor and the department. In addition, the commissioner shall direct the
county treasurer to withhold all school money belonging to the school
district until such time as the commissioner notifies the county
treasurer of receipt of the required budget documents or corrections of
errors. The county treasurer shall withhold such money. For school
districts that are members of learning communities, a determination of
school money belonging to the district shall be based on the
proportionate share of property tax receipts allocated to the school
district by the learning community coordinating council for school fiscal
years prior to school fiscal year 2017-18, and the county treasurer shall
withhold any such school money in the possession of the county treasurer
from the school district. If the school district does not comply with
this section prior to the end of the state's biennium following the biennium which included the fiscal year for which state aid was calculated, the state aid funds shall revert to the General Fund. The amount of any reverted funds shall be included in data provided to the Governor in accordance with section 79-1031. The board of any district failing to submit to the department or the auditor the budget documents required pursuant to this section by the date established in subsection (1) of section 13-508 or failing to make any corrections of errors in the documents pursuant to section 13-504 or 13-511 shall be liable to the school district for all school money which such district may lose by such failing.

Sec. 14. Section 79-1041, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-1041 Each county treasurer of a county with territory in a learning community shall distribute any funds collected by such county treasurer from the common general fund levy of such learning community to each member school district pursuant to section 79-1073 at least once each month.

Each county treasurer shall, upon request of a majority of the members of the school board or board of education in any school district, at least once each month distribute to the district any funds collected by such county treasurer for school purposes.

Sec. 15. Section 79-1081, Reissue Revised Statutes of Nebraska, is amended to read:

79-1081 The tax for bond interest for a Class IV school district shall in no one year exceed such amount as will, with the balance on hand in such fund, be sufficient to pay the bond interest as it becomes due. The tax for the bond sinking fund shall not exceed a sum sufficient to pay the principal of such bonds as it becomes due or to pay each year such number of the bonds as will retire them all at or before their maturity. The amount of tax levied for the retirement plan fund and for
general school purposes shall be without restriction, except that the combination of all such levies shall not exceed the limits in section 77-3442 and such levies aggregate school tax levy for all purposes shall not in any one year exceed such rate as shall be necessary to provide the sums reported in the estimate returned in accordance with section 79-1085. The total amount of tax levied for all special building funds the building and equipment fund shall not in any one year exceed fourteen cents on each one hundred dollars within the limits provided in section 77-3442.

Sec. 16. Section 79-1082, Reissue Revised Statutes of Nebraska, is amended to read:

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

Sec. 17. Section 79-10,110, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-10,110 (1) Prior to April 19, 2016, after making a determination that an actual or potential environmental hazard or accessibility barrier exists, that a life safety code violation exists, or that expenditures are needed for indoor air quality or mold abatement and prevention within the school buildings or grounds under its control, a school board may make and deliver to the county clerk of such county in which any part of the school district is situated, not later than the date provided in section 13-508, an itemized estimate of the amounts necessary to be expended for the abatement of such environmental hazard, for accessibility barrier elimination, or for modifications for life safety code violations, indoor air quality, or mold abatement and prevention in such school buildings or grounds. The board shall designate the particular environmental hazard abatement project, accessibility barrier elimination project, or modification for life safety code violations,
indoor air quality, or mold abatement and prevention for which the tax
levy provided for by this section will be expended, the period of years,
which shall not exceed ten years, for which the tax will be levied for
such project, and the estimated amount of the levy for each year of the
period based on the taxable valuation of the district at the time of
issuance.

(2) Prior to April 19, 2016, after a public hearing, a school board
may undertake any qualified capital purpose in any qualified zone academy
under its control and may levy a tax as provided in this section to repay
a qualified zone academy bond issued for such undertaking. The board
shall designate: (a) The particular qualified capital purpose for which
the qualified zone academy bond was issued and for which the tax levy
provided for by this section will be expended; (b) the period of years
for which the tax will be levied to repay such qualified zone academy
bond, not exceeding the maturity term for such qualified zone academy
bond established pursuant to federal law or, for any such bond issued
prior to May 20, 2009, fifteen years; and (c) the estimated amount of the
levy for each year of the period based on the taxable valuation of the
district at the time of issuance. The hearing required by this subsection
shall be held only after notice of such hearing has been published for
three consecutive weeks prior to the hearing in a legal newspaper
published or of general circulation in the school district.

(3) Prior to April 19, 2016, after a public hearing, a school board
may undertake any American Recovery and Reinvestment Act of 2009 purpose
and may levy a tax to repay any American Recovery and Reinvestment Act of
2009 bond issued for such undertaking. The board shall designate: (a) The
American Recovery and Reinvestment Act of 2009 purpose for which the
American Recovery and Reinvestment Act of 2009 bond will be issued and
for which the tax levy provided by this section will be expended; (b) the
period of years for which the tax will be levied to repay such American
Recovery and Reinvestment Act of 2009 bond, not exceeding the maturity
term for the type of American Recovery and Reinvestment Act of 2009 bond established pursuant to federal law or, if no such term is established, thirty years; and (c) the estimated amount of the levy for each year of such period based on the taxable valuation of the district at the time of issuance. Prior to the public hearing, the school board shall prepare an itemized estimate of the amounts necessary to be expended for the American Recovery and Reinvestment Act of 2009 purpose. The hearing required by this subsection shall be held only after notice of such hearing has been published for three consecutive weeks prior to the hearing in a legal newspaper published or of general circulation in the school district.

(4) Prior to April 19, 2016, the board may designate more than one project under subsection (1) of this section, more than one qualified capital purpose under subsection (2) of this section, or more than one American Recovery and Reinvestment Act of 2009 purpose under subsection (3) of this section and levy a tax pursuant to this section for each such project, qualified capital purpose, or American Recovery and Reinvestment Act of 2009 purpose, concurrently or consecutively, as the case may be, if the aggregate levy in each year and the duration of each such levy will not exceed the limitations specified in this section. Each levy for a project, a qualified capital purpose, or an American Recovery and Reinvestment Act of 2009 purpose which is authorized by this section may be imposed for such duration as the board specifies, notwithstanding the contemporaneous existence or subsequent imposition of any other levy for another project, qualified capital purpose, or American Recovery and Reinvestment Act of 2009 purpose imposed pursuant to this section and notwithstanding the subsequent issuance by the district of bonded indebtedness payable from its general fund levy.

(5) The county clerk shall levy such taxes within the limits prescribed in subdivisions (2)(b) and (c) of section 77-3442, not to exceed five and one-fifth cents per one hundred dollars of taxable
valuation on the taxable property of the district necessary to (a) cover the environmental hazard abatement or accessibility barrier elimination project costs or costs for modification for life safety code violations, indoor air quality, or mold abatement and prevention itemized by the board pursuant to subsection (1) of this section and (b) repay any qualified zone academy bonds or American Recovery and Reinvestment Act of 2009 bonds pursuant to subsection (2) or (3) of this section. Such taxes shall be collected by the county treasurer at the same time and in the same manner as county taxes are collected and when collected shall be paid to the treasurer of the district and used to cover the project costs.

(6) Each board which submits an itemized estimate shall establish an environmental hazard abatement and accessibility barrier elimination project account, a life safety code modification project account, an indoor air quality project account, or a mold abatement and prevention project account, each board which undertakes a qualified capital purpose shall establish a qualified capital purpose undertaking account, within the qualified capital purpose undertaking fund, and each board which undertakes an American Recovery and Reinvestment Act of 2009 purpose shall establish an American Recovery and Reinvestment Act of 2009 purpose undertaking account. Taxes collected pursuant to this section shall be credited to the appropriate account to cover the project or undertaking costs. Such estimates may be presented to the county clerk and taxes levied accordingly.

(7) For purposes of this section:

(a) Abatement includes, but is not limited to, any inspection and testing regarding environmental hazards, any maintenance to reduce, lessen, put an end to, diminish, moderate, decrease, control, dispose of, or eliminate environmental hazards, any removal or encapsulation of environmentally hazardous material or property, any related restoration or replacement of material or property, any related architectural and
engineering services, and any other action to reduce or eliminate environmental hazards in the school buildings or on the school grounds under the board's control, except that abatement does not include the encapsulation of any material containing more than one percent friable asbestos;

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

(c) Accessibility barrier elimination includes, but is not limited to, inspection for and removal of accessibility barriers, maintenance to reduce, lessen, put an end to, diminish, control, dispose of, or eliminate accessibility barriers, related restoration or replacement of facilities or property, any related architectural and engineering services, and any other action to eliminate accessibility barriers in the school buildings or grounds under the board's control;

(d) American Recovery and Reinvestment Act of 2009 bond means any type or form of bond permitted by the federal American Recovery and Reinvestment Act of 2009, as such act or bond may be amended and supplemented, including the federal Hiring Incentives to Restore Employment Act, as amended and supplemented, for use by schools, except qualified zone academy bonds;

(e) American Recovery and Reinvestment Act of 2009 purpose means any construction of a new public school facility or the acquisition of land on which such a facility is to be constructed or any expansion, rehabilitation, modernization, renovation, or repair of any existing school facilities financed in whole or in part with an American Recovery and Reinvestment Act of 2009 bond;

(f) Environmental hazard means any contamination of the air, water, or land surface or subsurface caused by any substance adversely affecting human health or safety if such substance has been declared hazardous by a federal or state statute, rule, or regulation;

(g) Modification for indoor air quality includes, but is not limited
to, any inspection and testing regarding indoor air quality, any
maintenance to reduce, lessen, put an end to, diminish, moderate,
decrease, control, dispose of, or eliminate indoor air quality problems,
any related restoration or replacement of material or related
architectural and engineering services, and any other action to reduce or
diminish indoor air quality problems or to enhance air quality
conditions in new or existing school buildings or on school grounds under
the control of a school board;

(h) Modification for life safety code violation includes, but is not
limited to, any inspection and testing regarding life safety codes, any
maintenance to reduce, lessen, put an end to, diminish, moderate,
decrease, control, dispose of, or eliminate life safety hazards, any
related restoration or replacement of material or property, any related
architectural and engineering services, and any other action to reduce or
diminish life safety hazards in new or existing school buildings or on
school grounds under the control of a school board;

(i) Modification for mold abatement and prevention includes, but is
not limited to, any inspection and testing regarding mold abatement and
prevention, any maintenance to reduce, lessen, put an end to, diminish,
moderate, decrease, control, dispose of, or eliminate mold problems, any
related restoration or replacement of material or related architectural
and engineering services, and any other action to reduce or eliminate
mold problems or to enhance air quality conditions in new or existing
school buildings or on school grounds under the control of a school
board;

(j) Qualified capital purpose means (i) rehabilitating or repairing
the public school facility in which the qualified zone academy is
established or (ii) providing equipment for use at such qualified zone
academy;

(k) Qualified zone academy has the meaning found in (i) 26 U.S.C.
1397E(d)(4), as such section existed on October 3, 2008, for qualified
zone academy bonds issued on or before such date, and (ii) 26 U.S.C. 54E(d)(1), as such section existed on October 4, 2008, for qualified zone academy bonds issued on or after such date;

(1) Qualified zone academy allocation means the allocation of the qualified zone academy bond limitation by the State Department of Education to the qualified zone academies pursuant to (i) 26 U.S.C. 1397E(e)(2), as such section existed on October 3, 2008, for allocations relating to qualified zone academy bonds issued on or before such date, and (ii) 26 U.S.C. 54E(c)(2), as such section existed on October 4, 2008, for allocations relating to qualified zone academy bonds issued on or after such date; and

(m) Qualified zone academy bond has the meaning found in (i) 26 U.S.C. 1397E(d)(1), as such section existed on October 3, 2008, for such bonds issued on or before such date, and (ii) 26 U.S.C. 54E(a), as such section existed on and after October 4, 2008, for such bonds issued on or after such date, as such section or bonds may be amended or supplemented.

(8) Accessibility barrier elimination project costs includes, but is not limited to, inspection, maintenance, accounting, emergency services, consultation, or any other action to reduce or eliminate accessibility barriers.

(9)(a) For the purpose of paying amounts necessary for the abatement of environmental hazards, for accessibility barrier elimination, for modifications for life safety code violations, indoor air quality, or mold abatement and prevention, for a qualified capital purpose, or for an American Recovery and Reinvestment Act of 2009 purpose, the board may borrow money, establish a sinking fund, and issue bonds and other evidences of indebtedness of the district, which bonds and other evidences of indebtedness shall be secured by and payable from an irrevocable pledge by the district of amounts received in respect of the tax levy provided for by this section and any other funds of the district available therefor. Bonds issued for a qualified capital purpose or an
American Recovery and Reinvestment Act of 2009 purpose shall be limited to the type or types of bonds authorized for each purpose in subsections (2) and (3) of this section, respectively. Bonds and other evidences of indebtedness issued by a district pursuant to this subsection shall be payable from the levy for special building funds authorized pursuant to subdivisions (2)(b) and (c) of section 77-3442 and shall not constitute a general obligation of the district or be payable from any portion of its general fund levy.

(b) A district may, to the extent allowed under subdivisions (2)(b) and (c) of section 77-3442, exceed the maximum levy of five and one-fifth cents per one hundred dollars of taxable valuation authorized by subsection (5) of this section in any year in which (i) the taxable valuation of the district is lower than the taxable valuation in the year in which the district last issued bonds pursuant to this section and (ii) such maximum levy is insufficient to meet the combined annual principal and interest obligations for all bonds issued pursuant to this section. The amount generated from a district's levy in excess of the maximum levy upon the taxable valuation of the district authorized by subsection (5) of this section shall not exceed the combined annual principal and interest obligations for such bonds minus the amount generated by levying the maximum levy upon the taxable valuation of the district and minus any federal payments or subsidies associated with such bonds.

(10) The total principal amount of bonds for modifications to correct life safety code violations, for indoor air quality problems, for mold abatement and prevention, or for an American Recovery and Reinvestment Act of 2009 purpose which may be issued pursuant to this section shall not exceed the total amount specified in the itemized estimate described in subsections (1) and (3) of this section.

(11) The total principal amount of qualified zone academy bonds which may be issued pursuant to this section for qualified capital purposes with respect to a qualified zone academy shall not exceed the
qualified zone academy allocation granted to the board by the department. The total amount that may be financed by qualified zone academy bonds pursuant to this section for qualified purposes with respect to a qualified zone academy shall not exceed seven and one-half million dollars statewide in a single year. In any year that the Nebraska qualified zone academy allocations exceed seven and one-half million dollars for qualified capital purposes to be financed with qualified zone academy bonds issued pursuant to this section, (a) the department shall reduce such allocations proportionally such that the statewide total for such allocations equals seven and one-half million dollars and (b) the difference between the Nebraska allocation and seven and one-half million dollars shall be available to qualified zone academies for requests that will be financed with qualified zone academy bonds issued without the benefit of this section.

Nothing in this section directs the State Department of Education to give any preference to allocation requests that will be financed with qualified zone academy bonds issued pursuant to this section.

(12) The State Department of Education shall establish procedures for allocating bond authority to school boards as may be necessary pursuant to an American Recovery and Reinvestment Act of 2009 bond.

Sec. 18. Section 79-10,110.02, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-10,110.02 (1) On and after April 19, 2016, the school board of any school district may make a determination that an additional property tax levy is necessary for a specific abatement project to address an actual or potential environmental hazard, accessibility barrier, life safety code violation, life safety hazard, or mold which exists within one or more existing school buildings or the school grounds of existing school buildings controlled by the school district. Such determination shall not include abatement projects related to the acquisition of new property, the construction of a new building, the expansion of an
existing building, or the remodeling of an existing building for purposes
other than the abatement of environmental hazards, accessibility
barriers, life safety code violations, life safety hazards, or mold. Upon
such determination, the school board may, not later than the date
provided in section 13-508, make and deliver to the county clerk of such
county in which any part of the school district is situated an itemized
estimate of the amounts necessary to be expended for such abatement
project, any insurance proceeds or other anticipated funds that will be
received by the school district related to the abatement project, the
period of years for which the property tax will be levied for such
project, and the estimated amount of the levy for each year of the period
based on the taxable valuation of the district at the time of issuance.
The period of years for such levy shall not exceed ten years and the levy
for such project when combined with all other levies pursuant to this
section and section 79-10,110 shall not exceed three cents per one
hundred dollars of taxable valuation or the limits prescribed in
subdivisions (2)(b) and (c) of section 77-3442. Nothing in this section
shall affect levies pursuant to section 79-10,110.

(2) The county clerk shall levy such taxes and such taxes shall be
collected by the county treasurer at the same time and in the same manner
as county taxes are collected and when collected shall be paid to the
treasurer of the district. A separate abatement project account shall be
established for each project by the school district. Taxes collected
pursuant to this section shall be credited to the appropriate account to
cover the project costs.

(3) For purposes of this section:

(a) Abatement includes, but is not limited to, any related
inspection and testing, any maintenance to reduce, lessen, put an end to,
diminish, moderate, decrease, control, dispose of, eliminate, or remove
the issue causing the need for abatement, any related restoration or
replacement of material or property, any related architectural and
engineering services, and any other action to reduce or eliminate the
issue causing the need for abatement in existing school buildings or on
the school grounds of existing school buildings under the board's
control;
(b) Accessibility barrier means anything which impedes entry into,
exit from, or use of any building or facility by all people; and
(c) Environmental hazard means any contamination of the air, water,
or land surface or subsurface caused by any substance adversely affecting
human health or safety if such substance has been declared hazardous by a
federal or state statute, rule, or regulation.
(4) For the purpose of paying amounts necessary for the abatement
project, the board may borrow money, establish a sinking fund, and issue
bonds and other evidences of indebtedness of the district, which bonds
and other evidences of indebtedness shall be secured by and payable from
an irrevocable pledge by the district of amounts received in respect of
the tax levy provided for by this section and any other funds of the
district available therefor. Bonds and other evidences of indebtedness
issued by a district pursuant to this subsection shall be payable from
the levy for special building funds authorized pursuant to subdivisions
(2)(b) and (c) of section 77-3442 and shall not constitute a general
obligation of the district or be payable from any portion of its general
fund levy. The total principal amount of bonds for abatement projects
pursuant to this section shall not exceed the total amount specified in
the itemized estimate described in subsection (1) of this section.
(5) A district may, to the extent allowed under subdivisions (2)(b)
and (c) of section 77-3442, exceed the maximum levy of three cents per
one hundred dollars of taxable valuation authorized by this section in
any year in which (a) the taxable valuation of the district is lower than
the taxable valuation in the year in which the district last issued bonds
pursuant to this section and (b) such maximum levy is insufficient to
meet the combined annual principal and interest obligations for all bonds
issued pursuant to this section and section 79-10,110. The amount
generated from a district’s levy in excess of three cents per one hundred
dollars of taxable valuation shall not exceed the combined annual
principal and interest obligations for such bonds minus the amount
generated by levying three cents per one hundred dollars of taxable
valuation.

Sec. 19. Section 79-10,120, Revised Statutes Cumulative Supplement,
2020, is amended to read:

79-10,120 The school board or board of education of any school
district may establish a special fund for purposes of acquiring sites for
school buildings or teacherages, purchasing existing buildings for use as
school buildings or teacherages, including the sites upon which such
buildings are located, and the erection, alteration, equipping, and
furnishing of school buildings or teacherages and additions to school
buildings for elementary and high school grades and for no other purpose.
The fund shall be established from the proceeds of an annual levy, to be
determined by the board, of not to exceed the limits pursuant to
subdivisions (2)(b) and (c) of section 77-3442 fourteen cents on each one
hundred dollars upon the taxable value of all taxable property in the
district which shall be in addition to any other taxes authorized to be
levied for school purposes. Such tax shall be levied and collected as are
other taxes for school purposes.

Sec. 20. Section 79-10,126, Revised Statutes Cumulative Supplement,
2020, is amended to read:

79-10,126 For school fiscal year 2017-18 and each school fiscal year
thereafter, each Class V school district shall establish (1) for the
general operation of the schools, such fund as will result from an annual
levy of such rate of tax upon the taxable value of all the taxable
property in such school district as the board of education determines to
be necessary for such purpose and within the limits prescribed in
subdivision (2)(a) of section 77-3442, (2) a fund resulting from an
annual amount of tax to be determined by the board of education, of not to exceed the limits prescribed in subdivisions (2)(b) and (c) of section 77-3442, fourteen cents on each one hundred dollars upon the taxable value of all the taxable property in the district for the purpose of acquiring sites of school buildings and the erection, alteration, equipping, and furnishing of school buildings and additions to school buildings, which tax levy shall be used for no other purposes, and (3) a further fund resulting from an annual amount of tax to be determined by the board of education to pay interest on and retiring, funding, or servicing of bonded indebtedness approved by the legal voters of the district.

Sec. 21. Section 79-2104, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-2104 A learning community coordinating council shall have the authority to:

(1) For fiscal years prior to fiscal year 2017-18, levy a common levy for the general funds of member school districts pursuant to sections 77-3442 and 79-1073;

(2) Levy for elementary learning center facility leases, for remodeling of leased elementary learning center facilities, and for up to fifty percent of the estimated cost for focus school or program capital projects approved by the learning community coordinating council pursuant to subdivision (2)(f) of section 77-3442 and section 79-2111;

(3) Levy for early childhood education programs for children in poverty, for elementary learning center employees, for contracts with other entities or individuals who are not employees of the learning community for elementary learning center programs and services, and for pilot projects pursuant to subdivision (2)(g) of section 77-3442, except that not more than ten percent of such levy may be used for elementary learning center employees;

(4) Develop, submit, administer, and evaluate community
achievement plans in collaboration with the advisory committee, educational service units serving member school districts, member school districts, and the student achievement coordinator or other department staff designated by the Commissioner of Education;

(4) (5) Collect, analyze, and report data and information, including, but not limited to, information provided by a school district pursuant to subsection (5) of section 79-201;

(5) (6) Approve focus schools and focus programs to be operated by member school districts;

(6) (7) Adopt, approve, and implement a diversity plan pursuant to sections 79-2110 and 79-2118;

(7) (8) Through school year 2016-17, administer the open enrollment provisions in section 79-2110 for the learning community as part of a diversity plan developed by the council to provide educational opportunities which will result in increased diversity in schools across the learning community;

(8) (9) Annually conduct school fairs to provide students and parents the opportunity to explore the educational opportunities available at each school in the learning community and develop other methods for encouraging access to such information and promotional materials;

(9) (10) Develop procedures for determining best practices for addressing student achievement barriers and for disseminating such practices within the learning community and to other school districts;

(10) (11) Establish and administer elementary learning centers through achievement subcouncils pursuant to sections 79-2112 to 79-2114;

(11) (12) Administer the learning community funds distributed to the learning community pursuant to section 79-2111;

(12) (13) Establish a procedure for receiving community input and complaints regarding the learning community;

(13) (14) Establish a procedure to assist parents, citizens, and
member school districts in accessing an approved center pursuant to the Dispute Resolution Act to resolve disputes involving member school districts or the learning community. Such procedure may include payment by the learning community for some mediation services;

(14) (15) Establish and administer pilot projects related to enhancing the academic achievement of elementary students, particularly students who face challenges in the educational environment due to factors such as poverty, limited English skills, and mobility;

(15) (16) Provide funding to public or private entities engaged in the juvenile justice system providing prefiling and diversion programming designed to reduce excessive absenteeism and unnecessary involvement with the juvenile justice system; and

(16) (17) Hold public hearings at its discretion in response to issues raised by residents regarding the learning community, a member school district, and academic achievement.

Sec. 22. Section 79-2404, Reissue Revised Statutes of Nebraska, is amended to read:

79-2404 If the school board of any school district or the board of any educational service unit fails to timely file a copy of an approved contract, or contract amendment, for superintendent services or educational service unit administrator services with the State Department of Education as required in section 79-2403, the Commissioner of Education, after notice to the board president and either the superintendent or educational service unit administrator and an opportunity to be heard, shall direct that any state aid granted pursuant to the Tax Equity and Educational Opportunities Support Act to the school district or core services and technology infrastructure funds granted pursuant to section 79-1241.03 to the educational service unit be withheld until such time as the contract or amendment is received by the department. In addition, the commissioner shall direct each county treasurer of a county with territory in the school district or
educational service unit to withhold all money belonging to the school
district or educational service unit until such time as the commissioner
notifies such county treasurer of receipt of such contract or amendment.
Each such county treasurer shall withhold such money. For school
districts that are members of learning communities, a determination of
school money belonging to the school district shall be based on the
proportionate share of property tax receipts allocated to the school
district pursuant to section 79-1073 in addition to the other property
tax receipts belonging to the school district. If the board does not
comply with this section prior to October 1 following the school fiscal
year for which the state aid or core services and technology
infrastructure funding was calculated, the funds shall revert to the
General Fund. The amount of any reverted funds shall be included in data
provided to the Governor, the Appropriations Committee of the
Legislature, and the Education Committee of the Legislature in accordance
with section 79-1031.

Sec. 23. Section 81-12,193, Revised Statutes Cumulative Supplement,
2020, is amended to read:

81-12,193 (1) The Nebraska Transformational Project Fund is hereby
created. The fund shall receive money from application fees paid under
the Nebraska Transformational Projects Act and from appropriations from
the Legislature, grants, private contributions, repayments of matching
funds, and all other sources. Any money in the fund available for
investment shall be invested by the state investment officer pursuant to
the Nebraska Capital Expansion Act and the Nebraska State Funds
Investment Act.

(2) It is the intent of the Legislature that the State Treasurer
shall transfer an amount not to exceed three hundred million dollars to
the Nebraska Transformational Project Fund. Such transfers shall only
occur after the applicant has been selected for participation in the
program described in Title VII, Subtitle C, section 740 of Public Law
116-92 and commitments totaling one billion three hundred million dollars in total investment, including only federal dollars and private donations, have been secured. In no case shall any transfer occur before fiscal year 2025-26 or before the total amount of refundable credits granted annually under the Nebraska Property Tax Incentive Act reaches three hundred seventy-five million dollars. Distributions shall only be made from the fund in amounts equal to the amount of private dollars received by the applicant for the project.

(3) Any money remaining in the fund after all obligations have been met shall be transferred to the General Fund.


Sec. 25. The following sections are outright repealed: Sections 79-1073 and 79-10,126.01, Revised Statutes Cumulative Supplement, 2020.

Sec. 26. Since an emergency exists, this act takes effect when passed and approved according to law.