

ENGROSSED LEGISLATIVE BILL 749

Introduced by Sorrentino, 39.

A BILL FOR AN ACT relating to aid to municipalities; to amend section 77-27,139.03, Reissue Revised Statutes of Nebraska; to change provisions relating to the calculation of tax levies for state aid purposes; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 77-27,139.03, Reissue Revised Statutes of Nebraska, is amended to read:

77-27,139.03 (1) State aid provided to municipalities pursuant to sections 77-27,139.01 to 77-27,139.04 shall be calculated by determining the average property tax levy for operational purposes other than for principal and interest payments on the indebtedness of all incorporated municipalities. The Department of Revenue shall use the prior year's Certificate of Taxes Levied that was certified to the Property Tax Administrator pursuant to section 77-1613.01 to calculate the bond and nonbond tax levies for aid purposes under this section.

(2) Each municipality shall receive state aid from the Municipal Equalization Fund equal to (a) the product of the average per capita property tax of the appropriate population group multiplied by the current population of the municipality minus (b) the product of the average property tax levy multiplied by the certified valuation within the incorporated municipality, except that a municipality shall not receive any aid under this section if the calculation results in a negative number.

(3) If a municipal tax levy for operational purposes was less than the average property tax levy in the immediately preceding fiscal year, the state aid provided to such municipality shall be reduced by twenty percent for each one-cent increment the levy was below the average property tax levy but the reduction shall not exceed eighty percent.

(4) If the amount of money in the Municipal Equalization Fund is less than the total amount of state aid for all municipalities as required by the allocation formula in subsection (2) of this section, the money in the fund shall be allocated on a prorated basis to such municipalities. If the amount of money in the fund is more than the total amount of state aid for municipalities as required by the allocation formula, the excess money in the fund shall be credited to the General Fund.

Sec. 2. Original section 77-27,139.03, Reissue Revised Statutes of Nebraska, is repealed.

PRESIDENT OF THE LEGISLATURE

THIS IS TO CERTIFY that the within LB 749 was passed by the One Hundred Ninth Legislature of Nebraska at its Second Session on the day of 20.....

CLERK OF THE LEGISLATURE

Approved:

..... 20....., o'clockM.

GOVERNOR