

AMENDMENTS TO LB34

(Amendments to Standing Committee amendments, AM73)

Introduced by Linehan, 39.

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

3           Section 1. Sections 1 to 8 of this act shall be known and may be  
4 cited as the Property Tax Growth Limitation Act.

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

6           (1) Approved bonds means bonds as defined in subdivision (1) of  
7 section 10-134 that are approved according to law, excluding any bonds  
8 issued to finance a project or projects if the issuance of bonds for such  
9 project or projects was the subject of a general obligation bond election  
10 held at the most recent regularly scheduled election and was not approved  
11 at such election;

12           (2) Auditor means the Auditor of Public Accounts;

13           (3) Emergency means an emergency, as defined in section 81-829.39,  
14 for which a state of emergency proclamation or local state of emergency  
15 proclamation has been issued under the Emergency Management Act;

16           (4) Growth percentage means the percentage obtained by dividing (a)  
17 the political subdivision's growth value by (b) the political  
18 subdivision's total property valuation from the prior year;

19           (5) Growth value means the increase in a political subdivision's  
20 total property valuation from the prior year to the current year due to  
21 (a) improvements to real property as a result of new construction and  
22 additions to existing buildings, (b) any other improvements to real  
23 property which increase the value of such property, (c) annexation of  
24 real property by the political subdivision, (d) a change in the use of  
25 real property, and (e) any increase in personal property valuation over  
26 the prior year;

1       (6) Inflation percentage means the annual percentage change in the  
2 State and Local Consumption Expenditures and Gross Investment, as  
3 reported for December of the prior calendar year for the preceding  
4 twelve-month period;

5       (7) Political subdivision means any county, city, or village;

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

9       (9) Property tax request authority means the amount that may be  
10 included in a political subdivision's property tax request as determined  
11 pursuant to the Property Tax Growth Limitation Act; and

12       (10) State aid means:

13       (a) For all political subdivisions, state aid paid pursuant to  
14 sections 60-3,202 and 77-3523 and reimbursement provided pursuant to  
15 section 77-1239;

16       (b) For cities and villages, state aid to cities and villages paid  
17 pursuant to sections 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and  
18 insurance premium tax paid to cities and villages; and

19       (c) For counties, state aid to counties paid pursuant to sections  
20 60-3,184 to 60-3,190, insurance premium tax paid to counties, and  
21 reimbursements to counties from funds appropriated pursuant to section  
22 29-3933.

23       Sec. 3. (1) Except as otherwise provided in the Property Tax Growth  
24 Limitation Act, for fiscal years beginning on or after July 1, 2025, a  
25 political subdivision's property tax request for any year shall not  
26 exceed its property tax request authority as determined under this  
27 section. The preliminary property tax request authority for each  
28 political subdivision shall be the amount of property taxes levied by the  
29 county board of equalization pursuant to section 77-1601 for such  
30 political subdivision in the prior fiscal year, less the sum of  
31 exceptions utilized in the prior year pursuant to section 4 of this act.

1           (2) In addition to the preliminary property tax request authority,  
2 the political subdivision's property tax request authority may be  
3 increased by the product of:

4           (a) The amount of property taxes levied in the prior year increased  
5 by the political subdivision's growth percentage, less the sum of  
6 exceptions utilized in the prior year pursuant to subdivisions (1) and  
7 (2) of section 4 of this act; and

8           (b) The greater of zero or the inflation percentage.

9           Sec. 4. A political subdivision may increase its property tax  
10 request authority over the amount determined under section 3 of this act  
11 by:

12           (1) The amount of property taxes budgeted for approved bonds;

13           (2) The amount of property taxes needed to respond to an emergency  
14 declared in the preceding year, as certified to the auditor;

15           (3) The amount of unused property tax request authority determined  
16 in accordance with section 6 of this act;

17           (4) The amount of property taxes budgeted in support of (a) a  
18 service relating to an imminent and significant threat to public safety  
19 that (i) was not previously provided by the political subdivision and  
20 (ii) is the subject of an agreement or a modification of an existing  
21 agreement executed after the effective date of this act, whether provided  
22 by one of the parties to the agreement or by an independent joint entity  
23 or joint public agency or (b) an interlocal agreement relating to public  
24 safety;

25           (5) The increase in property tax request authority approved by the  
26 legal voters as provided in section 5 of this act;

27           (6) The amount of property taxes budgeted for public safety services  
28 as defined in section 13-320; and

29           (7) The amount of property taxes budgeted for county attorneys and  
30 public defenders.

31           Sec. 5. (1) A political subdivision may increase its property tax

1 request authority over the amount determined under section 3 of this act  
2 if such increase is approved by a majority of legal voters voting on the  
3 issue at an election described in subsection (2) of this section. Such  
4 issue shall be placed on the ballot (a) upon the recommendation of the  
5 governing body of such political subdivision or (b) upon the receipt by  
6 the county clerk or election commissioner of a petition requesting such  
7 issue to be placed on the ballot which is signed by at least five percent  
8 of the legal voters of the political subdivision. The recommendation of  
9 the governing body or the petition of the legal voters shall include the  
10 amount by which the political subdivision would increase its property tax  
11 request authority over and above the amount determined under section 3 of  
12 this act.

13 (2) Upon receipt of such recommendation or legal voter petition, the  
14 county clerk or election commissioner shall place such issue on the  
15 ballot at the next regularly scheduled election. The election shall be  
16 held pursuant to the Election Act, and all costs shall be paid by the  
17 political subdivision. The issue may be approved on the same question as  
18 a vote to exceed the levy limits provided in section 77-3444. If a  
19 majority of the votes cast on the issue are in favor of increasing the  
20 political subdivision's property tax request authority, the political  
21 subdivision shall be empowered to do so.

22 Sec. 6. A political subdivision may choose not to increase its  
23 total property taxes levied by the full amount of the property tax  
24 request authority allowed in a particular year. In such cases, the  
25 political subdivision may carry forward to future budget years the amount  
26 of unused property tax request authority, but accumulation of unused  
27 property tax request authority shall not exceed an aggregate of five  
28 percent of the total property tax request authority from the prior year.

29 Sec. 7. The auditor shall prepare forms to be used by political  
30 subdivisions for the purpose of calculating property tax request  
31 authority and unused property tax request authority. Each political

1 subdivision shall calculate such amounts and submit the forms to the  
2 auditor on or before September 30, 2025, and on or before September 30 of  
3 each year thereafter. If a political subdivision fails to submit such  
4 forms to the auditor or if the auditor determines from such forms that a  
5 political subdivision is not complying with the limits provided in the  
6 Property Tax Growth Limitation Act, the auditor shall notify the  
7 political subdivision and the State Treasurer of the noncompliance. The  
8 State Treasurer shall then suspend distribution of state aid allocated to  
9 the political subdivision until the political subdivision complies. The  
10 funds shall be held for six months. If the political subdivision complies  
11 within the six-month period, it shall receive the suspended funds. If the  
12 political subdivision fails to comply within the six-month period, the  
13 suspended funds shall be forfeited and shall be redistributed to other  
14 recipients of the state aid or, in the case of homestead exemption  
15 reimbursement, returned to the General Fund.

16       Sec. 8. The auditor may adopt and promulgate rules and regulations  
17 to carry out the Property Tax Growth Limitation Act.

18       Sec. 9. Sections 9 to 13 of this act shall be known and may be  
19 cited as the School District Property Tax Relief Act.

20       Sec. 10. The purpose of the School District Property Tax Relief Act  
21 is to provide property tax relief for property taxes levied against real  
22 property by school districts. The property tax relief will be made to  
23 owners of real property in the form of a property tax credit.

24       Sec. 11. For purposes of the School District Property Tax Relief  
25 Act:

26       (1) School district has the same meaning as in section 79-101; and

27       (2) School district taxes means property taxes levied on real  
28 property in this state by a school district or multiple-district school  
29 system, excluding any property taxes levied for bonded indebtedness and  
30 any property taxes levied as a result of an override of limits on  
31 property tax levies approved by voters pursuant to section 77-3444.

1           Sec. 12. (1) The School District Property Tax Relief Credit Fund is  
2 created. The fund shall only be used pursuant to the School District  
3 Property Tax Relief Act. Any money in the fund available for investment  
4 shall be invested by the state investment officer pursuant to the  
5 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
6 Act.

7           (2)(a) The State Treasurer shall transfer seven hundred fifty  
8 million dollars from the General Fund to the School District Property Tax  
9 Relief Credit Fund in fiscal year 2024-25, on such dates and in such  
10 amounts as directed by the budget administrator of the budget division of  
11 the Department of Administrative Services.

12           (b) It is the intent of the Legislature that seven hundred eighty  
13 million dollars be transferred from the General Fund to the School  
14 District Property Tax Relief Credit Fund in fiscal year 2025-26.

15           (c) It is the intent of the Legislature that eight hundred eight  
16 million dollars be transferred from the General Fund to the School  
17 District Property Tax Relief Credit Fund in fiscal year 2026-27.

18           (d) It is the intent of the Legislature that eight hundred thirty-  
19 eight million dollars be transferred from the General Fund to the School  
20 District Property Tax Relief Credit Fund in fiscal year 2027-28.

21           (e) It is the intent of the Legislature that eight hundred seventy  
22 million dollars be transferred from the General Fund to the School  
23 District Property Tax Relief Credit Fund in fiscal year 2028-29.

24           (f) It is the intent of the Legislature that nine hundred two  
25 million dollars be transferred from the General Fund to the School  
26 District Property Tax Relief Credit Fund in fiscal year 2029-30.

27           (g) It is the intent of the Legislature that the amount transferred  
28 from the General Fund to the School District Property Tax Relief Credit  
29 Fund in fiscal year 2030-31 and each fiscal year thereafter be equal to  
30 the total amount transferred in the preceding fiscal year increased by  
31 three percent.

1           Sec. 13. (1) The School District Property Tax Relief Act shall  
2 apply to tax year 2024 and each tax year thereafter. For tax year 2024,  
3 the total amount of relief granted under the act shall be seven hundred  
4 fifty million dollars. For tax year 2025, the total amount of relief  
5 granted under the act shall be seven hundred eighty million dollars. For  
6 tax year 2026, the total amount of relief granted under the act shall be  
7 eight hundred eight million dollars. For tax year 2027, the total amount  
8 of relief granted under the act shall be eight hundred thirty-eight  
9 million dollars. For tax year 2028, the total amount of relief granted  
10 under the act shall be eight hundred seventy million dollars. For tax  
11 year 2029, the total amount of relief granted under the act shall be nine  
12 hundred two million dollars. For tax year 2030 and each tax year  
13 thereafter, the total amount of relief granted under the act shall be the  
14 total amount of relief from the prior year increased by three percent.  
15 The relief shall be in the form of property tax credits which appear on  
16 property tax statements. Property tax credits granted under the act shall  
17 be credited against the amount of property taxes owed to school  
18 districts.

19           (2) To determine the amount of the property tax credit for each  
20 parcel, the county treasurer shall multiply the amount disbursed to the  
21 county under subsection (4) of this section by the ratio of the school  
22 district taxes levied in the prior year on the parcel to the school  
23 district taxes levied in the prior year on all real property in the  
24 county. The amount so determined shall be the property tax credit for  
25 that parcel.

26           (3) If the real property owner qualifies for a homestead exemption  
27 under sections 77-3501 to 77-3529, the owner shall also be qualified for  
28 the property tax credit provided in this section to the extent of any  
29 remaining liability after calculation of the homestead exemption. If the  
30 property tax credit provided in this section results in a property tax  
31 liability on the homestead that is less than zero, the amount of the

1 credit which cannot be used by the taxpayer shall be returned to the  
2 Property Tax Administrator by July 1 of the year the amount disbursed to  
3 the county was disbursed. The Property Tax Administrator shall  
4 immediately credit any funds returned under this subsection to the School  
5 District Property Tax Relief Credit Fund. Upon the return of any funds  
6 under this subsection, the county treasurer shall electronically file a  
7 report with the Property Tax Administrator, on a form prescribed by the  
8 Tax Commissioner, indicating the amount of funds distributed to each  
9 school district in the county in the year the funds were returned and the  
10 amount of unused credits returned.

11 (4) The amount disbursed to each county under this section shall be  
12 equal to the amount available for disbursement under subsection (1) of  
13 this section multiplied by the ratio of the school district taxes levied  
14 in the prior year on all real property in the county to the school  
15 district taxes levied in the prior year on all real property in the  
16 state. By September 15, 2024, and by September 15 of each year  
17 thereafter, the Property Tax Administrator shall determine the amount to  
18 be disbursed under this subsection to each county and shall certify such  
19 amounts to the State Treasurer and to each county. The disbursements to  
20 the counties shall occur in two equal payments, the first on or before  
21 January 31 and the second on or before April 1.

22 (5) The county treasurer shall disburse amounts received under  
23 subsection (4) of this section, which are credited against the amount of  
24 property taxes owed to school districts, in the same manner as if such  
25 funds had been received in the form of property tax payments for property  
26 taxes owed to school districts, meaning any amounts attributable to  
27 divided taxes pursuant to section 18-2147 of the Community Development  
28 Law shall be remitted to the applicable authority for which such taxes  
29 were divided.

30 (6) The School District Property Tax Relief Credit Fund shall be  
31 used for purposes of making the disbursements to counties required under



1 subsection (4) of this section.

2       Sec. 14. Section 13-508, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4       13-508 (1) After publication and hearing thereon and within the time  
5 prescribed by law, each governing body shall file with and certify to the  
6 levying board or boards on or before September 30 of each year or  
7 September 30 of the final year of a biennial period and file with the  
8 auditor a copy of the adopted budget statement which complies with  
9 sections 13-518 to 13-522 or 79-1023 to 79-1030, if applicable, together  
10 with the amount of the tax required to fund the adopted budget, setting  
11 out separately (a) the amount to be levied for the payment of principal  
12 or interest on bonds issued or authorized to be issued by the governing  
13 body or the legal voters of the political subdivision and (b) the amount  
14 to be levied for all other purposes. Proof of publication shall be  
15 attached to the statements. For fiscal years prior to fiscal year  
16 2017-18, learning communities shall also file a copy of such adopted  
17 budget statement with member school districts on or before September 1 of  
18 each year. If the prime rate published by the Federal Reserve Board is  
19 ten percent or more at the time of the filing and certification required  
20 under this subsection, the governing body, in certifying the amount  
21 required, may make allowance for delinquent taxes not exceeding five  
22 percent of the amount required plus the actual percentage of delinquent  
23 taxes for the preceding tax year or biennial period and for the amount of  
24 estimated tax loss from any pending or anticipated litigation which  
25 involves taxation and in which tax collections have been or can be  
26 withheld or escrowed by court order. For purposes of this section,  
27 anticipated litigation shall be limited to the anticipation of an action  
28 being filed by a taxpayer who or which filed a similar action for the  
29 preceding year or biennial period which is still pending. Except for such  
30 allowances, a governing body shall not certify an amount of tax more than  
31 one percent greater or lesser than the amount determined under section

1 13-505.

2 (2) Each governing body shall use the certified taxable values as  
3 provided by the county assessor pursuant to section 13-509 for the  
4 current year in setting or certifying the levy. Each governing body may  
5 designate one of its members to perform any duty or responsibility  
6 required of such body by this section.

7 Sec. 15. Section 13-518, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 13-518 For purposes of sections 13-518 to 13-522:

10 (1) Allowable growth means (a) for governmental units other than  
11 community colleges, the percentage increase in taxable valuation in  
12 excess of the base limitation established under section 77-3446, if any,  
13 due to improvements to real property as a result of new construction,  
14 additions to existing buildings, any improvements to real property which  
15 increase the value of such property, and any increase in valuation due to  
16 annexation and any personal property valuation over the prior year and  
17 (b) for community colleges, the percentage increase in excess of the base  
18 limitation, if any, in full-time equivalent students from the second year  
19 to the first year preceding the year for which the budget is being  
20 determined;

21 (2) Capital improvements means (a) acquisition of real property or  
22 (b) acquisition, construction, or extension of any improvements on real  
23 property;

24 (3) Governing body has the same meaning as in section 13-503, except  
25 that for fiscal years beginning on or after July 1, 2025, such term shall  
26 not include the governing body of any county, city, or village;

27 (4) Governmental unit means every political subdivision which has  
28 authority to levy a property tax or authority to request levy authority  
29 under section 77-3443, except that such term shall not include (a)  
30 sanitary and improvement districts which have been in existence for five  
31 years or less, (b) and school districts, or (c) for fiscal years

1 beginning on or after July 1, 2025, counties, cities, or villages;

2 (5) Qualified sinking fund means a fund or funds maintained  
3 separately from the general fund to pay for acquisition or replacement of  
4 tangible personal property with a useful life of five years or more which  
5 is to be undertaken in the future but is to be paid for in part or in  
6 total in advance using periodic payments into the fund. The term includes  
7 sinking funds under subdivision (13) of section 35-508 for firefighting  
8 and rescue equipment or apparatus;

9 (6) Restricted funds means (a) property tax, excluding any amounts  
10 refunded to taxpayers, (b) payments in lieu of property taxes, (c) local  
11 option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers  
12 of surpluses from any user fee, permit fee, or regulatory fee if the fee  
13 surplus is transferred to fund a service or function not directly related  
14 to the fee and the costs of the activity funded from the fee, (g) any  
15 funds excluded from restricted funds for the prior year because they were  
16 budgeted for capital improvements but which were not spent and are not  
17 expected to be spent for capital improvements, (h) the tax provided in  
18 sections 77-27,223 to 77-27,227 beginning in the second fiscal year in  
19 which the county will receive a full year of receipts, and (i) any excess  
20 tax collections returned to the county under section 77-1776. Funds  
21 received pursuant to the nameplate capacity tax levied under section  
22 77-6203 for the first five years after a renewable energy generation  
23 facility has been commissioned are nonrestricted funds; and

24 (7) State aid means:

25 (a) For all governmental units, state aid paid pursuant to sections  
26 60-3,202 and 77-3523 and reimbursement provided pursuant to section  
27 77-1239;

28 (b) For municipalities, state aid to municipalities paid pursuant to  
29 sections 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and insurance  
30 premium tax paid to municipalities;

31 (c) For counties, state aid to counties paid pursuant to sections

1 60-3,184 to 60-3,190, insurance premium tax paid to counties, and  
2 reimbursements to counties from funds appropriated pursuant to section  
3 29-3933;

4 (d) For community colleges, state aid to community colleges paid  
5 pursuant to the Community College Aid Act;

6 (e) For educational service units, state aid appropriated under  
7 sections 79-1241.01 and 79-1241.03; and

8 (f) For local public health departments as defined in section  
9 71-1626, state aid as distributed under section 71-1628.08.

10 Sec. 16. Section 13-2817, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 13-2817 (1) Any municipality that is within the boundaries of a  
13 municipal county that is not merged into the municipal county shall be  
14 required to pay the municipal county for services that were previously  
15 provided by the county and are not ordinarily provided by a municipality.  
16 Except as provided in subsection (2) of this section, the amount paid  
17 shall be equal to the attributable cost of county services times a ratio,  
18 the numerator of which is the total valuation of all municipalities that  
19 are within the boundaries of the municipal county and the denominator of  
20 which is the total valuation of the municipal county and all  
21 municipalities and unconsolidated sanitary and improvement districts that  
22 are within the boundaries of the municipal county that are not merged  
23 into the municipal county, times a ratio the numerator of which is the  
24 valuation of the particular municipality and the denominator of which is  
25 the total valuation of all municipalities that are within the boundaries  
26 of the municipal county, except that (a) the amount paid shall not exceed  
27 the total taxable valuation of the municipality times forty-five  
28 hundredths of one percent and (b) the municipality shall not be required  
29 to pay the municipal county for fire protection or ambulance services.

30 (2) The amount paid for law enforcement by a municipality that is  
31 within the boundaries of a municipal county but is not merged into the

1 municipal county shall be as follows: (a) If the county did not provide  
2 law enforcement services prior to the formation of the municipal county  
3 or if the municipality continues its own law enforcement services after  
4 formation of the municipal county, the total cost of services budgeted by  
5 the municipal county for law enforcement shall be the net cost of  
6 services that are the express and exclusive duties and responsibilities  
7 of the county sheriff by law times the same ratios calculated in  
8 subsection (1) of this section; (b) if the municipality discontinues  
9 providing law enforcement services after the formation of the municipal  
10 county (i) the municipal county shall provide a level of service in such  
11 municipality that is equal to the level provided in the area or areas of  
12 the municipal county that were municipalities prior to the formation of  
13 the municipal county and (ii) the municipality shall pay the municipal  
14 county for the cost of county services for law enforcement as calculated  
15 in subsection (1) of this section, except that for the first five years,  
16 the amount shall be no more than the amount budgeted by the municipality  
17 for law enforcement services in the last year the municipality provided  
18 the services for itself; and (c) if the municipal county has deputized  
19 the police force of the municipality to perform the express and exclusive  
20 duties and responsibilities of the county sheriff by law, there shall be  
21 no amount paid to the municipal county for law enforcement services.

22 (3) Disputes regarding the amounts any municipality that is within  
23 the boundaries of a municipal county that is not merged into the  
24 municipal county must pay to the municipal county for services that were  
25 previously provided by the county and are not ordinarily provided by a  
26 municipality shall be heard in the district court of such municipal  
27 county.

28 (4) For purposes of this section and section 13-2818, attributable  
29 cost of county services means the total budgeted cost of services that  
30 were previously provided by the county for the immediately prior fiscal  
31 year times a ratio, the numerator of which is the property tax request of

1 the municipal county or the county and all cities to be consolidated for  
2 the prior fiscal year, not including any tax for bonded indebtedness, and  
3 the denominator of which is the total revenue from all sources that was  
4 ~~of the restricted funds as defined in section 13-518 plus inheritance~~  
5 ~~taxes, fees, and charges and other revenue that were~~ budgeted for the  
6 immediately prior fiscal year by the municipal county or the county and  
7 all cities to be consolidated.

8 Sec. 17. Section 29-3933, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 29-3933 (1) Any county which intends to request reimbursement for a  
11 portion of its expenditures for its indigent defense system must comply  
12 with this section.

13 (2) In order to assist the Commission on Public Advocacy in its  
14 budgeting process for determining future reimbursement amounts, after  
15 July 1, 2002, and before July 15, 2002, and for each year thereafter in  
16 which the county intends to seek reimbursement for a portion of its  
17 expenditures for indigent defense services in felony cases for the next  
18 fiscal year, the county shall present to the Commission on Public  
19 Advocacy (a) a plan, in a format approved by the commission, describing  
20 how the county intends to provide indigent defense services in felony  
21 cases, (b) a statement of intent declaring that the county intends to  
22 comply with the standards set by the commission for felony cases and that  
23 the county intends to apply for reimbursement, and (c) a projection of  
24 the total dollar amount of expenditures for that county's indigent  
25 defense services in felony cases for the next fiscal year.

26 (3) The commission may conduct whatever investigation is necessary  
27 and may require certifications by key individuals in the criminal justice  
28 system, in order to determine if the county is in compliance with the  
29 standards. If a county is certified by the commission as having met the  
30 standards established by the commission for felony cases, the county  
31 shall be eligible for reimbursement according to the following schedule

1 and procedures: The county clerk of the county seeking reimbursement may  
2 submit, on a quarterly basis, a certified request to the commission, for  
3 reimbursement from funds appropriated by the Legislature, for an amount  
4 equal to one-fourth of the county's actual expenditures for indigent  
5 defense services in felony cases.

6 (4) Upon certification by the county clerk of the amount of the  
7 expenditures, and a determination by the commission that the request is  
8 in compliance with the standards set by the commission for felony cases,  
9 the commission shall quarterly authorize an amount of reimbursement to  
10 the county as set forth in this section.

11 (5) If the appropriated funds are insufficient in any quarter to  
12 meet the amount needed for full payment of all county reimbursements for  
13 net expenditures that are certified for that quarter, the commission  
14 shall pay the counties their pro rata share of the remaining funds based  
15 upon the percentage of the county's certified request in comparison to  
16 the total certified requests for that quarter.

17 (6) For purposes of section 13-519, for any year in which a county  
18 first seeks reimbursement from funds appropriated by the Legislature or  
19 has previously qualified for reimbursement and is seeking additional  
20 reimbursement for improving its indigent criminal defense program, the  
21 last prior year's total of restricted funds shall be the last prior  
22 year's total of restricted funds plus any increased amount budgeted for  
23 indigent defense services that is required to develop a plan and meet the  
24 standards necessary to qualify for reimbursement of expenses from funds  
25 appropriated by the Legislature. This subsection applies to fiscal years  
26 beginning prior to July 1, 2025.

27 Sec. 18. Section 72-2305, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 72-2305 For joint projects described in subdivision (2)(a) of  
30 section 72-2303, the principal amount of bonds which may be issued by a  
31 qualified public agency under the Public Facilities Construction and

1 Finance Act shall not exceed five million dollars as to the total  
2 principal amount of such bonds which may be outstanding at any time, and  
3 the annual amounts due by reason of such bonds from each qualified public  
4 agency shall not exceed five percent of the total revenue from all  
5 sources ~~restricted funds~~ of the obligated qualified public agency in the  
6 year prior to issuance. The principal amount of bonds of qualified public  
7 agencies in the aggregate issued for any one such joint project shall not  
8 exceed five million dollars.

9 Sec. 19. Section 72-2306, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 72-2306 For joint projects described in subdivision (2)(b) of  
12 section 72-2303, the principal amount of bonds which may be issued by a  
13 qualified public agency under the Public Facilities Construction and  
14 Finance Act shall not exceed two hundred fifty thousand dollars for  
15 cities of the metropolitan and primary classes, one hundred thousand  
16 dollars for counties, cities of the first class, school districts,  
17 educational service units, and community colleges, and fifty thousand  
18 dollars for cities of the second class and villages, as to the total  
19 principal amount of such bonds which may be outstanding at any time, and  
20 the annual amounts due by reason of such bonds from each qualified public  
21 agency shall not exceed five percent of the total revenue from all  
22 sources ~~restricted funds~~ of the obligated qualified public agency in the  
23 year prior to issuance. The principal amount of bonds of a qualified  
24 public agency in the aggregate issued for any one such joint project  
25 shall not exceed two hundred ~~and~~ fifty thousand dollars for cities of the  
26 metropolitan and primary classes and one hundred thousand dollars for  
27 counties, cities of the first class, cities of the second class,  
28 villages, school districts, educational service units, and community  
29 colleges.

30 Sec. 20. Section 77-1632, Revised Statutes Supplement, 2023, is  
31 amended to read:



1           77-1632 (1) If the annual assessment of property would result in an  
2 increase in the total property taxes levied by a county, city, village,  
3 school district, learning community, sanitary and improvement district,  
4 natural resources district, educational service unit, or community  
5 college, as determined using the previous year's rate of levy, such  
6 political subdivision's property tax request for the current year shall  
7 be no more than its property tax request in the prior year, and the  
8 political subdivision's rate of levy for the current year shall be  
9 decreased accordingly when such rate is set by the county board of  
10 equalization pursuant to section 77-1601. The governing body of the  
11 political subdivision shall pass a resolution or ordinance to set the  
12 amount of its property tax request after holding the public hearing  
13 required in subsection (3) of this section. If the governing body of a  
14 political subdivision seeks to set its property tax request at an amount  
15 that exceeds its property tax request in the prior year, it may do so,  
16 subject to the limitations provided in the School District Property Tax  
17 Limitation Act and the Property Tax Growth Limitation Act, to the extent  
18 ~~allowed by law~~ after holding the public hearing required in subsection  
19 (3) of this section and by passing a resolution or ordinance that  
20 complies with subsection (4) of this section. If any county, city, school  
21 district, or community college seeks to increase its property tax request  
22 by more than the allowable growth percentage, such political subdivision  
23 shall comply with the requirements of section 77-1633 in lieu of the  
24 requirements in subsections (3) and (4) of this section.

25           (2) If the annual assessment of property would result in no change  
26 or a decrease in the total property taxes levied by a county, city,  
27 village, school district, learning community, sanitary and improvement  
28 district, natural resources district, educational service unit, or  
29 community college, as determined using the previous year's rate of levy,  
30 such political subdivision's property tax request for the current year  
31 shall be no more than its property tax request in the prior year, and the

1 political subdivision's rate of levy for the current year shall be  
2 adjusted accordingly when such rate is set by the county board of  
3 equalization pursuant to section 77-1601. The governing body of the  
4 political subdivision shall pass a resolution or ordinance to set the  
5 amount of its property tax request after holding the public hearing  
6 required in subsection (3) of this section. If the governing body of a  
7 political subdivision seeks to set its property tax request at an amount  
8 that exceeds its property tax request in the prior year, it may do so,  
9 subject to the limitations provided in the School District Property Tax  
10 Limitation Act and the Property Tax Growth Limitation Act, to the extent  
11 ~~allowed by law~~ after holding the public hearing required in subsection  
12 (3) of this section and by passing a resolution or ordinance that  
13 complies with subsection (4) of this section. If any county, city, school  
14 district, or community college seeks to increase its property tax request  
15 by more than the allowable growth percentage, such political subdivision  
16 shall comply with the requirements of section 77-1633 in lieu of the  
17 requirements in subsections (3) and (4) of this section.

18 (3) The resolution or ordinance required under this section shall  
19 only be passed after a special public hearing called for such purpose is  
20 held and after notice is published in a newspaper of general circulation  
21 in the area of the political subdivision at least four calendar days  
22 prior to the hearing. For purposes of such notice, the four calendar days  
23 shall include the day of publication but not the day of hearing. If the  
24 political subdivision's total operating budget, not including reserves,  
25 does not exceed ten thousand dollars per year or twenty thousand dollars  
26 per biennial period, the notice may be posted at the governing body's  
27 principal headquarters. The hearing notice shall contain the following  
28 information: The certified taxable valuation under section 13-509 for the  
29 prior year, the certified taxable valuation under section 13-509 for the  
30 current year, and the percentage increase or decrease in such valuations  
31 from the prior year to the current year; the dollar amount of the prior

1 year's tax request and the property tax rate that was necessary to fund  
2 that tax request; the property tax rate that would be necessary to fund  
3 last year's tax request if applied to the current year's valuation; the  
4 proposed dollar amount of the tax request for the current year and the  
5 property tax rate that will be necessary to fund that tax request; the  
6 percentage increase or decrease in the property tax rate from the prior  
7 year to the current year; and the percentage increase or decrease in the  
8 total operating budget from the prior year to the current year.

9 (4) Any resolution or ordinance setting a political subdivision's  
10 property tax request under this section at an amount that exceeds the  
11 political subdivision's property tax request in the prior year shall  
12 include, but not be limited to, the following information:

13 (a) The name of the political subdivision;

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

15 (c) The following statements:

16 (i) The total assessed value of property differs from last year's  
17 total assessed value by ..... percent;

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

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

24 (iv) Based on the proposed property tax request and changes in other  
25 revenue, the total operating budget of (name of political subdivision)  
26 will (increase or decrease) last year's budget by ..... percent; and

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

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

1           Sec. 21. Section 77-1633, Revised Statutes Supplement, 2023, is  
2 amended to read:

3           77-1633 (1) For purposes of this section, political subdivision  
4 means any county, city, school district, or community college.

5           (2) If any political subdivision seeks to increase its property tax  
6 request by more than the allowable growth percentage, such political  
7 subdivision may do so, subject to the limitations provided in the School  
8 District Property Tax Limitation Act and the Property Tax Growth  
9 Limitation Act, if the following requirements are met to the extent  
10 allowed by law if:

11           (a) A public hearing is held and notice of such hearing is provided  
12 in compliance with subsection (3) of this section; and

13           (b) The governing body of such political subdivision passes a  
14 resolution or an ordinance that complies with subsection (4) of this  
15 section.

16           (3)(a) Each political subdivision within a county that seeks to  
17 increase its property tax request by more than the allowable growth  
18 percentage shall participate in a joint public hearing. Each such  
19 political subdivision shall designate one representative to attend the  
20 joint public hearing on behalf of the political subdivision. If a  
21 political subdivision includes area in more than one county, the  
22 political subdivision shall be deemed to be within the county in which  
23 the political subdivision's principal headquarters are located. At such  
24 hearing, there shall be no items on the agenda other than discussion on  
25 each political subdivision's intent to increase its property tax request  
26 by more than the allowable growth percentage.

27           (b) At least one elected official from each participating political  
28 subdivision shall attend the joint public hearing. An elected official  
29 may be the designated representative from a participating political  
30 subdivision. The presence of a quorum or the participation of elected  
31 officials at the joint public hearing does not constitute a meeting as

1 defined by section 84-1409 of the Open Meetings Act.

2 (c) The joint public hearing shall be held on or after September 14  
3 and prior to September 24 and before any of the participating political  
4 subdivisions file their adopted budget statement pursuant to section  
5 13-508.

6 (d) The joint public hearing shall be held after 6 p.m. local time  
7 on the relevant date.

8 (e) The joint public hearing shall be organized by the county clerk  
9 or his or her designee. At the joint public hearing, the designated  
10 representative of each political subdivision shall give a brief  
11 presentation on the political subdivision's intent to increase its  
12 property tax request by more than the allowable growth percentage and the  
13 effect of such request on the political subdivision's budget. The  
14 presentation shall include:

15 (i) The name of the political subdivision;

16 (ii) The amount of the property tax request; and

17 (iii) The following statements:

18 (A) The total assessed value of property differs from last year's  
19 total assessed value by ..... percent;

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

23 (C) The (name of political subdivision) proposes to adopt a property  
24 tax request that will cause its tax rate to be \$..... per \$100 of  
25 assessed value;

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

29 (E) To obtain more information regarding the increase in the  
30 property tax request, citizens may contact the (name of political  
31 subdivision) at (telephone number and email address of political

1 subdivision).

2 (f) Any member of the public shall be allowed to speak at the joint  
3 public hearing and shall be given a reasonable amount of time to do so.

4 (g) Notice of the joint public hearing shall be provided:

5 (i) By sending a postcard to all affected property taxpayers. The  
6 postcard shall be sent to the name and address to which the property tax  
7 statement is mailed;

8 (ii) By posting notice of the hearing on the home page of the  
9 relevant county's website, except that this requirement shall only apply  
10 if the county has a population of more than ten thousand inhabitants; and

11 (iii) By publishing notice of the hearing in a legal newspaper in or  
12 of general circulation in the relevant county.

13 (h) Each political subdivision that participates in the joint public  
14 hearing shall electronically send the information prescribed in  
15 subdivision (3)(i) of this section to the county assessor by September 4.  
16 The county clerk shall notify the county assessor of the date, time, and  
17 location of the joint public hearing no later than September 4. The  
18 county clerk shall notify each participating political subdivision of the  
19 date, time, and location of the joint public hearing. The county assessor  
20 shall send the information required to be included on the postcards  
21 pursuant to subdivision (3)(i) of this section to a printing service  
22 designated by the county board. The initial cost for printing the  
23 postcards shall be paid from the county general fund. Such postcards  
24 shall be mailed at least seven calendar days before the joint public  
25 hearing. The cost of creating and mailing the postcards, including staff  
26 time, materials, and postage, shall be charged proportionately to the  
27 political subdivisions participating in the joint public hearing based on  
28 the total number of parcels in each participating political subdivision.  
29 Each participating political subdivision shall also maintain a  
30 prominently displayed and easily accessible link on the home page of the  
31 political subdivision's website to the political subdivision's proposed

1 budget, except that this requirement shall not apply if the political  
2 subdivision is a county with a population of less than ten thousand  
3 inhabitants, a city with a population of less than one thousand  
4 inhabitants, or, for joint public hearings prior to January 1, 2024, a  
5 school district.

6 (i) The postcard sent under this subsection and the notice posted on  
7 the county's website, if required under subdivision (3)(g)(ii) of this  
8 section, and published in the newspaper shall include the date, time, and  
9 location for the joint public hearing, a listing of and telephone number  
10 for each political subdivision that will be participating in the joint  
11 public hearing, and the amount of each participating political  
12 subdivision's property tax request. The postcard shall also contain the  
13 following information:

14 (i) The following words in capitalized type at the top of the  
15 postcard: NOTICE OF PROPOSED TAX INCREASE;

16 (ii) The name of the county that will hold the joint public hearing,  
17 which shall appear directly underneath the capitalized words described in  
18 subdivision (3)(i)(i) of this section;

19 (iii) The following statement: The following political subdivisions  
20 are proposing a revenue increase which would result in an overall  
21 increase in property taxes in (insert current tax year). THE ACTUAL TAX  
22 ON YOUR PROPERTY MAY INCREASE OR DECREASE. This notice contains estimates  
23 of the tax on your property as a result of this revenue increase. These  
24 estimates are calculated on the basis of the proposed (insert current tax  
25 year) data. The actual tax on your property may vary from these  
26 estimates.

27 (iv) The parcel number for the property;

28 (v) The name of the property owner and the address of the property;

29 (vi) The property's assessed value in the previous tax year;

30 (vii) The amount of property taxes due in the previous tax year for  
31 each participating political subdivision;

1 (viii) The property's assessed value for the current tax year;

2 (ix) The amount of property taxes due for the current tax year for  
3 each participating political subdivision;

4 (x) The change in the amount of property taxes due for each  
5 participating political subdivision from the previous tax year to the  
6 current tax year; and

7 (xi) The following statement: To obtain more information regarding  
8 the tax increase, citizens may contact the political subdivision at the  
9 telephone number provided in this notice.

10 (4) After the joint public hearing required in subsection (3) of  
11 this section, the governing body of each participating political  
12 subdivision shall pass an ordinance or resolution to set such political  
13 subdivision's property tax request. If the political subdivision is  
14 increasing its property tax request over the amount from the prior year,  
15 including any increase in excess of the allowable growth percentage, then  
16 such ordinance or resolution shall include, but not be limited to, the  
17 following information:

18 (a) The name of the political subdivision;

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

20 (c) The following statements:

21 (i) The total assessed value of property differs from last year's  
22 total assessed value by ..... percent;

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

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

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



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

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

6 (6) The county clerk, or his or her designee, shall prepare a report  
7 which shall include:

8 (a) The names of the designated representatives of the political  
9 subdivisions participating in the joint public hearing;

10 (b) The name and address of each individual who spoke at the joint  
11 public hearing, unless the address requirement is waived to protect the  
12 security of the individual, and the name of any organization represented  
13 by each such individual;

14 (c) The name of each political subdivision that participated in the  
15 joint public hearing;

16 (d) The real growth value and real growth percentage for each  
17 participating political subdivision;

18 (e) The amount each participating political subdivision seeks to  
19 increase its property tax request in excess of the allowable growth  
20 percentage; and

21 (f) The number of individuals who signed in to attend the joint  
22 public hearing.

23 Such report shall be delivered to the political subdivisions  
24 participating in the joint public hearing within ten days after such  
25 hearing.

26 Sec. 22. Section 77-1701, Revised Statutes Supplement, 2023, is  
27 amended to read:

28 77-1701 (1) The county treasurer shall be ex officio county  
29 collector of all taxes levied within the county. The county board shall  
30 designate a county official to mail or otherwise deliver a statement of  
31 the amount of taxes due and a notice that special assessments are due, to

1 the last-known address of the person, firm, association, or corporation  
2 against whom such taxes or special assessments are assessed or to the  
3 lending institution or other party responsible for paying such taxes or  
4 special assessments. Such statement shall clearly indicate, for each  
5 political subdivision, the levy rate and the amount of taxes due to fund  
6 public safety services as defined in section 13-320, county attorneys,  
7 and public defenders. Such statement shall also clearly indicate, for  
8 each political subdivision, the levy rate and the amount of taxes due as  
9 the result of principal or interest payments on bonds issued by the  
10 political subdivision and shall show such rate and amount separate from  
11 any other levy. When taxes on real property are delinquent for a prior  
12 year, the county treasurer shall indicate this information on the current  
13 year tax statement in bold letters. The information provided shall inform  
14 the taxpayer that delinquent taxes and interest are due for the prior  
15 year or years and shall indicate the specific year or years for which  
16 such taxes and interest remain unpaid. The language shall read "Back  
17 Taxes and Interest Due For", followed by numbers to indicate each year  
18 for which back taxes and interest are due and a statement indicating that  
19 failure to pay the back taxes and interest may result in the loss of the  
20 real property. Failure to receive such statement or notice shall not  
21 relieve the taxpayer from any liability to pay such taxes or special  
22 assessments and any interest or penalties accrued thereon. In any county  
23 in which a city of the metropolitan class is located, all statements of  
24 taxes shall also include notice that special assessments for cutting  
25 weeds, removing litter, and demolishing buildings are due.

26 (2) Notice that special assessments are due shall not be required  
27 for special assessments levied by sanitary and improvement districts  
28 organized under Chapter 31, article 7, except that such notice may be  
29 provided by the county at the discretion of the county board or by the  
30 sanitary and improvement district with the approval of the county board.

31 (3) A statement of the amount of taxes due and a notice that special

1 assessments are due shall not be required to be mailed or otherwise  
2 delivered pursuant to subsection (1) of this section if the total amount  
3 of the taxes and special assessments due is less than two dollars.  
4 Failure to receive the statement or notice shall not relieve the taxpayer  
5 from any liability to pay the taxes or special assessments but shall  
6 relieve the taxpayer from any liability for interest or penalties. Taxes  
7 and special assessments of less than two dollars shall be added to the  
8 amount of taxes and special assessments due in subsequent years and shall  
9 not be considered delinquent until the total amount is two dollars or  
10 more.

11 Sec. 23. Section 77-1776, Revised Statutes Cumulative Supplement,  
12 2022, is amended to read:

13 77-1776 Any political subdivision which has received proceeds from a  
14 levy imposed on all taxable property within an entire county which is in  
15 excess of that requested by the political subdivision under the Property  
16 Tax Request Act as a result of a clerical error or mistake shall, in the  
17 fiscal year following receipt, return the excess tax collections, net of  
18 the collection fee, to the county. By July 31 of the fiscal year  
19 following the receipt of any excess tax collections, the county treasurer  
20 shall certify to the political subdivision the amount to be returned. For  
21 fiscal years beginning prior to July 1, 2025, such ~~Such~~ excess tax  
22 collections shall be restricted funds in the budget of the county that  
23 receives the funds under section 13-518.

24 Sec. 24. Section 77-27,142, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 77-27,142 (1) Any incorporated municipality other than a city of the  
27 metropolitan class by ordinance of its governing body is hereby  
28 authorized to impose a sales and use tax of one-half percent, one  
29 percent, one and one-half percent, one and three-quarters percent, or two  
30 percent upon the same transactions that are sourced under the provisions  
31 of sections 77-2703.01 to 77-2703.04 within such incorporated

1 municipality on which the State of Nebraska is authorized to impose a tax  
2 pursuant to the Nebraska Revenue Act of 1967, as amended from time to  
3 time. Any city of the metropolitan class by ordinance of its governing  
4 body is hereby authorized to impose a sales and use tax of one-half  
5 percent, one percent, or one and one-half percent upon the same  
6 transactions that are sourced under the provisions of sections 77-2703.01  
7 to 77-2703.04 within such city of the metropolitan class on which the  
8 State of Nebraska is authorized to impose a tax pursuant to the Nebraska  
9 Revenue Act of 1967, as amended from time to time. No sales and use tax  
10 shall be imposed pursuant to this section until an election has been held  
11 and a majority of the qualified electors have approved such tax pursuant  
12 to sections 77-27,142.01 and 77-27,142.02.

13 (2)(a) Any incorporated municipality that proposes to impose a  
14 municipal sales and use tax at a rate greater than one and one-half  
15 percent or increase a municipal sales and use tax to a rate greater than  
16 one and one-half percent shall submit the question of such tax or  
17 increase at a primary or general election held within the incorporated  
18 municipality. The question shall be submitted upon an affirmative vote by  
19 at least seventy percent of all of the members of the governing body of  
20 the incorporated municipality.

21 (b) Any rate greater than one and one-half percent shall be used as  
22 follows:

23 (i) In a city of the primary class, up to fifteen percent of the  
24 proceeds from the rate in excess of one and one-half percent may be used  
25 for non-public infrastructure projects of an interlocal agreement or  
26 joint public agency agreement with another political subdivision within  
27 the municipality or the county in which the municipality is located, and  
28 the remaining proceeds shall be used for public infrastructure projects  
29 or voter-approved infrastructure related to an economic development  
30 program as defined in section 18-2705; and

31 (ii) In any incorporated municipality other than a city of the

1 primary class, the proceeds from the rate in excess of one and one-half  
2 percent shall be used for public infrastructure projects or voter-  
3 approved infrastructure related to an economic development program as  
4 defined in section 18-2705.

5 For purposes of this section, public infrastructure project means  
6 and includes, but is not limited to, any of the following projects, or  
7 any combination thereof: Public highways and bridges and municipal roads,  
8 streets, bridges, and sidewalks; solid waste management facilities;  
9 wastewater, storm water, and water treatment works and systems, water  
10 distribution facilities, and water resources projects, including, but not  
11 limited to, pumping stations, transmission lines, and mains and their  
12 appurtenances; hazardous waste disposal systems; resource recovery  
13 systems; airports; port facilities; buildings and capital equipment used  
14 in the operation of municipal government; convention and tourism  
15 facilities; redevelopment projects as defined in section 18-2103; mass  
16 transit and other transportation systems, including parking facilities;  
17 and equipment necessary for the provision of municipal services.

18 (c) Any rate greater than one and one-half percent shall terminate  
19 no more than ten years after its effective date or, if bonds are issued  
20 and the local option sales and use tax revenue is pledged for payment of  
21 such bonds, upon payment of such bonds and any refunding bonds, whichever  
22 date is later, except as provided in subdivision (2)(d) of this section.

23 (d) If a portion of the rate greater than one and one-half percent  
24 is stated in the ballot question as being imposed for the purpose of the  
25 interlocal agreement or joint public agency agreement described in  
26 subdivision (2)(b)(i) or subsection (3) of this section, and such portion  
27 is at least one-eighth percent, there shall be no termination date for  
28 the rate representing such portion rounded to the next higher one-quarter  
29 or one-half percent.

30 (e) For fiscal years beginning prior to July 1, 2025, sections  
31 Sections 13-518 to 13-522 apply to the revenue from any such tax or

1 increase.

2 (3)(a) No municipal sales and use tax shall be imposed at a rate  
3 greater than one and one-half percent or increased to a rate greater than  
4 one and one-half percent unless the municipality is a party to an  
5 interlocal agreement pursuant to the Interlocal Cooperation Act or a  
6 joint public agency agreement pursuant to the Joint Public Agency Act  
7 with a political subdivision within the municipality or the county in  
8 which the municipality is located creating a separate legal or  
9 administrative entity relating to a public infrastructure project.

10 (b) Except as provided in subdivision (2)(b)(i) of this section,  
11 such interlocal agreement or joint public agency agreement shall contain  
12 provisions, including benchmarks, relating to the long-term development  
13 of unified governance of public infrastructure projects with respect to  
14 the parties. The Legislature may provide additional requirements for such  
15 agreements, including benchmarks, but such additional requirements shall  
16 not apply to any debt outstanding at the time the Legislature enacts such  
17 additional requirements. The separate legal or administrative entity  
18 created shall not be one that was in existence for one calendar year  
19 preceding the submission of the question of such tax or increase at a  
20 primary or general election held within the incorporated municipality.

21 (c) Any other public agency as defined in section 13-803 may be a  
22 party to such interlocal cooperation agreement or joint public agency  
23 agreement.

24 (d) A municipality is not required to use all of the additional  
25 revenue generated by a sales and use tax imposed at a rate greater than  
26 one and one-half percent or increased to a rate greater than one and one-  
27 half percent under this subsection for the purposes of the interlocal  
28 cooperation agreement or joint public agency agreement set forth in this  
29 subsection.

30 (4) The provisions of subsections (2) and (3) of this section do not  
31 apply to the first one and one-half percent of a sales and use tax

1 imposed by a municipality.

2 (5) Notwithstanding any provision of any municipal charter, any  
3 incorporated municipality or interlocal agency or joint public agency  
4 pursuant to an agreement as provided in subsection (3) of this section  
5 may issue bonds in one or more series for any municipal purpose and pay  
6 the principal of and interest on any such bonds by pledging receipts from  
7 the increase in the municipal sales and use taxes authorized by such  
8 municipality. Any municipality which has or may issue bonds under this  
9 section may dedicate a portion of its property tax levy authority as  
10 provided in section 77-3442 to meet debt service obligations under the  
11 bonds. For purposes of this subsection, bond means any evidence of  
12 indebtedness, including, but not limited to, bonds, notes including notes  
13 issued pending long-term financing arrangements, warrants, debentures,  
14 obligations under a loan agreement or a lease-purchase agreement, or any  
15 similar instrument or obligation.

16 Sec. 25. Section 77-27,144, Revised Statutes Cumulative Supplement,  
17 2022, is amended to read:

18 77-27,144 (1) The Tax Commissioner shall collect the tax imposed by  
19 any incorporated municipality concurrently with collection of a state tax  
20 in the same manner as the state tax is collected. The Tax Commissioner  
21 shall remit monthly the proceeds of the tax to the incorporated  
22 municipalities levying the tax, after deducting the amount of refunds  
23 made and three percent of the remainder to be credited to the Municipal  
24 Equalization Fund.

25 (2)(a) Deductions for a refund made pursuant to section 77-4105,  
26 77-4106, 77-5725, or 77-5726 and owed by a city of the first class, city  
27 of the second class, or village shall be delayed for one year after the  
28 refund has been made to the taxpayer. The Department of Revenue shall  
29 notify the municipality liable for a refund exceeding one thousand five  
30 hundred dollars of the pending refund, the amount of the refund, and the  
31 month in which the deduction will be made or begin, except that if the

1 amount of a refund claimed under section 77-4105, 77-4106, 77-5725, or  
2 77-5726 exceeds twenty-five percent of the municipality's total sales and  
3 use tax receipts, net of any refunds or sales tax collection fees, for  
4 the municipality's prior fiscal year, the department shall deduct the  
5 refund over the period of one year in equal monthly amounts beginning  
6 after the one-year notification period required by this subdivision.

7 (b) Deductions for a refund made pursuant to section 77-4105,  
8 77-4106, 77-5725, or 77-5726 and owed by a city of the metropolitan class  
9 or city of the primary class shall be made as follows:

10 (i) During calendar year 2023, such deductions shall be made in  
11 accordance with subsection (1) of this section; and

12 (ii) During calendar year 2024 and each calendar year thereafter,  
13 such deductions shall be made based on estimated amounts as described in  
14 this subdivision. On or before March 1, 2023, and on or before March 1 of  
15 each year thereafter, the Department of Revenue shall notify each city of  
16 the metropolitan class and city of the primary class of the total amount  
17 of such refunds that are estimated to be paid during the following  
18 calendar year. Such estimated amount shall be used to establish the total  
19 amount to be deducted in the following calendar year. The department  
20 shall deduct such amount over the following calendar year in twelve equal  
21 monthly amounts. Beginning with the notification sent in calendar year  
22 2025, the notification shall include any adjustment needed for the prior  
23 calendar year to account for any difference between the estimated amount  
24 deducted in such prior calendar year and the actual amount of refunds  
25 paid in such year.

26 (3) Deductions for a refund made pursuant to the ImagiNE Nebraska  
27 Act shall be delayed as provided in this subsection after the refund has  
28 been made to the taxpayer. The Department of Revenue shall notify each  
29 municipality liable for a refund exceeding one thousand five hundred  
30 dollars of the pending refund and the amount of the refund claimed under  
31 the ImagiNE Nebraska Act. The notification shall be made by March 1 of



1 each year beginning in 2021 and shall be used to establish the refund  
2 amount for the following calendar year. The notification shall include  
3 any excess or underpayment from the prior calendar year. The department  
4 shall deduct the refund over a period of one year in equal monthly  
5 amounts beginning in January following the notification. This subsection  
6 applies to total annual refunds exceeding one million dollars or twenty-  
7 five percent of the municipality's total sales and use tax receipts for  
8 the prior fiscal year, whichever is the lesser amount.

9 (4) Deductions for a refund made pursuant to the Urban Redevelopment  
10 Act shall be delayed as provided in this subsection after the refund has  
11 been made to the taxpayer. The Department of Revenue shall notify each  
12 municipality liable for a refund exceeding one thousand five hundred  
13 dollars of the pending refund and the amount of the refund claimed under  
14 the Urban Redevelopment Act. The notification shall be made by March 1 of  
15 each year beginning in 2022 and shall be used to establish the refund  
16 amount for the following calendar year. The notification shall include  
17 any excess or underpayment from the prior calendar year. The department  
18 shall deduct the refund over a period of one year in equal monthly  
19 amounts beginning in January following the notification. This subsection  
20 applies to total annual refunds exceeding one million dollars or twenty-  
21 five percent of the municipality's total sales and use tax receipts for  
22 the prior fiscal year, whichever is the lesser amount.

23 (5) The Tax Commissioner shall keep full and accurate records of all  
24 money received and distributed under the provisions of the Local Option  
25 Revenue Act. When proceeds of a tax levy are received but the identity of  
26 the incorporated municipality which levied the tax is unknown and is not  
27 identified within six months after receipt, the amount shall be credited  
28 to the Municipal Equalization Fund. The municipality may request the  
29 names and addresses of the retailers which have collected the tax as  
30 provided in subsection (13) of section 77-2711 and may certify an  
31 individual to request and review confidential sales and use tax returns

1 and sales and use tax return information as provided in subsection (14)  
2 of section 77-2711.

3 (6)(a) Every qualifying business that has filed an application to  
4 receive tax incentives under the Employment and Investment Growth Act,  
5 the Nebraska Advantage Act, the Imagine Nebraska Act, or the Urban  
6 Redevelopment Act shall, with respect to such acts, provide annually to  
7 each municipality, in aggregate data, the maximum amount the qualifying  
8 business is eligible to receive in the current year in refunds of local  
9 sales and use taxes of the municipality and exemptions for the previous  
10 year, and the estimate of annual refunds of local sales and use taxes of  
11 the municipality and exemptions such business intends to claim in each  
12 future year. Such information shall be kept confidential by the  
13 municipality unless publicly disclosed previously by the taxpayer or by  
14 the State of Nebraska.

15 (b) For purposes of this subsection, municipality means a  
16 municipality that has adopted the local option sales and use tax under  
17 the Local Option Revenue Act and to which the qualifying business has  
18 paid such sales and use tax.

19 (c) The qualifying business shall provide the information to the  
20 municipality on or before June 30 of each year.

21 (d) Any amounts held by a municipality to make sales and use tax  
22 refunds under the Employment and Investment Growth Act, the Nebraska  
23 Advantage Act, the Imagine Nebraska Act, and the Urban Redevelopment Act  
24 shall not count toward any budgeted restricted funds limitation as  
25 provided in section 13-519 or toward any cash reserve limitation as  
26 provided in section 13-504 and shall be excluded from the limitations of  
27 the Property Tax Growth Limitation Act.

28 Sec. 26. Section 77-4602, Revised Statutes Cumulative Supplement,  
29 2022, is amended to read:

30 77-4602 (1) Within fifteen days after the end of each month, the Tax  
31 Commissioner shall provide a public statement of actual General Fund net

1 receipts, a comparison of such actual net receipts to the monthly  
2 estimated net receipts from the most recent forecast provided by the  
3 Nebraska Economic Forecasting Advisory Board pursuant to section  
4 77-27,158, and a comparison of such actual net receipts to the monthly  
5 actual net receipts for the same month of the previous fiscal year.

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

12 (3)(a) This subsection applies on and after July 1, 2025.

13 (b) If actual General Fund net receipts for the most recently  
14 completed fiscal year exceed estimated General Fund net receipts for such  
15 fiscal year, as reported pursuant to subsection (2) of this section, the  
16 Tax Commissioner shall certify the excess amount to the State Treasurer.  
17 The State Treasurer shall transfer the excess amount to the Cash Reserve  
18 Fund, except as otherwise provided in subdivision (3)(c) of this section.

19 (c) If actual General Fund net receipts for the most recently  
20 completed fiscal year exceed one hundred three percent of actual General  
21 Fund net receipts for the previous fiscal year, the transfer described in  
22 subdivision (3)(b) of this section shall be modified as follows:

23 (i) The amount transferred to the Cash Reserve Fund shall be reduced  
24 by the excess amount calculated under subdivision (3)(c) of this section;  
25 and

26 (ii) Such excess amount shall be transferred to the School District  
27 Property Tax Relief Credit Fund.

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

31 ~~(b) If the balance of the Cash Reserve Fund is less than five~~

1 ~~hundred million dollars:~~

2 ~~(i) The Tax Commissioner shall determine:~~

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

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

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

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

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

24 ~~(i) The Tax Commissioner shall determine:~~

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

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

31 ~~(ii) If the amounts calculated under subdivisions (3)(c)(i)(A) and~~

1 ~~(3)(c)(i)(B) of this section are both positive numbers, the Tax~~  
2 ~~Commissioner shall certify (A) the amount determined under subdivision~~  
3 ~~(3)(c)(i)(A) of this section and (B) the amount determined under~~  
4 ~~subdivision (3)(c)(i)(B) of this section to the State Treasurer. The~~  
5 ~~State Treasurer shall transfer the difference between the two certified~~  
6 ~~amounts to the Cash Reserve Fund.~~

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

13 ~~(4)(a) Within fifteen days after the end of fiscal year 2023-24 and~~  
14 ~~each fiscal year thereafter, the Tax Commissioner shall determine the~~  
15 ~~following:~~

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

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

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

1 according to the following schedule:

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

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

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

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

17 Sec. 27. Section 77-6702, Revised Statutes Supplement, 2023, is  
18 amended to read:

19 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

20 ~~(1) Allowable growth percentage means the percentage increase, if~~  
21 ~~any, in the total assessed value of all real property in the state from~~  
22 ~~the prior year to the current year, as determined by the department;~~

23 ~~(1) (2) Community college taxes means property taxes levied on real~~  
24 ~~property in this state by a community college area, excluding the~~  
25 ~~following:~~

26 (a) Any property taxes levied for bonded indebtedness;

27 (b) Any property taxes levied as a result of an override of limits  
28 on property tax levies approved by voters pursuant to section 77-3444;  
29 and

30 (c) Any property taxes that, as of the time of payment, were  
31 delinquent for five years or more;

1           (2) ~~(3)~~ Department means the Department of Revenue;

2           (3) ~~(4)~~ Eligible taxpayer means any individual, corporation,  
3 partnership, limited liability company, trust, estate, or other entity  
4 that pays school district taxes or community college taxes during a  
5 taxable year; and

6           (4) ~~(5)~~ School district taxes means property taxes levied on real  
7 property in this state by a school district or multiple-district school  
8 system, excluding the following:

9           (a) Any property taxes levied for bonded indebtedness;

10           (b) Any property taxes levied as a result of an override of limits  
11 on property tax levies approved by voters pursuant to section 77-3444;  
12 and

13           (c) Any property taxes that, as of the time of payment, were  
14 delinquent for five years or more.

15           Sec. 28. Section 77-6703, Revised Statutes Supplement, 2023, is  
16 amended to read:

17           77-6703 (1) For taxable years beginning or deemed to begin on or  
18 after January 1, 2020, and before January 1, 2024, under the Internal  
19 Revenue Code of 1986, as amended, there shall be allowed to each eligible  
20 taxpayer a refundable credit against the income tax imposed by the  
21 Nebraska Revenue Act of 1967 or against the franchise tax imposed by  
22 sections 77-3801 to 77-3807. The credit shall be equal to the credit  
23 percentage for the taxable year, as set by the department under  
24 subsection (2) of this section, multiplied by the amount of school  
25 district taxes paid by the eligible taxpayer during such taxable year.

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

30           ~~(b) For taxable years beginning or deemed to begin during calendar~~  
31 ~~year 2021, the department shall set the credit percentage so that the~~

1 ~~total amount of credits for such taxable years shall be one hundred~~  
2 ~~twenty-five million dollars plus either (i) the amount calculated for~~  
3 ~~such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or~~  
4 ~~(ii) the amount calculated for such calendar year under subdivision (3)~~  
5 ~~(c)(ii)(B) of section 77-4602, whichever is applicable;~~

6 (2)(a) (c) For taxable years beginning or deemed to begin during  
7 calendar year 2022, the department shall set the credit percentage so  
8 that the total amount of credits for such taxable years shall be five  
9 hundred forty-eight million dollars; and

10 (b) (d) For taxable years beginning or deemed to begin during  
11 calendar year 2023, the department shall set the credit percentage so  
12 that the total amount of credits for such taxable years shall be five  
13 hundred sixty million seven hundred thousand dollars. ;

14 ~~(e) For taxable years beginning or deemed to begin during calendar~~  
15 ~~year 2024 through calendar year 2028, the department shall set the credit~~  
16 ~~percentage so that the total amount of credits for such taxable years~~  
17 ~~shall be the maximum amount of credits allowed in the prior year~~  
18 ~~increased by the allowable growth percentage;~~

19 ~~(f) For taxable years beginning or deemed to begin during calendar~~  
20 ~~year 2029, the department shall set the credit percentage so that the~~  
21 ~~total amount of credits for such taxable years shall be the maximum~~  
22 ~~amount of credits allowed in the prior year increased by the allowable~~  
23 ~~growth percentage plus an additional seventy-five million dollars; and~~

24 ~~(g) For taxable years beginning or deemed to begin during calendar~~  
25 ~~year 2030 and each calendar year thereafter, the department shall set the~~  
26 ~~credit percentage so that the total amount of credits for such taxable~~  
27 ~~years shall be the maximum amount of credits allowed in the prior year~~  
28 ~~increased by the allowable growth percentage.~~

29 (3) If the school district taxes are paid by a corporation having an  
30 election in effect under subchapter S of the Internal Revenue Code, a  
31 partnership, a limited liability company, a trust, or an estate, the



1 amount of school district taxes paid during the taxable year may be  
2 allocated to the shareholders, partners, members, or beneficiaries in the  
3 same proportion that income is distributed for taxable years beginning or  
4 deemed to begin before January 1, 2021, under the Internal Revenue Code  
5 of 1986, as amended. The department shall provide forms and schedules  
6 necessary for verifying eligibility for the credit provided in this  
7 section and for allocating the school district taxes paid. For taxable  
8 years beginning or deemed to begin on or after January 1, 2021, and  
9 before January 1, 2024, under the Internal Revenue Code of 1986, as  
10 amended, the refundable credit shall be claimed by the corporation having  
11 an election in effect under subchapter S of the Internal Revenue Code,  
12 the partnership, the limited liability company, the trust, or the estate  
13 that paid the school district taxes.

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

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

30 Sec. 29. Section 81-12,193, Revised Statutes Cumulative Supplement,  
31 2022, is amended to read:

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

9           (2) It is the intent of the Legislature that the State Treasurer  
10 shall transfer an amount not to exceed three hundred million dollars to  
11 the Nebraska Transformational Project Fund. Such transfers shall only  
12 occur after the applicant has been selected for participation in the  
13 program described in Title VII, Subtitle C, section 740 of Public Law  
14 116-92 and commitments totaling one billion three hundred million dollars  
15 in total investment, including only federal dollars and private  
16 donations, have been secured. In no case shall any transfer occur before  
17 fiscal year 2025-26 ~~or before the total amount of refundable credits~~  
18 ~~granted annually under the Nebraska Property Tax Incentive Act reaches~~  
19 ~~three hundred seventy-five million dollars.~~ Distributions shall only be  
20 made from the fund in amounts equal to the amount of private dollars  
21 received by the applicant for the project.

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

24           Sec. 30. If any section in this act or any part of any section is  
25 declared invalid or unconstitutional, the declaration shall not affect  
26 the validity or constitutionality of the remaining portions.

27           Sec. 31. Original sections 13-508, 13-518, 13-2817, 29-3933,  
28 72-2305, 72-2306, and 77-27,142, Reissue Revised Statutes of Nebraska,  
29 sections 77-1776, 77-27,144, 77-4602, and 81-12,193, Revised Statutes  
30 Cumulative Supplement, 2022, and sections 77-1632, 77-1633, 77-1701,  
31 77-6702, and 77-6703, Revised Statutes Supplement, 2023, are repealed.

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