

## LEGISLATIVE BILL 734

Approved by the Governor June 9, 1993

Introduced by Hillman, 48; Wickersham, 49; Cudaback, 36

AN ACT relating to revenue and taxation; to amend sections 13-502, 13-504, 13-511, 16-691, 16-704, 17-706, 17-802, 19-2902, 23-909, 23-913, 23-914, 23-920, and 77-202.03, Reissue Revised Statutes of Nebraska, 1943, and sections 2-2444, 2-3225, 13-501, 13-503, 13-508, 13-509, 14-1821, 18-2107, 23-3552, 31-333, 31-513, 31-711, 31-739, 39-1621, 46-543, 46-631, 77-507.01, 77-508, 77-509, 77-509.01, 77-680, 77-681, 77-1601, 77-1612, 79-810, 79-903, and 79-2210, Revised Statutes Supplement, 1992; to adopt the Municipal Proprietary Function Act and the Local Government Miscellaneous Expenditure Act; to change provisions relating to certification of tax levies and valuation by governing bodies and the State Board of Equalization and Assessment as prescribed; to authorize certain expenditures; to define and redefine terms; to change provisions relating to notice and hearing; to allow certain hospitals to change their fiscal year; to provide for the late filing of real and tangible personal property affidavits; to change provisions relating to statements of railroads and carline companies; to harmonize provisions; to provide operative dates; to repeal the original sections; and to declare an emergency.

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

Section 1. Sections 1 to 8 of this act shall be known and may be cited as the Municipal Proprietary Function Act.

Sec. 2. The purpose of the Municipal Proprietary Function Act is to require municipal governing bodies of cities of all classes and villages to follow prescribed procedures and make available to the public pertinent financial information with regard to functions of municipal government which generate revenue and expend funds based largely on customer demand.

Sec. 3. For purposes of the Municipal Proprietary Function Act:

(1) Fiscal year shall mean the twelve-month period established by each governing body for each proprietary function of municipal government for determining and carrying on its financial affairs for each proprietary function;

(2) Governing body shall mean the city council in the case of a city of any class and the board of trustees in the case of a village and shall include any city with a home rule charter;

(3) Municipal budget statement shall mean a budget

statement adopted by a governing body for nonproprietary functions of the municipality under the Nebraska Budget Act;

(4) Proprietary budget statement shall mean a budget adopted by a governing body for each proprietary function pursuant to the Municipal Proprietary Function Act; and

(5) Proprietary function shall mean a water supply or distribution utility, a wastewater collection or treatment utility, an electric generation, transmission, or distribution utility, a gas supply, transmission, or distribution utility, an integrated solid waste management collection, disposal, or handling utility, or a hospital or a nursing home owned by a municipality.

Sec. 4. Each governing body may establish a separate fiscal year for each proprietary function, except that any proprietary function which is subsidized by appropriations from the municipality's general fund shall have the same fiscal year as the municipality. For purposes of this section, subsidization shall mean that the costs of operation of a proprietary function are regularly financed by appropriations from the municipality's general fund in excess of the amount paid by the municipality to the proprietary function for actual service or services received.

Sec. 5. (1) At least thirty days prior to the start of the fiscal year of each proprietary function, a proposed proprietary budget statement shall be prepared in writing and filed with the municipal clerk containing the following information:

(a) For the immediate two prior fiscal years, the revenue from all sources, the unencumbered cash balance at the beginning and end of the year, the amount received by taxation, and the amount of actual expenditure;

(b) For the current fiscal year, actual and estimated revenue from all sources separately stated as to each such source, the actual unencumbered cash balance available at the beginning of the year, the amount received from taxation, and the amount of actual and estimated expenditure, whichever is applicable;

(c) For the immediately ensuing fiscal year, an estimate of revenue from all sources separately stated as to each such source, the actual or estimated unencumbered cash balance, whichever is applicable, to be available at the beginning of the year, the amounts proposed to be expended during the fiscal year, and the amount of cash reserve based on actual experience of prior years; and

(d) A uniform summary of the proposed budget statement which shall include a total of all funds maintained for the proprietary function.

(2) Such statement shall contain the estimated cash reserve for each fiscal year and shall note whether or not such reserve is encumbered. The cash reserve projections shall be based upon the actual experience of prior years.

(3) Within three years after the effective date of this act, each proprietary budget statement shall be filed on forms prescribed and

furnished by the Auditor of Public Accounts following consultation with representatives of such governing bodies as operate proprietary functions subject to the provisions of the Municipal Proprietary Function Act.

Sec. 6. (1) After a proposed proprietary budget statement is filed with the municipal clerk, the governing body shall conduct a public hearing on such statement. Notice of the time and place of the hearing, a summary of the proposed proprietary budget statement, and notice that the full proposed proprietary budget statement is available for public review with the municipal clerk during normal business hours shall be published one time at least five days prior to the hearing in a newspaper of general circulation within the governing body's jurisdiction or by mailing to each resident within the governing body's jurisdiction.

(2) After such hearing, the proposed proprietary budget statement shall be adopted or amended and adopted as amended, and a written record shall be kept of such hearing. If the adopted proprietary budget statement reflects a change from the proposed proprietary budget statement presented at the hearing, a copy of the adopted proprietary budget statement shall be filed with the municipal clerk within twenty days after its adoption and published in a newspaper of general circulation within the governing body's jurisdiction or by mailing to each resident within the governing body's jurisdiction.

Sec. 7. If the actual expenditures for a proprietary function exceed the estimated expenditures in the proprietary budget statement during its fiscal year, the governing body shall adopt a proprietary function reconciliation statement within ninety days after the end of such fiscal year which reflects any difference between the adopted proprietary budget statement for the previous fiscal year and the actual expenditures and revenue for such fiscal year. After adoption of a proprietary function reconciliation statement, it shall be filed with the municipal clerk and published in a newspaper of general circulation within the governing body's jurisdiction or by mailing to each resident within the governing body's jurisdiction. If the difference between the adopted proprietary budget for the previous fiscal year and the actual expenditures and revenue for such fiscal year is greater than ten percent, the proprietary function reconciliation statement shall only be adopted following a public hearing.

Sec. 8. If the budget of a proprietary function is included in the municipal budget statement created pursuant to the Nebraska Budget Act, the Municipal Proprietary Function Act need not be followed for that proprietary function. Any income from a proprietary function which is transferred to the general fund of the municipality shall be shown as a source of revenue in the municipal budget statement created pursuant to the Nebraska Budget Act.

Sec. 9. Sections 9 to 12 of this act shall be known and may be cited as the Local Government Miscellaneous Expenditure Act.

Sec. 10. For purposes of the Local Government Miscellaneous Expenditure Act:

(1) Elected and appointed officials and employees shall

mean the elected and appointed officials and employees of any local government;

(2) Governing body shall mean, in the case of a city of any class, the council; in the case of a village, cemetery district, community hospital for two or more adjoining counties, county hospital, road improvement district, sanitary drainage district, or sanitary and improvement district, the board of trustees; in the case of a county, the county board; in the case of a township, the town board; in the case of a school district, the school board; in the case of a rural or suburban fire protection district, reclamation district, natural resources district, or hospital district, the board of directors; in the case of a health district, the board of health; in the case of a regional library, the regional library commission; in the case of an educational service unit, the board; in the case of a community college, the Community College Board of Governors for the area the board serves; in the case of an airport authority, the airport authority board; in the case of a weed control authority, the board; and in the case of a county agricultural society, the board of governors;

(3) Local government shall mean cities of any class, villages, cemetery districts, community hospitals for two or more adjoining counties, county hospitals, road improvement districts, counties, townships, sanitary drainage districts, sanitary and improvement districts, school districts, rural or suburban fire protection districts, reclamation districts, natural resources districts, hospital districts, health districts, regional libraries, educational service units, community colleges, airport authorities, weed control authorities, and county agricultural societies;

(4) Public funds shall mean such public funds as defined in section 13-503 as are under the direct control of governing bodies of local governments;

(5) Public meeting shall mean all regular, special, or called meetings, formal or informal, of any governing body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the governing body; and

(6) Volunteer shall mean a person who is not an elected or appointed official or an employee of a local government and who, at the request or with the permission of the local government, engages in activities related to the purposes or functions of the local government or for its general benefit.

Sec. 11. In addition to other expenditures authorized by law, each governing body may approve:

(1)(a) The expenditure of public funds for the payment or reimbursement of actual and necessary expenses incurred by elected and appointed officials, employees, or volunteers at educational workshops, conferences, training programs, official functions, hearings, or meetings, whether incurred within or outside the boundaries of the local government, if the governing body gave prior approval for participation or attendance at the event and for payment or reimbursement either by the formal adoption of a uniform policy or by a formal vote of the governing body. Authorized expenses may include:

(i) Registration costs, tuition costs, fees, or charges;  
(ii) Mileage at the rate allowed by section 81-1176 or actual travel expense if travel is authorized by commercial or charter means; and  
(iii) Meals and lodging at a rate not exceeding the applicable federal rate unless a fully itemized claim is submitted substantiating the costs actually incurred in excess of such rate and such additional expenses are expressly approved by the governing body; and

(b) Authorized expenditures shall not include expenditures for meals of paid members of a governing body provided while such members are attending a public meeting of the governing body unless such meeting is a joint public meeting with one or more other governing bodies;

(2) The expenditure of public funds for:

(a) Nonalcoholic beverages provided to individuals attending public meetings of the governing body; and

(b) Nonalcoholic beverages and meals:

(i) Provided for any individuals while performing or immediately after performing relief, assistance, or support activities in emergency situations, including, but not limited to, tornado, severe storm, fire, or accident;

(ii) Provided for any volunteers during or immediately following their participation in any activity approved by the governing body, including, but not limited to, mowing parks, picking up litter, removing graffiti, or snow removal; or

(iii) Provided at one recognition dinner each year held for elected and appointed officials, employees, or volunteers of the local government. The maximum cost per person for such dinner shall be established by formal action of the governing body, but shall not exceed twenty-five dollars. An annual recognition dinner may be held separately for employees of each department or separately for volunteers, or any of them in combination, if authorized by the governing body; and

(3) The expenditure of public funds for plaques, certificates of achievement, or items of value awarded to elected or appointed officials, employees, or volunteers, including persons serving on local government boards or commissions. Before making any such expenditure, the governing body shall, by official action after a public hearing, establish a uniform policy which sets a dollar limit on the value of any plaque, certificate of achievement, or item of value to be awarded. Such policy, following its initial adoption, shall not be amended or altered more than once in any twelve-month period.

Sec. 12. Nothing in the Local Government Miscellaneous Expenditure Act shall authorize the expenditure of public funds to pay for any expenses incurred by a spouse of an elected or appointed official, employee, or volunteer unless the spouse is also an elected or appointed official, employee, or volunteer of the local government. Nothing in the act shall be construed to limit, restrict, or prohibit the governing body of any local government from making any expenditure authorized by statute, ordinance, resolution, or home-rule charter or pursuant to any authority granted by law, either express or implied, except to the extent that such

statute, ordinance, resolution, home-rule charter, or other grant of authority by law, express or implied, may conflict with the act.

Sec. 13. That section 2-2444, Revised Statutes Supplement, 1992, be amended to read as follows:

2-2444. The board of directors shall, on or before September 10 of each year, ~~1 for 1992 and on or before August 1 for all other years~~, prepare an estimate showing the amount of money required to finance the activities of the district for the ensuing year and may levy and collect each year the taxes necessary to finance the activities of such district for the ensuing year to the amount of not more than three and five-tenths cents on each one hundred dollars of the taxable value of the taxable property within such district. It shall, on or before September 10 of each year, ~~1 for 1992 and on or before August 1 for all other years~~, certify its tax levy to the county clerks of the counties wholly or partially within the district who shall extend the levy on the county tax list, and the levy shall be collected by the county treasurer in the same manner as county taxes. It shall be the duty of the board to apply for and to receive from the county treasurers all money to the credit of the district. The county treasurers shall disburse the taxes collected to the order of the treasurer of the district.

Sec. 14. That section 2-3225, Revised Statutes Supplement, 1992, be amended to read as follows:

2-3225. Each district shall have the power and authority to levy a tax of not to exceed four and one-half cents on each one hundred dollars of taxable valuation annually on all of the taxable property within such district unless a higher levy is authorized by a majority vote of those voting on the issue at a regular election on a referendum question submitted by resolution of the board of directors and certified to the Secretary of State on or before ~~August 25~~ September 10 of the election year. The proceeds of such tax shall be used, together with any other funds which the district may receive from any source, for the operation of the district. When adopted by the board, the levy shall be certified by the secretary to the county clerk of each county which in whole or in part is included within the district. Such levy shall be handled by the counties in the same manner as other levies, and proceeds shall be remitted to the district treasurer. Such levy shall not be considered a part of the general county levy and shall not be considered in connection with any limitation on levies of such counties.

Sec. 15. That section 13-501, Revised Statutes Supplement, 1992, be amended to read as follows:

13-501. Sections 2-958, 3-504, 12-914, 13-501 to 13-513, 16-702, 16-706, 16-718, 17-702, 17-703, 17-708, 17-711, 17-715, 17-718, 18-1006, 19-1302, 23-132, 23-904, 23-920, 23-3519, 23-3552, 31-513, 35-509, 39-1621, 39-1634, 46-543, 46-544, 51-316, 71-1611, 79-435, 79-1007.02, and 79-2210 and section 21 of this act shall be known and may be cited as the Nebraska Budget Act.

Sec. 16. That section 13-502, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

13-502. (1) The purpose of the Nebraska Budget Act is to require governing bodies of this state to which the act applies to follow prescribed budget practices and procedures and make available to the public pertinent information pertaining to the financial requirements and expectations of such governing bodies so that intelligent and informed support, opposition, criticism, suggestions, or observations can be made by those affected.

(2) The act shall not apply to governing bodies which have a budget of less than five thousand dollars per year.

(3) The act shall not apply to proprietary functions of municipalities for which a separate budget has been approved by the city council or village board as provided in the Municipal Proprietary Function Act.

Sec. 17. That section 13-503, Revised Statutes Supplement, 1992, be amended to read as follows:

13-503. For purposes of the Nebraska Budget Act, unless the context otherwise requires:

(1) Governing body shall mean, in the case of a city, the council; in the case of a village, cemetery district, community hospital for two or more adjoining counties, road improvement district, sanitary drainage district, or sanitary and improvement district, the board of trustees; in the case of a county, the county board; in the case of a township, the town board; in the case of a school district, the school board; in the case of a rural or suburban fire protection district, reclamation district, natural resources district, or hospital district, the board of directors; in the case of a health district, the board of health; in the case of a regional library, the regional library commission; in the case of an educational service unit, the board; in the case of a community college, the Community College Board of Governors for the area the board serves; in the case of an airport authority, the airport authority board; in the case of a weed control authority, the board; and in the case of a county agricultural society, the board of directors;

(2) Levying board shall mean any governing body which has the power or duty to levy a tax;

(3) Fiscal year shall mean the twelve-month period used by each governing body in determining and carrying on its financial and taxing affairs;

(4) Tax shall mean any general or special tax levied against persons, property, or business for public purposes as provided by law but shall not include any special assessment;

(5) Auditor shall mean the Auditor of Public Accounts;

(6) Cash reserve shall mean funds required for the period before revenue would become available for expenditure but shall not include funds held in any special reserve fund;

(7) Public funds shall mean all money, including nontax money, used in the operation and functions of governing bodies; ~~and~~

(8) Adopted budget statement shall mean a proposed budget statement which has been adopted or amended and adopted as

provided in section 13-506. Such term shall include additions, if any, to an adopted budget statement made by a supplemental budget which has been adopted as provided in section 13-511; and

(9) Special reserve fund shall mean a special fund set aside by the governing body for a particular purpose and not available for expenditure for any other purpose. Funds created for (a) the retirement of bonded indebtedness, (b) the funding of employee pension plans, (c) the purposes of the Political Subdivisions Self-Funding Benefits Act, (d) the purposes of the Local Option Municipal Economic Development Act, (e) voter-approved sinking funds, or (f) statutorily authorized sinking funds shall be considered special reserve funds.

Sec. 18. That section 13-504, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

13-504. (1) Each governing body shall prepare in writing and file with its secretary or clerk, in the year of its organization and each year thereafter, not later than the first day of August of each year on forms prescribed and furnished by the auditor following consultation with representatives of such governing bodies or as otherwise authorized by state law, a proposed budget statement containing the following information, except as provided by state law:

(a) For the immediate two prior fiscal years, the revenue from all sources, other than revenue received from taxation, allocated to each of the several funds and separately stated as to each such source, and for each fund: The unencumbered cash balance of such fund at the beginning and end of the year; the amount received by taxation allocated to each fund; and the amount of actual expenditure for each fund;

(b) For the current fiscal year, actual and estimated revenue from all sources, allocated to each of the several funds and separately stated as to each such source, and for each fund: The actual unencumbered cash balance available for such fund at the beginning of the year; the amount received from taxation allocated to each fund; and the amount of actual and estimated expenditure, whichever is applicable. Such statement shall contain the cash reserve for each such fund for each fiscal year and shall note whether or not such reserve is encumbered. Such cash reserve projections shall be based upon the actual experience of prior years. The cash reserve shall not exceed fifty percent of the total budget adopted for such fund exclusive of capital outlay items;

(c) For the immediately ensuing fiscal year, an estimate of revenue from all sources, other than revenue to be received from taxation, separately stated as to each such source, to be allocated to each of the several funds, and for each fund: The ~~the~~ actual or estimated unencumbered cash balances, whichever is applicable, to be available at the beginning of the year; the ~~the~~ amounts proposed to be expended during the year; and ~~plus~~ the amount of cash reserve, based on actual experience of prior years, which cash reserve shall not exceed fifty percent of the total budget adopted exclusive of capital outlay items; and

(d) A uniform summary of the proposed budget statement which shall include a separate total for each fund, including each

proprietary function fund included in a separate proprietary budget statement prepared pursuant to the Municipal Proprietary Function Act, and a grand total of all funds maintained by the governing body; and

(e) For municipalities, a list of the proprietary functions which are not included in the budget statement. Such proprietary functions shall have a separate budget statement which is approved by the city council or village board as provided in the Municipal Proprietary Function Act.

(2) The actual or estimated unencumbered cash balance of each fund required to be included in the budget statement by this section shall include deposits and investments of the political subdivision as well as any funds held by the county treasurer for the political subdivision and shall be accurately stated on the proposed budget statement.

(3) The political subdivision shall correct any material errors in the budget statement detected by the ~~Auditor of Public Accounts~~ auditor or by other sources.

Sec. 19. That section 13-508, Revised Statutes Supplement, 1992, be amended to read as follows:

13-508. After publication and hearing thereon and within the time prescribed by law, each governing body shall file with and certify to the levying board on or before September 10 of each year ~~1 for 1992 and on or before August 25 for all other years~~ and file with the auditor a copy of the adopted budget statement which complies with sections 77-3438 to 77-3440 or 79-3814 to 79-3821, together with the amount of the tax to be levied. Proof of publication shall be attached to the statement. The governing body shall certify the amount of tax to be levied by the levying board, which levy shall not exceed the maximum levy prescribed by state law. The governing body, in certifying the amount to be so levied, may make allowance for delinquent taxes not exceeding five percent of the amount to be levied plus the actual percentage of delinquent taxes for the preceding tax year and for the amount of estimated tax loss from any pending or anticipated litigation which involves taxation and in which tax collections have been or can be withheld or escrowed by court order. For purposes of this section, anticipated litigation shall be limited to the anticipation of an action being filed by a taxpayer who or which filed a similar action for the preceding year which is still pending. Except for such allowances, a governing body shall not certify, nor a levying board levy, an amount of tax greater than the amount determined under section 13-505. Each governing body empowered to levy or certify a levy shall use the final adjusted values as provided by the county assessor pursuant to section 13-509 for the current year in setting or certifying the levy. Each governing body may designate one of its members to perform any duty or responsibility required of such body by this section.

Sec. 20. That section 13-509, Revised Statutes Supplement, 1992, be amended to read as follows:

13-509. On or before August 22 of each year, ~~25 for 1992 and on or before August 20 for all other years~~, the county assessor shall certify to each governing body or board empowered to levy or certify a tax

levy the current taxable value of the taxable property subject to the applicable levy. Current taxable value for real property shall mean the value established by the county assessor and equalized by the county board of equalization and the State Board of Equalization and Assessment, and current taxable value for tangible personal property shall mean the net book value reported by the taxpayer and certified by the county assessor, ~~and for tax year 1991 shall include the value of personal property which was immediately prior to June 11, 1991, subject to tax for tax year 1991 but which is exempt from tax solely because of the changes made to section 77-202 by Laws 1991, LB 829.~~

Sec. 21. On and after the first day of its fiscal year in 1993 and of each succeeding year and until the adoption of the budget by a governing body in September, the governing body may expend any balance of cash on hand for the current expenses of the political subdivision governed by the governing body, but such expenditures shall not exceed an amount equivalent to such proportion of the total amount expended under the last budget in the equivalent period of the prior budget year to the total amount budgeted. Such expenditures shall be charged against the appropriations for each individual fund or purpose as provided in the budget when adopted.

Sec. 22. That section 13-511, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

13-511. (1) Unless otherwise provided by state law, whenever during the current fiscal year it becomes apparent to a governing body that there are circumstances ~~is an emergency and that because of unforeseen circumstances either the revenue of the current fiscal year for any fund thereof shall be insufficient or additional expenses are to be incurred~~ which could not reasonably have been anticipated at the time the budget for the current year was adopted such that either the revenue of the current fiscal year for any fund thereof will be insufficient or additional expenses will be necessarily incurred, such governing body may propose to supplement the previously adopted budget statement; and shall conduct a public hearing on such proposal. Notice of ~~a place and time of such~~ the time and place of the hearing shall be published at least five days prior to the date set for hearing in a newspaper of general circulation within the governing body's jurisdiction. Such published notice shall set forth (a) the time and place of the hearing, (b) the amount in dollars of additional money required and for what purpose, (c) a statement setting forth the nature of the ~~emergency, unanticipated circumstances~~ and reasons why the previously adopted budget of expenditures cannot be reduced during the remainder of the current year to meet the need for additional money in that manner, and (d) a copy of the summary of the originally adopted budget previously published.

(2) At such hearing any taxpayer may appear or file a written statement protesting such application for additional money. A written record shall be kept of all such hearings.

(3) Upon conclusion of the public hearing on the proposed supplemental budget; and approval of the proposed supplemental budget

by the governing body, the governing body shall file with the county clerk of the county or counties in which such governing body is located, and with the auditor, a copy of the supplemental budget, as adopted, and shall certify the amount of additional tax to be levied. The governing body may then issue warrants in payment for expenditures authorized by the adopted supplemental budget. Such warrants shall be referred to as registered warrants; and shall be repaid during the next fiscal year from funds derived from taxes levied therefor.

Sec. 23. That section 14-1821, Revised Statutes Supplement, 1992, be amended to read as follows:

14-1821. To assist in the defraying of all character of expense of the authority and to such extent as in its discretion and judgment may be necessary, the board shall annually certify a tax for the fiscal year commencing on the following January 1. Such tax shall not exceed in any one year ten cents on each one hundred dollars on the taxable value of the taxable property in the city of the metropolitan class. The board shall by resolution, on or before September ~~1 for 1992 and on or before July 31 for all other years~~ 10 of each year, certify such tax levy to the city council of such city. Such city is hereby authorized and required to cause such tax to be levied and to be collected as are other taxes by the treasurer of such city or the county treasurer as ex officio treasurer of the city in which the city is situated and paid over by him or her to the treasurer of such board subject to the order of such board. If in any year the full amount so certified and collected is not needed for the current purposes of such authority, the balance shall be credited to reserves of such authority to be used for acquisition of necessary property and equipment.

Sec. 24. That section 16-691, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-691. The mayor and city council may by ordinance confer upon the board of public works the active direction and supervision of such system of waterworks, power plant, or sewerage, heating, or lighting plant; and the erection and construction of the same. The board may provide that such duties be performed by such employee or employees as it may direct. The city council shall approve the budget of each proprietary function as provided in the Municipal Proprietary Function Act. The board ~~it~~ shall make reports to the mayor and council as often as ~~said~~ the mayor and council may require. In like manner the mayor and council may confer upon such board the active direction and supervision of the system of streets and alleys.

The mayor and council may, by ordinance, authorize and empower ~~said~~ the board of public works to employ necessary laborers and clerks, to purchase material for the operation and maintenance of ~~said~~ the systems, and to draw its orders on the several funds in the hands of the city treasurer to the credit of ~~said~~ the various systems in payment of salaries, labor, and material. The mayor and council shall establish the dollar amount for all extensions and projects above which the board of public works must obtain the approval of the mayor and council before

expending funds. The mayor and council may, by ordinance, authorize and empower the board of public works to cooperate and participate in a plan of insurance designed and intended for the benefit of the employees of any public utility operated by the city. For that purpose the board of public works may make contributions to pay premiums or dues under such plan, authorize deductions from salaries of employees, and take such other steps as may be necessary to effectuate such plan of insurance. All orders for the disbursement of funds shall be signed by the chairperson and secretary of ~~said~~ the board or by any two members of the board who have previously been designated for that purpose by a resolution duly adopted by such board; and shall be paid by the treasurer, except that payroll checks only may be signed by any one member of the board who has previously been designated for that purpose by a resolution duly adopted by ~~said~~ the board. Facsimile signatures of board members may be used to sign such orders and checks.

Sec. 25. That section 16-704, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-704. The city shall within the last quarter of each fiscal year pass an ordinance to be termed "The Annual Appropriation Bill"; in which corporate authorities may appropriate such sums of money as may be deemed necessary to defray all necessary expenses and liabilities of such corporations, not exceeding in the aggregate the amount of tax authorized to be levied and revenue available during the then-ensuing year. In such ordinance there shall be specified the object and purpose for which such appropriations are made and the amount or amounts appropriated for each object or purpose. No further appropriations shall be made at any other time within such fiscal year; unless the proposition to make such appropriations has been ~~sanctioned by a majority of the legal voters of such city, either by a petition signed by them or at a general or special election duly called therefor~~ approved by a majority vote of the city council after a public hearing. Notice of the time and place of such hearing shall be published at least five days prior to the date set for hearing in a newspaper of general circulation within the city. All appropriations shall end with the fiscal year for which they are made, ~~except that~~ ; ~~PROVIDED,~~ the fund arising from road taxes and bridge taxes shall be deemed especially appropriated for street repair purposes; and the income arising from the operation of water, lighting, power, heating, ~~and sewer, gas, and solid waste~~ systems, hospitals, and nursing homes shall be deemed especially appropriated to the payment of the current expenses of and to the cost of improvements and extensions and additions to ~~said~~ such systems, hospitals, and nursing homes, respectively, and shall not be included in the annual appropriation ordinance. Nothing ~~hereinafter~~ contained in Chapter 16, article 7, shall be construed to prohibit the council from appropriating other money in the annual appropriation bill for the use of streets, grades, and bridges; and for water, lighting, power, heating, ~~and sewer, gas, or solid waste~~ systems, hospitals, or nursing homes if ; ~~PROVIDED,~~ the sums so appropriated in the aggregate do not exceed the maximum of tax allowed

to be levied and collected as fixed in section 16-702.

Sec. 26. That section 17-706, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

17-706. The city council of cities a city of the second class and board of trustees in villages of a village shall, ~~on or before August 15 of each year~~ within the last quarter of each fiscal year, pass an ordinance, to be termed the annual appropriation bill, in which such corporate authorities may appropriate such sum or sums of money as may be deemed necessary to defray all necessary expenses and liabilities of such corporation, not exceeding in the aggregate the amount of tax authorized to be levied, ; and in such ordinance shall specify the objects and purposes for which such appropriations are made; and the amount appropriated for each object or purpose. Any balance unexpended and unobligated at the end of the fiscal year shall, unless reappropriated, lapse to the municipal general fund.

The annual appropriation bill shall not be amended without a majority vote of the city council or board of trustees after a public hearing. Notice of the time and place of the hearing shall be published at least five days prior to the date set for hearing in a newspaper of general circulation within the city or village. The income arising from the operation of proprietary functions shall be deemed especially appropriated to the payment of the current expenses of and to the cost of improvements and extensions and additions to such functions and shall not be included in the annual appropriation bill.

Sec. 27. That section 17-802, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

17-802. The city council may, by ordinance, confer upon a board of public works the active direction and supervision of any or all of the utility systems owned or operated by such city. The city council shall approve the budget of each proprietary function as provided in the Municipal Proprietary Function Act. Such board shall have the power to operate any utility referred to it and to exercise all powers conferred by law upon such cities for the operation and government of such utility to the same extent, in the same manner, and under the same restrictions as the city council could do if no such board of public works existed, except; ~~however;~~ that such board of public works shall not make any expenditure or contract any indebtedness other than for ordinary running expenses, exceeding an amount established by the city council, without first obtaining the approval of the city council. The board of public works shall report to the city council at regular intervals as it may require.

Sec. 28. That section 18-2107, Revised Statutes Supplement, 1992, be amended to read as follows:

18-2107. An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Community Development Law and sections 18-2147 to 18-2151, including the power:

(1) To sue and to be sued; to have a seal and to alter the

same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules, and regulations not inconsistent with the Community Development Law;

(2) To prepare or cause to be prepared and recommend redevelopment plans to the governing body of the city and to undertake and carry out redevelopment projects within its area of operation;

(3) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities for or in connection with a redevelopment project; and, notwithstanding anything to the contrary contained in the Community Development Law or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a redevelopment project, and to include in any contract let in connection with such a project provisions to fulfill such federally imposed conditions as it may deem reasonable and appropriate;

(4) Within its area of operation, to purchase, lease, obtain options upon, or acquire by gift, grant, bequest, devise, eminent domain, or otherwise any real or personal property or any interest therein, together with any improvements thereon, necessary or incidental to a redevelopment project; to hold, improve, clear, or prepare for redevelopment any such property; to sell, lease for a term not exceeding ninety-nine years, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property containing covenants, restrictions, and conditions regarding the use of such property for residential, commercial, industrial, or recreational purposes or for public purposes in accordance with the redevelopment plan and such other covenants, restrictions, and conditions as the authority may deem necessary to prevent a recurrence of substandard or blighted areas or to effectuate the purposes of the Community Development Law; to make any of the covenants, restrictions, or conditions of the foregoing contracts covenants running with the land and to provide appropriate remedies for any breach of any such covenants or conditions, including the right in the authority to terminate such contracts and any interest in the property created pursuant thereto; to borrow money, issue bonds, and provide security for loans or bonds; to establish a revolving loan fund; to insure or provide for the insurance of any real or personal property or the operation of the authority against any risks or hazards, including the power to pay premiums on any such insurance; to enter into any contracts necessary to effectuate the purposes of the Community Development Law; and to provide grants, loans, or other means of financing to public or private parties in order to accomplish the rehabilitation or redevelopment in

accordance with a redevelopment plan. No statutory provision with respect to the acquisition, clearance, or disposition of property by other public bodies shall restrict an authority exercising powers hereunder, in such functions, unless the Legislature shall specifically so state;

(5) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement in property or securities in which savings banks or other banks may legally invest funds subject to their control; and to redeem its bonds at the redemption price established therein or to purchase its bonds at less than redemption price, and such bonds redeemed or purchased shall be canceled;

(6) To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, from the state, county, municipality, or other public body, or from any sources, public or private, including charitable funds, foundations, corporations, trusts, or bequests, for purposes of the Community Development Law, to give such security as may be required, and to enter into and carry out contracts in connection therewith; and notwithstanding any other provision of law, to include in any contract for financial assistance with the federal government for a redevelopment project such conditions imposed pursuant to federal law as the authority may deem reasonable and appropriate and which are not inconsistent with the purposes of the Community Development Law;

(7) Acting through one or more members of an authority or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths and to issue commissions for the examination of witnesses who are outside of the state or unable to attend before the authority or excused from attendance; and to make available to appropriate agencies or public officials, including those charged with the duty of abating or requiring the correction of nuisances or like conditions, demolishing unsafe or insanitary structures, or eliminating conditions of blight within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, safety, morals, or welfare;

(8) Within its area of operation, to make or have made all surveys, appraisals, studies, and plans, but not including the preparation of a general plan for the community, necessary to the carrying out of the purposes of the Community Development Law and to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of such surveys, appraisals, studies, and plans;

(9) To prepare plans and provide reasonable assistance for the relocation of families, business concerns, and others displaced from a redevelopment project area to permit the carrying out of the redevelopment project to the extent essential for acquiring possession of and clearing such area or parts thereof; and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made,

including the making of such payments financed by the federal government;

(10) To make such expenditures as may be necessary to carry out the purposes of the Community Development Law; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

(11) To certify on or before September ~~10 of each year~~ ~~+~~ ~~for 1992 and in July for all other years~~ to the governing body of the city the amount of tax to be levied for the succeeding fiscal year for community redevelopment purposes, not to exceed two and six-tenths cents on each one hundred dollars upon the taxable value of the taxable property in such city. The governing body shall levy and collect the taxes so certified at the same time and in the same manner as other city taxes are levied and collected, and the proceeds of such taxes, when due and as collected, shall be set aside and deposited in the special account or accounts in which other revenue of the authority is deposited. Such proceeds shall be employed to assist in the defraying of all expenses of the authority. If in any year the full amount so certified and collected is not needed for the current purposes of such authority, the balance shall be credited to reserves of such authority, including sinking funds;

(12) To exercise all or any part or combination of powers granted in this section; and

(13) To plan, undertake, and carry out neighborhood development programs consisting of redevelopment project undertakings and activities in one or more community redevelopment areas which are planned and carried out on the basis of annual increments in accordance with the Community Development Law and sections 18-2145 and 18-2146 for planning and carrying out redevelopment projects.

Sec. 29. That section 19-2902, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

19-2902. ~~As used in sections 19-2901 to 19-2909~~ For purposes of the Nebraska Municipal Auditing Law, unless the context otherwise requires:

(1) Municipality or municipalities shall mean and include all incorporated cities of the first class, cities of the second class, and villages in this state;

(2) Municipal authority shall mean the city council, board of trustees of a village, or any other body or officer having authority to levy taxes, make appropriations, or approve claims for any municipality;

(3) Accountant shall mean a duly licensed public accountant or certified public accountant; who otherwise is not an employee of or connected in any way with the municipality involved;

(4) Annual audit report shall mean the written report of the accountant and all appended statements and schedules relating thereto presenting or recording the findings of an examination or audit of the financial transactions, affairs, or financial condition of a municipality ~~for its~~ and its proprietary functions for the fiscal year immediately prior to

the making of such annual report; and

(5) Fiscal year shall mean the fiscal year for the particular municipality involved or the fiscal year established in section 4 of this act for a proprietary function if different than the municipal fiscal year.

Sec. 30. That section 23-909, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-909. ~~At the first meeting of the county board in August 1945, after the action of the State Board of Equalization and Assessment shall have been had and certified to the county clerk and prior to the last day of sitting as a county board of equalization and at such meeting in each succeeding year thereafter~~ On or before September 10 of each year, the county board shall adopt the budget and appropriate the several amounts specified in ~~said~~ the budget for the several departments, offices, activities, and funds of the county for the period to which ~~said~~ the budget applies as provided hereinbefore.

Sec. 31. That section 23-913, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-913. ~~Within ten days after final action has been taken on the budget by the county board in August 1945, and in each August thereafter, the~~ The county board shall file with the county clerk the complete budget document, which shall be in the form provided for in sections 23-904 and 23-905. A copy thereof shall also be filed with the Auditor of Public Accounts within thirty days after its adoption. ~~Said~~ The budget document shall show, in addition to the figures set forth in the general budget summary, the changes made by the county board in the course of its review, revision, and adoption of the budget. It shall also show the tax rate necessary to finance the budget as adopted.

Sec. 32. That section 23-914, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-914. On and after July 1, ~~1945, and July 1 of each succeeding year~~ and until the adoption of the budget by the county board in ~~August~~ September, the county board may expend any balance of cash on hand in any fund for the current expenses of the county payable from such fund, but not to exceed such proportion of the total amount expended under the last budget for such fund in the equivalent period of the prior budget year to the total amount budgeted for such fund, one-twelfth of the amount provided in the last county budget for such fund. Such expenditures shall be charged against the appropriation for such fund as provided in the budget when adopted.

Sec. 33. That section 23-920, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-920. In counties having two hundred thousand or more inhabitants, the fiscal year shall begin January 1 and end December 31. Any such county may by an affirmative vote of a majority of all the members of the county board elect to change its fiscal year from a period of twelve months commencing January 1 to a period commencing July 1, and to become subject to all the terms of sections 23-901 to 23-919. Any county hospital operating under sections 23-3501 to 23-3527 may, by an

affirmative vote of a majority of the members of the board of trustees of such facility, elect to change its fiscal year to any period of twelve months for determining and carrying on its financial affairs.

Sec. 34. That section 23-3552, Revised Statutes Supplement, 1992, be amended to read as follows:

23-3552. (1) The board of directors may, after the adoption of the budget statement, levy and collect an annual tax which the district requires under the adopted budget statement to be received from taxation for the ensuing fiscal year not to exceed three and five-tenths cents on each one hundred dollars of the taxable value of the taxable property within such district.

(2) In addition to the levy authorized in subsection (1) of this section, the board of directors of a hospital district may authorize an additional annual tax not to exceed three and five-tenths cents on each one hundred dollars of the taxable value of the taxable property within such district, except that such tax shall not be authorized until the question of such additional tax has been submitted to the qualified electors of the district at a primary or general election or a special election called for that purpose and a majority of those voting approve the additional tax. Notice of the time and place of the special election shall be given by publication at least once each week in a legal newspaper of general circulation in the district for three successive weeks immediately preceding such election.

(3) The taxes authorized by subsections (1) and (2) of this section shall not be included within the levy limitations for general county purposes prescribed in section 23-119 or Article VIII, section 5, of the Constitution of Nebraska.

(4) The board shall annually, on or before September 10, ~~1 for 1992 and on or before August 1 for all other years~~, certify the taxes authorized by this section to the county clerk of each of the counties having land embraced within such district. The county clerk shall extend such levies on the tax list, and the county treasurer shall collect the tax in the same manner as county taxes and shall remit the taxes collected to the county treasurer of the county in which the petition for the formation of the district was filed. The county treasurer shall credit the local hospital district with the amount thereof and make disbursements therefrom on warrants of the district signed by the chairperson and secretary-treasurer of the board of directors.

Sec. 35. That section 31-333, Revised Statutes Supplement, 1992, be amended to read as follows:

31-333. The board of supervisors shall annually thereafter determine, order, and levy the amount of the installment of the tax hereinbefore named which shall become due and be collected during the year at the same time that county taxes are due and collected, and in case bonds are issued, the amount of the interest which will accrue on such bonds shall be included and added to the tax. The annual installment and levy shall be evidenced and certified by the board, on or before September 10, ~~1 for 1992 and on or before August 1 for all other years~~, to the county clerk of each county in which lands of the district are situated,

which certificate shall be substantially in the following form:

State of Nebraska, )  
 )  
County of ..... ) ss.

To ..... county clerk of the county:

This is to certify that by virtue of the provisions of sections 31-330 to 31-333, Reissue Revised Statutes of Nebraska, 1943, the board of supervisors of ..... drainage district, including lands and property in the counties of ..... in the State of Nebraska, have determined to and do hereby levy the annual installment of the total tax, heretofore certified to you under the direction of such sections, on the lands and property situated in your county described in the following table in which are (1) the names of the owners of such lands and properties as they appeared in the decree of the district court organizing the district or as shown by the certificate heretofore filed showing the total assessment against the property, (2) the description of the lands and property opposite the names of owners, and (3) the amount of the annual installment and interest levied on each tract of land or piece of property: (Here insert table). The installments of tax shall be collectible and payable the present year at the same time that county taxes are due and collected. Witness the signature of the chairperson of the board of supervisors and attested by the seal of the district and the signature of the secretary of the board this ..... day of ..... A.D. 19.....

.....  
Secretary (Seal) Chairperson

The certificate shall be filed in the office of the clerk, and the annual installment of the total tax so certified shall be extended by the county clerk on the tax books of the county against the real property, right-of-way, road, or property to be benefited, situated in such drainage district, in the same manner that other taxes are extended on the tax books of the county in a column under the heading of Drainage Tax, and the taxes shall be collected by the treasurer of the county in which the real property is situated on which the tax is levied at the same time and in the same manner that the county taxes on such property are collected. The county clerk shall be allowed the same fees as he or she receives for like services in other cases.

Sec. 36. That section 31-513, Revised Statutes Supplement, 1992, be amended to read as follows:

31-513. (1) The board of trustees may levy and collect annually taxes for corporate purposes upon property within the limits of such sanitary district to the amount of not more than three and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property of such district.

(2) The board of trustees shall, on or before September 10 of each year, ~~1 for 1992 and on or before August 1 for all other years,~~ certify the amount of tax to be levied to the county clerk who shall place the proper levy upon the county tax list, and the tax shall be collected by the county treasurer in the same manner as county taxes.

(3) The tax money collected by the levy shall be used exclusively for the purpose or purposes set forth in subsection (1) of this section. The county treasurer shall disburse the taxes on warrants of the board of trustees, and in respect to such fund, the county treasurer shall be ex officio treasurer of the sanitary district.

Sec. 37. That section 31-711, Revised Statutes Supplement, 1992, be amended to read as follows:

31-711. The board of trustees may annually levy and collect taxes for corporate purposes upon property within the limits of such sanitary and improvement district to the amount of not more than three and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property in such district for general purposes and, on or before September 10 of each year, ~~1 for 1992 and on or before August 1 for all other years~~, certify the levy to the county clerks of the counties in which such district is located who shall extend the levy upon the county tax list. The county treasurer of the county in which the greater portion of the area of the district is located shall be ex officio treasurer of the sanitary and improvement district and shall be responsible for all funds of the district coming into his or her hands. The treasurer shall collect all taxes and special assessments levied by the district and all money derived from the sale of bonds or warrants. The trustees of the district may authorize the clerk or appoint an independent agent to collect connection charges, service charges, and all items other than taxes and funds from the sale of bonds and warrants, but all funds so collected shall, at least once each month, be remitted to the treasurer. The treasurer shall not be responsible for such funds until they are received by him or her. The treasurer shall disburse the funds of the district only on warrants authorized by the trustees and signed by the president and clerk.

Sec. 38. That section 31-739, Revised Statutes Supplement, 1992, be amended to read as follows:

31-739. (1) The district may borrow money for corporate purposes and issue its general obligation bonds therefor and shall annually levy a tax on the taxable value of the taxable property in the district sufficient to pay the interest and principal on the bonds and for the purpose of creating a sinking fund for the maintenance and repairing of any sewer or water system or electric lines and conduits in the district, for the payment of any hydrant rentals, for the maintenance and repairing of any sidewalks, public roads, streets, and highways, public waterways, docks, or wharfs, and related appurtenances in the district, for the cost of operating any street lighting system for the public streets and highways within the district, for the cost of building, acquiring, maintaining, and operating public parks, playgrounds, and recreational facilities, or, when permitted by section 31-727, for contracting with other sanitary and improvement districts for building, acquiring, maintaining, and operating public parks, playgrounds, and recreational facilities for the joint use of the residents of the contracting districts, or for the cost of any other services for which the district has contracted. The district shall also be required to levy a tax to make up any deficiencies caused by the

nonpayment of any special assessments. On or before September ~~1 for 1992 and on or before August 1 for all other years~~ 10 of each year, the clerk of the board shall certify the tax to the county clerk of the counties in which such district is located in order that the tax may be extended upon the county tax list. Nothing contained in this section shall authorize any district which has been annexed by a city or village to levy any taxes within or upon the annexed area after the effective date of the annexation if the effective date of the annexation is prior to such levy certification date of the district for the year in which such annexation occurs.

(2) The county treasurer of the county in which the greater portion of the area of the district is located shall be ex officio treasurer of the sanitary and improvement district and shall be responsible for all funds of the district coming into his or her hands. He or she shall collect all taxes and special assessments levied by the district and deposit the same in a bond sinking fund for the payment of principal and interest on any bonds outstanding.

(3) The trustees or administrator of the district may authorize the clerk or appoint an independent agent to collect service charges and all items other than taxes, connection charges, special assessments, and funds from sale of bonds and warrants, but all funds so collected shall, at least once each month, be remitted to the treasurer to be held in a fund, separate from the general fund or construction fund of the district, which shall be known as the Service Fee Fund, which fund is hereby created. The trustees or administrator may direct the district's treasurer to disburse funds held in the Service Fee Fund to maintain and operate any service for which the funds have been collected or to deposit such funds into the general fund of the district.

(4) The treasurer of the district shall not be responsible for such funds until they are received by him or her. The treasurer shall disburse the funds of the district only on warrants authorized by the trustees or the administrator and signed by the chairperson and clerk or the administrator.

Sec. 39. That section 39-1621, Revised Statutes Supplement, 1992, be amended to read as follows:

39-1621. (1) The board of trustees may, after adoption of the budget statement for such district, annually levy and collect the amount of taxes provided in the adopted budget statement of the district to be received from taxation for corporate purposes upon property within the limits of such road improvement district to the amount of not more than three and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property in such district for general maintenance and operating purposes. The board shall, on or before September ~~1 for 1992 and on or before August 1 for all other years~~ 10 of each year, certify any such levy to the county clerk of the counties in which such district is located who shall extend the levy upon the county tax list.

(2) The county treasurer of the county in which the greater portion of the area of the district is located shall be ex officio treasurer of the road improvement district and shall be responsible for all funds of the

district coming into his or her hands. The treasurer shall collect all taxes and special assessments levied by the district and collected by him or her from his or her county or from other county treasurers if there is more than one county having land in the district and all money derived from the sale of bonds or warrants. The treasurer shall not be responsible for such funds until they are received by him or her. The treasurer shall disburse the funds of the district only on warrants authorized by the trustees and signed by the president and clerk.

Sec. 40. That section 46-543, Revised Statutes Supplement, 1992, be amended to read as follows:

46-543. To levy and collect taxes under Class A, the board shall, in each year, determine the amount of money necessary to be raised by taxation, taking into consideration other sources of revenue of the district, to supply funds for paying expenses of organization, for surveys and plans, and for paying the cost of constructing, operating, and maintaining the works of the district. The amount shall not exceed three and five-tenths cents on each one hundred dollars prior to the delivery of water from the works and thereafter shall not exceed seven cents on each one hundred dollars of the taxable value of the taxable property within the district, except that in the event of accruing defaults, deficiencies, or defaults and deficiencies, an additional levy may be made as provided in section 46-553.

The board shall, on or before September ~~1 for 1992 and on or before July 1 for all other years~~ 10 of each year, certify to the county board of each county within the district or having a portion of its territory within the district the amount so fixed with direction that, at the time and in the manner required by law for levying of taxes for county purposes, such county board shall levy such tax upon the taxable value of the taxable property within the district in addition to such other taxes as may be levied by such county board at the rate required to produce the amount so fixed and determined.

No tax shall be levied and collected under Class A until the proposition of levying taxes has been submitted by a resolution of the board to the qualified electors of the district at an election held for that purpose in the same manner as provided for submission of incurring bonded indebtedness in sections 46-564 to 46-566, and when the proposition has been approved by a majority of the qualified electors of the district voting on the proposition at such election, thereafter the board shall be entitled to certify to the county board the amount of tax to be levied.

Sec. 41. That section 46-631, Revised Statutes Supplement, 1992, be amended to read as follows:

46-631. The board of directors may levy and collect annually taxes necessary to finance the activities of such district to the amount of not more than one cent on each one hundred dollars of the taxable value of all taxable real property within such district. It shall, on or before September ~~1 for 1992 and on or before August 1 for all other years~~ 10 of each year, certify its tax levy to the county clerks of the

counties wholly or partially within the district who shall extend the levy on the county tax list, and the levy shall be collected by the county treasurer in the same manner as county taxes. It shall be the duty of the board to apply for and to receive from the county treasurers all money to the credit of the district. The county treasurer shall disburse the same on the order of the treasurer of the district.

Sec. 42. That section 77-202.03, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-202.03. (1)(a) A properly granted exemption of real or tangible personal property, except motor vehicles and real property used for cemetery purposes, provided for in subdivisions (1)(b) and (1)(c) of section 77-202 shall continue for a period of four years if the affidavit required by subsection (2) of this section is filed when due. The four-year period shall begin with years evenly divisible by four.

(b) A properly granted exemption of real property used for cemetery purposes provided for in subdivision (1)(c) of section 77-202 shall continue for a period of ten years. At the end of each ten-year period, the county board may renew the exemption for another ten years without reapplication. This subdivision shall apply to applications granted after August 25, 1989.

(2) In each intervening year occurring between application years, the organization or society which filed the granted exemption application for the real or tangible personal property, except motor vehicles and real property used for cemetery purposes, shall file an affidavit with the county assessor before January 1, on forms prescribed by the Tax Commissioner, certifying that the ownership and use of the exempted property has not changed during the year. Any organization or society which misses the January 1 deadline for filing the affidavit may file the affidavit by July 1 for 1993 and by February 1 for all subsequent years. Such filing shall maintain the tax exempt status of the property without further action by the county and regardless of any previous action by the county board to deny the exemption due to late filing of the affidavit. Upon any such late filing, the county board may assess a penalty against such organization or society of ten percent of the tax that would have been assessed had the affidavit not been filed.

(3) Prior to January 1 of any application year, a new application shall be filed with the county assessor as provided in section 77-202.01.

(4) If any organization or society seeks a tax exemption for any real or tangible personal property, except motor vehicles, acquired after January 1 of any year or converted to exempt use after January 1 of any year, the organization or society shall make application for exemption on or before August 15 of that year as provided in section 77-202.01. The procedure for reviewing the application shall be as in sections 77-202.01 to 77-202.07, except that the exempt use shall be determined as of the date of application. The exemption shall continue for the same period and under the same conditions as if it had been granted on an application which had been filed in accordance with subsections (1) and (2) of this section and

section 77-202.01.

(5) In any year, the county assessor or the county board may cause a review of any exemption to determine whether the exemption is proper. Such a review may be taken even if the ownership or use of the property has not changed from the date of the allowance of the exemption. The review shall follow the procedure set out in section 77-202.02. If it is determined that a change in exempt status is warranted, the procedure for hearing set out in section 77-202.02 shall be followed. If an exemption is denied, the county board shall place the property on the tax rolls retroactive to January 1 of that year if on August 15 of that year the property no longer qualifies for an exemption.

(6) During the month of September of each year, the county board shall cause to be published in a paper of general circulation in the county a list of all real estate in the county exempt from taxation for that year pursuant to subdivisions (1)(b) and (1)(c) of section 77-202. Such list shall be grouped into categories as provided by the Tax Commissioner. A copy of the list and proof of publication shall be forwarded to the Department of Revenue.

Sec. 43. That section 77-507.01, Revised Statutes Supplement, 1992, be amended to read as follows:

77-507.01. In addition to the authority conferred by section 77-506, the State Board of Equalization and Assessment, in cases brought to its attention by the Tax Commissioner, shall have the authority to direct the Tax Commissioner to conduct a hearing to review any changes made by the county board of equalization in values of property in the county. At least ~~ten days' notice, or for 1992 at least~~ five days' notice; shall be given to the county clerk, county assessor, and chairperson of the county board. At the hearing, the legal representatives of the county may appear and show cause why the value of the property of the county should not be corrected or adjusted.

Sec. 44. That section 77-508, Revised Statutes Supplement, 1992, be amended to read as follows:

77-508. Pursuant to section 77-506, if the State Board of Equalization and Assessment finds that a just, equitable, and legal assessment of the property in the state cannot be made without increasing or decreasing by a percentage the value of a class or subclass of property as returned by any county, the board shall issue a notice to the counties which it deems either undervalued or overvalued and shall set a date for hearing at ~~least ten days following the mailing of such notice, except that for 1992 the hearing shall be at~~ least five days following the mailing of the notice. The board may direct the Tax Commissioner to hold such hearings to expedite the equalization process. The notice shall be mailed to the county clerk, county assessor, and chairperson of the county board. At the hearing the legal representatives of the county may appear and show cause why the value of a class or subclass of the property of the county should not be adjusted.

Sec. 45. That section 77-509, Revised Statutes Supplement, 1992, be amended to read as follows:

77-509. After a hearing conducted pursuant to section 77-507.01 or 77-508, the State Board of Equalization and Assessment shall either (1) enter its order based on information presented to it at the hearing or (2) meet to hear the recommendation of the Tax Commissioner based on information presented to him or her at the hearing. Notice of the Tax Commissioner's recommendation shall be mailed at least ~~five days prior to the meeting, except that for 1992 such notice shall be mailed~~ at least three days prior to the meeting. At the meeting the board may hear testimony relevant to the Tax Commissioner's recommendation from any interested person. The order of the board shall be sent by certified mail to the county assessor and by regular mail to the county clerk and chairperson of the county board on or before August ~~20 for 1992 and on or before August 15 for all other years~~ 15 of each year. The order shall specify the percentage increase or decrease and the class or subclass of property affected or the corrections or adjustments to be made to the class or subclass of property affected. The specified changes shall be made by the county assessor to each item of property in the county so affected. Until such time as the Court of Appeals, pursuant to an appeal prosecuted pursuant to section 77-510, or the Supreme Court rules otherwise, each county shall be bound by the value established by the board.

Sec. 46. That section 77-509.01, Revised Statutes Supplement, 1992, be amended to read as follows:

77-509.01. On or before August ~~20 for 1992 and on or before August 15 for all other years~~ 15 of each year, the State Board of Equalization and Assessment shall recertify the county abstract of the assessment roll, together with the taxable value of the property valued by the state, to each county assessor.

Sec. 47. That section 77-680, Revised Statutes Supplement, 1992, be amended to read as follows:

77-680. The president or other chief officer or owner of every car line company shall, on or before June 1 ~~for 1992 and on or before April 15 for all other years~~ of each year, furnish to the Tax Commissioner a true, full, and accurate statement, verified by the affidavit of the officer or person making it, showing (1) the aggregate number of miles made by each class of their cars on the several lines of railroad in this state during the preceding year ending December 31, (2) the aggregate number of miles made by each class of their cars on all railroad lines during the preceding year ending December 31, (3) the total number of each type of their cars, (4) the taxable value of their cars, and (5) the number of their cars required to make the total mileage in this state. For good cause shown, the Tax Commissioner may allow an extension of time in which to file such statement.

Sec. 48. That section 77-681, Revised Statutes Supplement, 1992, be amended to read as follows:

77-681. The president or other chief officer of every railroad company which has lines running through, in, or into this state shall, on or before June 1 ~~for 1992 and on or before April 15 for all other years~~ of each year, furnish to the Tax Commissioner a statement,

verified by the affidavit of the officer or person making the statement, showing the total number of miles traveled by each class of cars of every car line company on their lines, branches, sidings, spurs, and warehouse tracks in this state during the preceding year ending December 31. For good cause shown, the Tax Commissioner may allow an extension of time in which to file such statement.

Sec. 49. That section 77-1601, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1601. The county board of equalization shall each year, on or before September 20, ~~for 1992 and on or before September 15 for all other years~~; levy the necessary taxes for the current year. Before levying taxes for any other functions of county government, each county shall first levy a tax sufficient to enable the county board to provide medical, surgical, and hospital care for needy persons of the county. After making the levy for such purpose, the county board of equalization shall make the levy of taxes for county purposes. The levy shall include all county taxes necessary to cover the amounts required to be raised by taxation, as provided in the annual budget of the county for the current year, and shall include all township, city, school district, precinct, village, road district, and other taxes required by law to be certified to the county clerk and levied by the county board of equalization. Any such taxes regularly voted and certified to the county assessor, after the county board has made such levy and before the county clerk has completed the tax list, shall be levied by the county board of equalization, if within the limit of the law, and extended upon the tax list.

Sec. 50. That section 77-1612, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1612. The proper authorities of cities of the first and second classes, of villages, of townships, and of districts, authorized by law to vote bonds or assess taxes, except such cities as are authorized by law to levy and collect their own taxes for municipal and school purposes, shall, on or before September 10 of each year, ~~1 for 1992 and on or before August 1 for all other years~~, certify to the county clerk the several amounts which they severally will require to be raised by taxation, including all amounts due upon legal and valid bonds outstanding against such municipal corporations, townships, or districts. Any home rule charter city now levying and collecting its own taxes is authorized to continue to do so, but when any such city has completed an agreement with the county in which it is situated for the collection of general real property taxes, it shall annually as provided in such agreement certify to the county clerk the levies or the amounts required to be raised by taxation, as the city shall determine.

Sec. 51. That section 79-810, Revised Statutes Supplement, 1992, be amended to read as follows:

79-810. The board of education of a Class III school district shall annually, on or before ~~August 25~~ September 10, report in writing to the county board the entire revenue raised by taxation and all other sources and received by such board of education for the previous

fiscal year and a budget for the ensuing fiscal year in form of a resolution broken down generally as follows: (1) The amount of funds required for the support of the schools during the ensuing fiscal year; (2) the amount of funds required for the purpose of school sites; (3) the amount of funds required for the erection of school buildings; (4) the amount of funds required for the payment of interest upon all bonds issued for school purposes; and (5) the amount of funds required for the creation of a sinking fund for the payment of such indebtedness. The secretary shall publish, within ten days after the filing of such budget, a copy of such budget one time at the legal rate prescribed for the publication of legal notices in a legal newspaper published in and of general circulation in such city or village or, if none is published in such city or village, in a legal newspaper of general circulation in the city or village. The secretary of such board of education failing or neglecting to comply with this section shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined in any sum not exceeding twenty-five dollars for each offense and, in the discretion of the court, the judgment of conviction may provide for the removal from office of such secretary for such failure or neglect. It shall be the duty of the county board to levy and collect such taxes as are necessary to provide the amount of revenue from property taxes as indicated by all the data contained in the budget and the certificate prescribed by this section, at the time and in the manner provided in section 77-1601.

Sec. 52. That section 79-903, Revised Statutes Supplement, 1992, be amended to read as follows:

79-903. The board of education, on or before September 10 of each year, ~~1 for 1992 and on or before August 25 for all other years,~~ shall make or cause to be made and report to the county board an estimate of the amount of funds required for the fiscal year next ensuing: (1) For the payment of interest on bonds issued by the district; (2) to provide a sinking fund for the payment of bonds issued by the district; (3) to provide for the purchase and betterment of school sites and the remodeling, erection, and equipment, but not replacement, of buildings, new and old; (4) to provide the necessary funds, premiums, contributions, and expenses in connection with a retirement, annuity, insurance, or other benefit plan adopted by the board of education for its present and future employees after their retirement, or any reasonable classification thereof; and (5) to provide for the support of schools, being the running expenses and miscellaneous and all other expenses for such year.

The estimate shall be accompanied by a budget statement prepared in accordance with good accounting practices and showing probable revenue from all sources, expenditures, and available balances upon which such estimate was based. The estimate and the budget statement may include such items as the board of education deems necessary to maintain adequate working balances of cash at all times and to take into account the expenses and delays in the collection of taxes. The county board shall levy the rate of tax necessary to provide the amounts so reported by the board of education and collect such taxes in

like manner as other taxes are levied and collected.

Sec. 53. That section 79-2210, Revised Statutes Supplement, 1992, be amended to read as follows:

79-2210. After the adoption of its budget statement, the board for each educational service unit may levy a tax, in the amount which it requires under its adopted budget statement to be received from taxation, of not to exceed three and five-tenths cents on each one hundred dollars on the taxable valuation of the taxable property within its geographical unit. The amount of such levy shall be certified by the secretary of the educational service unit board to the county board of equalization of each county in which any part of the geographical area of the educational service unit is located on or before September 10 of each year. ~~1 for 1992 and on or before August 25 for all other years.~~ Such tax shall be levied and assessed in the same manner as other property taxes and entered on the books of the county treasurer. The proceeds of such tax, as collected, shall be remitted to the treasurer of the board not less frequently than once each month.

Sec. 54. Sections 42, 54, and 55 of this act shall become operative on January 1, 1993. The other sections of this act shall become operative on their effective date.

Sec. 55. That original section 77-202.03, Reissue Revised Statutes of Nebraska, 1943, is repealed.

Sec. 56. That original sections 13-502, 13-504, 13-511, 16-691, 16-704, 17-706, 17-802, 19-2902, 23-909, 23-913, 23-914, and 23-920, Reissue Revised Statutes of Nebraska, 1943, and sections 2-2444, 2-3225, 13-501, 13-503, 13-508, 13-509, 14-1821, 18-2107, 23-3552, 31-333, 31-513, 31-711, 31-739, 39-1621, 46-543, 46-631, 77-507.01, 77-508, 77-509, 77-509.01, 77-680, 77-681, 77-1601, 77-1612, 79-810, 79-903, and 79-2210, Revised Statutes Supplement, 1992, are repealed.

Sec. 57. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.