

## LEGISLATIVE BILL 141

Approved by the Governor April 28, 1999

Introduced by Revenue Committee: Wickersham, 49, Chairperson; Coordsen, 32; Landis, 46; C. Peterson, 35; Raikes, 25; Schellpeper, 18

AN ACT relating to revenue and taxation; to amend sections 14-514, 23-125, 23-381, 23-501, 35-1205, 35-1206, 60-3004, 79-1225, and 79-1233, Reissue Revised Statutes of Nebraska, and sections 13-520, 30-24,125, 77-27,139.03, 77-3442, 77-3443, and 77-3444, Revised Statutes Supplement, 1998; to provide an exemption from levy limits for public airports; to change provisions relating to levy limits and fund distributions; to change and eliminate provisions relating to taxation of motor vehicles; to harmonize provisions; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 13-520, Revised Statutes Supplement, 1998, is amended to read:

13-520. The limitations in section 13-519 shall not apply to (1) restricted funds budgeted for capital improvements, (2) restricted funds expended from a qualified sinking fund for acquisition or replacement of tangible personal property with a useful life of five years or more, (3) restricted funds pledged to retire bonded indebtedness or used by a public airport to retire interest-free loans from the Department of Aeronautics in lieu of bonded indebtedness at a lower cost to the public airport, (4) restricted funds budgeted in support of a service which is the subject of an interlocal cooperation agreement or a modification of an existing agreement whether operated by one of the parties to the agreement or an independent joint entity, (5) restricted funds budgeted to pay for repairs to infrastructure damaged by a natural disaster which is declared a disaster emergency pursuant to the Emergency Management Act, or (6) restricted funds budgeted to pay for judgments, except judgments or orders from the Commission of Industrial Relations, obtained against a governmental unit which require or obligate a governmental unit to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of a governmental unit.

Sec. 2. Section 14-514, Reissue Revised Statutes of Nebraska, is amended to read:

14-514. (1) The city council shall annually certify to the county clerk of the county in which the city is located, by resolution, the tax upon the taxable value of all the taxable property in such city, not to exceed fifty ~~and four-tenths~~ cents on each one hundred dollars, which the city desires to be levied as taxation for all municipal purposes for the ensuing year, ~~except that in any such city located in a county containing a duly constituted and functioning health district, the tax to be so certified shall not exceed in any one year fifty cents on each one hundred dollars. In addition thereto, the council shall certify the tax necessary to pay the interest on the bonded indebtedness of the city subject to the levy limitations contained in section 77-3442.~~

(2) In addition to the tax set forth in subsection (1) of this section, the council shall also and further certify not less than fourteen cents on each one hundred dollars and such tax as may be necessary to pay bond issues maturing within the year or bond issues maturing in the near future, the object of this requirement being to create a fund to accomplish a partial retirement of the bonded obligations of the city in such a manner as to avoid unusual and heavy levies during particular years when large maturities occur.

(3) The proceeds derived from each respective levy provided for in subsections (1) ~~and~~ (2) ~~and~~ (4) of this section shall be devoted exclusively and entirely to the purposes for which the levy is made. The certification provided for under such subsections shall be made before the county board of equalization has made its tax levy for each respective year.

(4) ~~In addition to subsections (1) and (2) of this section, the city council shall certify to the county clerk in like manner any other levy which may be required by law to be certified by such city council. A further appropriation not to exceed eight-tenths of one cent on each one hundred dollars upon the taxable value of all the taxable property in such city may also be levied for the purpose of establishing a recreation fund to be used for the purchase, establishment, management, equipment, and maintenance of playgrounds and recreation centers, including the construction of necessary buildings therefor. Such recreation fund shall be disbursed under the~~

direction and supervision of the local governing body of the city in conjunction with the local governing body of any other governmental subdivision wholly or partially within its corporate limits when a plan has been submitted and approved by the electors. If the school district, situated wholly or partially within such city, submits a plan and makes a levy for a similar purpose, the city shall not submit a plan or proposal for such a levy as long as the plan is in operation. No levy shall be made for such recreation fund purposes unless the proposition to make such levy and the plan to dispose of such fund is sanctioned by sixty percent or more of the legal voters of the city either by petition signed by them or by sixty percent or more of the votes cast on the proposal submitted on a ballot at a general municipal election.

Sec. 3. Section 23-125, Reissue Revised Statutes of Nebraska, is amended to read:

23-125. Whenever the county board deems it necessary to assess taxes the aggregate of which exceeds the rate of fifty cents on every one hundred dollars of the taxable value of all the taxable property in such county, the county board may, by an order entered of record, set forth substantially the amount of such excess required and the purpose for which the same will be required, and if for the payment of interest, principal, or both upon bonds, such order shall in a general way designate the bonds and specify the number of years such excess must be levied and provide for the submission of the question of assessing the additional rate required to a vote of the people of the county at the next election for county officers after the adoption of the resolution or at a special election ordered by the county board for that purpose. If the proposition for such additional tax is carried, the same shall be paid in money and in no other manner. The additional tax shall not have a duration greater than five years. The additional tax is excluded from the limitation in section 77-3442 as provided by section 77-3444.

Sec. 4. Section 23-381, Reissue Revised Statutes of Nebraska, is amended to read:

23-381. The county board may levy a tax sufficient to cover the contributions required to be made. The and such levy shall ~~not~~ be included in determining the maximum levy that a county is authorized to impose.

Sec. 5. Section 23-501, Reissue Revised Statutes of Nebraska, is amended to read:

23-501. Whenever it is deemed necessary to erect a courthouse, jail, or other public county buildings in any county in this state, the county board may and, upon petition of not less than one-fourth of the registered voters of the county as shown by the list of registered voters of the last previous general election, shall submit to the people of the county to be voted upon at a general election or at a special election called by the county board for that purpose a proposition to vote a special annual tax for that purpose of not to exceed three and five-tenths cents on each one hundred dollars upon the taxable value of all the taxable property in such county for a term of not to exceed five years. The special annual tax is excluded from the limitation in section 77-3442 as provided by section 77-3444.

Sec. 6. Section 30-24,125, Revised Statutes Supplement, 1998, is amended to read:

30-24,125. (a) Thirty days after the death of a decedent, any person indebted to the decedent or having possession of tangible personal property or an instrument evidencing a debt, obligation, stock, or chose in action belonging to the decedent shall make payment of the indebtedness or deliver the tangible personal property or an instrument evidencing a debt, obligation, stock, or chose in action to a person claiming to be the successor of the decedent upon being presented an affidavit made by or on behalf of the successor stating that:

- (1) the value of the entire estate, wherever located, less liens and encumbrances, does not exceed twenty-five thousand dollars;
- (2) thirty days have elapsed since the death of the decedent;
- (3) no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction; and
- (4) the claiming successor is entitled to payment or delivery of the property.

(b) A transfer agent of any security shall change the registered ownership on the books of a corporation from the decedent to the successor or successors upon the presentation of an affidavit as provided in subsection (a).

(c) In addition to compliance with the requirements of subsection (a), a person seeking a transfer of a certificate of title to a motor vehicle shall be required to furnish to the Department of Motor Vehicles a ~~statement~~

of the value of any motor vehicle intended to be transferred under this section made by the county assessor of the county of the residence of the decedent. ~~The affidavit and statement~~ an affidavit showing applicability of this section and compliance with the requirements of this section ~~shall be sufficient proof under section 60-111,~~ to authorize the department to issue a new certificate of title.

Sec. 7. Section 35-1205, Reissue Revised Statutes of Nebraska, is amended to read:

35-1205. (1) Any rural or suburban fire protection district which contains within its boundaries (a) an assumed population of thirty thousand or more or (b) at least eighty percent of the assumed population of any one county which is contained in whole or in part within the district residing outside the city limits of any city of the first, primary, or metropolitan class in such county shall receive a distribution from the Mutual Finance Assistance Fund pursuant to section 35-1206.

(2) Any mutual finance organization which (a) has entered into an agreement pursuant to section 35-1204 and (b) contains within the boundaries of its members (i) an assumed population of thirty thousand or more or (ii) at least eighty percent of the assumed county population of any one county which is contained in whole or in part within the mutual finance organization residing outside the city limits of any city of the first, primary, or metropolitan class in such county shall receive a distribution from the fund pursuant to section 35-1206.

(3) For purposes of this section:

(a) The assumed population residing within the boundaries of a rural or suburban fire protection district or mutual finance organization equals (i) the estimated county population as determined based on the most recent estimates of the United States Bureau of the Census for counties, minus (ii) the estimated population of all cities and villages in the county as certified pursuant to section 77-3,119, multiplied by (iii) a fraction, the numerator of which is the valuation within the rural or suburban fire protection district or mutual finance organization which is not within a city or village and the denominator of which is the valuation in the county which is not contained within a city of the first, primary, or metropolitan class, and added to (iv) the most recent estimated population of all cities of the second class and villages in the fire protection district or mutual finance organization as certified pursuant to section 77-3,119;

(b) The assumed county population residing outside the city limits of any city of the first, primary, or metropolitan class equals (i) the most recent estimated county population as determined based on the most recent estimates of the United States Bureau of the Census for counties minus (ii) the most recent estimated population of all cities of the first, primary, or metropolitan class in the county as certified pursuant to section 77-3,119;

(c) If a city or village is located in more than one county, the population of the city or village which resides in the county is presumed to be in proportion to the valuation of such city or village which is located in the county; and

(d) If the district or mutual finance organization is located in more than one county and the district or mutual finance organization meets the threshold in subsection (1) or (2) of this section in only one county, the district or mutual finance organization shall qualify for assistance under this section.

Sec. 8. Section 35-1206, Reissue Revised Statutes of Nebraska, is amended to read:

35-1206. (1) Rural and suburban fire protection districts or mutual finance organizations which qualify for assistance under section 35-1205 shall receive ten dollars times the assumed population of the fire protection district or mutual finance organization as calculated in subsection (3) of such section plus the population of any city of the first class that is part of the district or mutual finance organization, not to exceed three hundred thousand dollars for any one district or mutual finance organization. If the district or mutual finance organization is located in more than one county and meets the threshold for qualification in subsection (1) or (2) of section 35-1205 in one of such counties, the district or mutual finance organization shall receive assistance under this section for all of its assumed population, including that which is assumed population in counties for which the threshold is not reached by the district or mutual finance organization.

(2) If a mutual finance organization qualifies for assistance under this section and one or more rural or suburban fire protection districts or cities or villages fail to levy a tax rate equal to the other districts or cities or villages as required under the mutual finance agreement, the mutual finance organization shall be disqualified for assistance in the following

year and each subsequent year until the year following any year for which all districts and cities and villages in the mutual finance organization levy the same tax rate as required by a mutual finance organization agreement.

Sec. 9. Section 60-3004, Reissue Revised Statutes of Nebraska, is amended to read:

60-3004. (1) The motor vehicle tax schedules are set out in this section.

(2) The motor vehicle tax shall be calculated by multiplying the base tax times the fraction which corresponds to the age category of the vehicle as shown in the following table:

YEAR	FRACTION
First	1.00
Second	0.90
Third	0.80
Fourth	0.70
Fifth	0.60
Sixth	0.51
Seventh	0.42
Eighth	0.33
Ninth	0.24
Tenth and Eleventh	0.15
Twelfth and Thirteenth	0.07
Fourteenth and older	0.00

(3) The base tax shall be:

(a) Passenger cars, trucks, utility vehicles, and vans, up to and including seven tons -- An amount determined using the following table:

Value when new	Base tax
Up to \$9,999	\$ 60
\$10,000 to \$11,999	100
\$12,000 to \$13,999	140
\$14,000 to \$15,999	180
\$16,000 to \$17,999	220
\$18,000 to \$19,999	260
\$20,000 to \$21,999	300
\$22,000 to \$23,999	340
\$24,000 to \$25,999	380
\$26,000 to \$27,999	420
\$28,000 to \$29,999	460
\$30,000 to \$31,999	500
\$32,000 to \$33,999	540
\$34,000 to \$35,999	580
\$36,000 to \$37,999	620
\$38,000 to \$39,999	660
\$40,000 to \$41,999	700
\$42,000 to \$43,999	740
\$44,000 to \$45,999	780
\$46,000 to \$47,999	820
\$48,000 to \$49,999	860
\$50,000 to \$51,999	900
\$52,000 to \$53,999	940
\$54,000 to \$55,999	980
\$56,000 to \$57,999	1,020
\$58,000 to \$59,999	1,060
\$60,000 to \$61,999	1,100
\$62,000 to \$63,999	1,140
\$64,000 to \$65,999	1,180
\$66,000 to \$67,999	1,220
\$68,000 to \$69,999	1,260
\$70,000 to \$71,999	1,300
\$72,000 to \$73,999	1,340
\$74,000 to \$75,999	1,380
\$76,000 to \$77,999	1,420
\$78,000 and over	1,460

(b) Assembled passenger cars, trucks, utility vehicles, and vans, ~~up to and including seven tons~~ -- \$60;

(c) Motorcycles -- An amount determined using the following table:

Value when new	Base tax
Up to \$3,999	\$ 25
\$ 4,000 to \$ 5,999	50
\$ 6,000 to \$ 7,999	75
\$ 8,000 to \$ 9,999	100
\$10,000 to \$11,999	125

\$12,000 to \$13,999	150
\$14,000 to \$15,999	175
\$16,000 to \$17,999	200
\$18,000 to \$19,999	225
\$20,000 and over	250

- (d) Assembled motorcycles -- \$25;
- (e) Recreational vehicles -- Cabin trailers, up to one thousand pounds -- \$10
- ~~(e)~~ (f) Recreational vehicles -- Cabin trailers, one thousand pounds and over and less than two thousand pounds -- \$25
- ~~(f)~~ (g) Recreational vehicles -- Cabin trailers, two thousand pounds and over -- \$40
- ~~(g)~~ (h) Recreational vehicles -- Self-propelled mobile homes, less than eight thousand pounds -- \$160
- ~~(h)~~ (i) Recreational vehicles -- Self-propelled mobile homes, eight thousand pounds and over and less than twelve thousand pounds -- \$410
- ~~(i)~~ (j) Recreational vehicles -- Self-propelled mobile homes, twelve thousand pounds and over -- \$860
- (k) Assembled recreational vehicles and buses shall follow the schedules for body type and registered weight;
- ~~(j)~~ (l) Trucks -- Over seven tons and less than ten tons -- \$360
- ~~(k)~~ (m) Trucks -- Ten tons and over and less than thirteen tons -- \$560
- ~~(l)~~ (n) Trucks -- Thirteen tons and over and less than sixteen tons -- \$760
- ~~(m)~~ (o) Trucks -- Sixteen tons and over and less than twenty-five tons -- \$960
- ~~(n)~~ (p) Trucks -- Twenty-five tons and over -- \$1160
- ~~(o)~~ (q) Buses -- \$360
- ~~(p)~~ (r) Trailers other than semitrailers -- \$10
- ~~(q)~~ (s) Semitrailers -- \$110
- ~~(r)~~ (t) All other motor vehicles not listed in subdivisions (3)(a) through ~~(q)~~ (s) of this section -- \$310

(4) For purposes of subsection (3) of this section, truck means all trucks and combinations of trucks or truck-tractors, except those trucks, truck-trailers, trailers, semitrailers, or combinations thereof registered under section 60-305.09, and the tax is based on the gross vehicle weight rating as reported by the manufacturer.

(5) For purposes of subsection (3) of this section, trailer and semitrailer have the same meanings as in section 60-301.

(6) Current model year vehicles are designated as first-year vehicles for purposes of the schedules.

(7) When a motor vehicle is registered which is newer than the current model year by the manufacturer's designation, the motor vehicle is subject to the initial motor vehicle tax in the first registration period and ninety-five percent of the initial motor vehicle tax in the second registration period.

(8) Assembled recreational vehicles and buses shall be designated as sixth-year vehicles in their first year of registration for purposes of the schedules.

(9) When a motor vehicle is registered which is required to have a title branded as previous salvage pursuant to section 60-130, the motor vehicle tax shall be reduced by twenty-five percent.

~~(9) All assembled motor vehicles other than passenger cars, trucks, utility vehicles, and vans up to and including seven tons shall follow the schedules of the motor vehicle body type.~~

Sec. 10. Section 77-27,139.03, Revised Statutes Supplement, 1998, 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 Auditor of Public Accounts shall provide to the Department of Revenue a list of the bond and nonbond tax request amounts from the most recent budgets filed by incorporated municipalities. The information shall be used to calculate the bond and nonbond tax levies for aid purposes under this section. The auditor shall provide the information to the department by February 1 each year.

(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 ~~forty cents per one hundred dollars of valuation~~ 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 ~~forty cents~~ the average property tax levy.

(4) Aid distributed to a municipality shall not exceed the amount which would have been necessary to reduce the municipal tax levy for operational purposes below ~~thirty-five cents per one hundred dollars of taxable valuation~~ the average property tax levy in the immediately preceding fiscal year.

(5) 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 transferred to and distributed from the Municipal Infrastructure Redevelopment Fund.

Sec. 11. Section 77-3442, Revised Statutes Supplement, 1998, is amended to read:

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

(2)(a) Except as provided in subdivision (2)(b) of this section, school districts and multiple-district school systems may levy a maximum levy of (i) one dollar and ten cents per one hundred dollars of taxable valuation of property subject to the levy until fiscal year 2001-02 and (ii) one dollar per one hundred dollars of taxable valuation of property subject to the levy for fiscal year 2001-02 and all subsequent fiscal years. Excluded from this limitation are amounts levied to pay for sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment and amounts levied to pay for special building funds and sinking funds established for projects commenced prior to April 1, 1996, for construction, expansion, or alteration of school district buildings. For purposes of this subsection, commenced means any action taken by the school board on the record which commits the board to expend district funds in planning, constructing, or carrying out the project.

(b) Federal aid school districts may exceed the maximum levy prescribed by subdivision (2)(a) of this section only to the extent necessary to qualify to receive federal aid pursuant to Title VIII of Public Law 103-382. For purposes of this subdivision, federal aid school district means any school district which receives ten percent or more of the revenue for its general fund budget from federal government sources pursuant to Title VIII of Public Law 103-382.

(3) Community colleges may levy a maximum levy on each one hundred dollars of taxable property subject to the levy of (a) eight cents for fiscal year 1998-99 and fiscal year 1999-2000 and (b) seven cents for fiscal year 2000-01 and each fiscal year thereafter.

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

(5) Educational service units may levy a maximum levy of one and one-half cents per one hundred dollars of taxable valuation of property subject to the levy.

(6) Incorporated cities and villages may levy a maximum levy of forty-five cents per one hundred dollars of taxable valuation of property subject to the levy plus an additional five cents per one hundred dollars of taxable valuation to provide financing for the municipality's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to section 51-201, museum pursuant to section 51-501, visiting community nurse, home health nurse, or home health agency pursuant to section 71-1637, or statue, memorial, or monument pursuant to section 80-202.

(7) Sanitary and improvement districts which have been in existence for more than five years may levy a maximum levy of forty cents per one hundred dollars of taxable valuation of property subject to the levy, and sanitary and improvement districts which have been in existence for five years

or less shall not have a maximum levy.

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

(9) Property tax levies for judgments obtained against a political subdivision which require or obligate a political subdivision to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of a political subdivision, for preexisting lease-purchase contracts approved prior to July 1, 1998, ~~and~~ for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Department of Aeronautics in lieu of bonded indebtedness at a lower cost to the public airport are not included in the levy limits established by this section.

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

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

Sec. 12. Section 77-3443, Revised Statutes Supplement, 1998, is amended to read:

77-3443. (1) All ~~(a)~~ political subdivisions, other than (a) school districts, community colleges, natural resources districts, educational service units, cities, villages, counties, and sanitary and improvement districts and (b) political subdivisions subject to municipal allocation under subsection (2) of this section, may levy taxes as authorized by law which are authorized by the county board of the county in which the greatest portion of the valuation is located, which are counted in the county levy limit provided in section 77-3442, and which do not collectively total more than fifteen cents per one hundred dollars of taxable valuation on any parcel or item of taxable property for all governments for which allocations are made by the municipality or county, except that such limitation shall not apply to property tax levies for preexisting lease-purchase contracts approved prior to July 1, 1998, ~~and~~ for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Department of Aeronautics in lieu of bonded indebtedness at a lower cost to the public airport. The county board shall review and approve or disapprove the levy request of all political subdivisions subject to this subsection. The county board may approve all or a portion of the levy request and may approve a levy request that would allow the requesting political subdivision to levy a tax at a levy greater than that permitted by law. The county board of a county which contains a transit authority created pursuant to section 14-1803 shall allocate no less than three cents per one hundred dollars of taxable property within the city subject to the levy to the transit authority if requested by such authority. For any political subdivision subject to this subsection that receives taxes from more than one county, the levy shall be allocated only by the county in which the greatest portion of the valuation is located. The county board of equalization shall certify all levies by October 15 to insure that the taxes levied by political subdivisions subject to this subsection do not exceed the allowable limit for any parcel or item of taxable property. The levy

allocated by the county may be exceeded as provided in section 77-3444.

(2) All city airport authorities established under the Cities Airport Authorities Act, community redevelopment authorities established under the Community Development Law, transit authorities established under the Transit Authority Law, and offstreet parking districts established under the Offstreet Parking District Act may be allocated property taxes as authorized by law which are authorized by the city or village and are counted in the city or village levy limit provided by section 77-3442, except that such limitation shall not apply to property tax levies for preexisting lease-purchase contracts approved prior to July 1, 1998, ~~and~~ for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Department of Aeronautics in lieu of bonded indebtedness at a lower cost to the public airport. The city council of a city which has created a transit authority pursuant to section 14-1803 shall allocate no less than three cents per one hundred dollars of taxable property subject to the levy to the transit authority if requested by such authority. The city council or village board shall review and approve or disapprove the levy request of the political subdivisions subject to this subsection. The city council or village board may approve all or a portion of the levy request and may approve a levy request that would allow a levy greater than that permitted by law. The levy allocated by the municipality may be exceeded as provided in section 77-3444.

(3) On or before August 1, all political subdivisions subject to county or municipal levy authority under this section shall submit a preliminary request for levy allocation to the county board, city council, or village board that is responsible for levying such taxes. The preliminary request of the political subdivision shall be in the form of a resolution adopted by a majority vote of members present of the political subdivision's governing body. The failure of a political subdivision to make a preliminary request shall preclude such political subdivision from using procedures set forth in section 77-3444 to exceed the final levy allocation as determined in subsection (4) of this section.

(4) Each county board, city council, or village board shall (a) adopt a resolution by a majority vote of members present which determines a final allocation of levy authority to its political subdivisions and (b) forward a copy of such resolution to the chairperson of the governing body of each of its political subdivisions. No final levy allocation shall be changed after September 1 except by agreement between both the county board, city council, or village board which determined the amount of the final levy allocation and the governing body of the political subdivision whose final levy allocation is at issue.

Sec. 13. Section 77-3444, Revised Statutes Supplement, 1998, is amended to read:

77-3444. (1) A political subdivision, other than a Class I school district, may exceed the limits provided in section 77-3442 or a final levy allocation determination as provided in section 77-3443 by an amount not to exceed a maximum levy approved by a majority of registered voters voting on the issue in a primary, general, or special election at which the issue is placed before the registered voters. A vote to exceed the limits provided in section 77-3442 or a final levy allocation as provided in section 77-3443 must be approved prior to October 10 of the fiscal year which is to be the first to exceed the limits or final levy allocation. The governing body of the political subdivision may call for the submission of the issue to the voters (a) by passing a resolution calling for exceeding the limits or final levy allocation by a vote of at least two-thirds of the members of the governing body and delivering a copy of the resolution to the county clerk or election commissioner of every county which contains all or part of the political subdivision or (b) upon receipt of a petition by the county clerk or election commissioner of every county containing all or part of the political subdivision requesting an election signed by at least five percent of the registered voters residing in the political subdivision. The resolution or petition shall include the amount of levy which would be imposed in excess of the limits provided in section 77-3442 or the final levy allocation as provided in section 77-3443 and the duration of the excess levy authority. The excess levy authority shall not have a duration greater than five years. Any resolution or petition calling for a special election shall be filed with the county clerk or election commissioner no later than thirty days prior to the date of the election, and the time of publication and providing a copy of the notice of election required in section 32-802 shall be no later than twenty days prior to the election. The county clerk or election commissioner shall place the issue on the ballot at an election as called for in the resolution or petition which is at least thirty days after receipt of the



resolution or petition. The election shall be held pursuant to the Election Act. For petitions filed with the county clerk or election commissioner on or after May 1, 1998, the petition shall be in the form as provided in sections 32-628 to 32-631. Any excess levy authority approved under this section shall terminate pursuant to its terms, on a vote of the governing body of the political subdivision to terminate the authority to levy more than the limits, at the end of the fourth fiscal year following the first year in which the levy exceeded the limit or the final levy allocation, or as provided in subsection (5) of this section, whichever is earliest. A governing body may pass no more than one resolution calling for an election pursuant to this section during any one calendar year. Only one election may be held in any one calendar year pursuant to a petition initiated under this section. ~~There shall be no limit on the number of elections held pursuant to this section which are initiated by petition.~~

(2) The ballot question may include any terms and conditions set forth in the resolution or petition and shall include the following: "Shall (name of political subdivision) be allowed to levy a property tax not to exceed ..... cents per one hundred dollars of taxable valuation in excess of the limits prescribed by law until fiscal year ..... for the purposes of (general operations; building construction, remodeling, or site acquisition; or both general operations and building construction, remodeling, or site acquisition)?" If a majority of the votes cast upon the ballot question are in favor of such tax, the county board shall authorize a tax in excess of the limits in section 77-3442 or the final levy allocation in section 77-3443 but such tax shall not exceed the amount stated in the ballot question. If a majority of those voting on the ballot question are opposed to such tax, the governing body of the political subdivision shall not impose such tax.

(3) The county clerk or election commissioner may set a uniform date for a special election to be held before October 10, 1998, to submit the issue of exceeding the limits provided in section 77-3442 or the final levy allocation as provided in section 77-3443 to the voters of political subdivisions in the county seeking additional levy authority. Any political subdivision may individually or in conjunction with one or more other political subdivisions conduct a special election on a date different from that set by the county clerk or election commissioner, except that a governing body shall pass a resolution calling for a special election for this purpose and deliver a copy of the resolution to the county clerk or election commissioner no later than thirty days prior to the date of the election.

(4) In lieu of the election procedures in subsection (1) of this section, any political subdivision subject to section 77-3443, other than a Class I school district, and villages may approve a levy in excess of the limits in section 77-3442 or the final levy allocation provided in section 77-3443 for a period of one year at a meeting of the residents of the political subdivision or village, called after notice is published in a newspaper of general circulation in the political subdivision or village at least twenty days prior to the meeting. At least ten percent of the registered voters residing in the political subdivision or village shall constitute a quorum for purposes of taking action to exceed the limits or final levy allocation. If a majority of the registered voters present at the meeting vote in favor of exceeding the limits or final levy allocation, a copy of the record of that action shall be forwarded to the county board prior to October 10 and the county board shall authorize a levy as approved by the residents for the year. If a majority of the registered voters present at the meeting vote against exceeding the limits or final allocation, the limit or allocation shall not be exceeded and the political subdivision shall have no power to call for an election under subsection (1) of this section.

(5) A political subdivision, other than a Class I school district, may rescind or modify a previously approved excess levy authority prior to its expiration by a majority of registered voters voting on the issue in a primary, general, or special election at which the issue is placed before the registered voters. A vote to rescind or modify must be approved prior to October 10 of the fiscal year for which it is to be effective. The governing body of the political subdivision may call for the submission of the issue to the voters (a) by passing a resolution calling for the rescission or modification by a vote of at least two-thirds of the members of the governing body and delivering a copy of the resolution to the county clerk or election commissioner of every county which contains all or part of the political subdivision or (b) upon receipt of a petition by the county clerk or election commissioner of every county containing all or part of the political subdivision requesting an election signed by at least five percent of the registered voters residing in the political subdivision. The resolution or

petition shall include the amount and the duration of the previously approved excess levy authority and a statement that either such excess levy authority will be rescinded or such excess levy authority will be modified. If the excess levy authority will be modified, the amount and duration of such modification shall be stated. The modification shall not have a duration greater than five years. The county clerk or election commissioner shall place the issue on the ballot at an election as called for in the resolution or petition which is at least thirty days after receipt of the resolution or petition, and the time of publication and providing a copy of the notice of election required in section 32-802 shall be no later than twenty days prior to the election. The election shall be held pursuant to the Election Act.

(6) For purposes of this section, when the political subdivision is a sanitary and improvement district, registered voter means a person qualified to vote as provided in section 31-735. Any election conducted under this section for a sanitary and improvement district shall be conducted and counted as provided in sections 31-735 to 31-735.06.

(7) For purposes of this section, when the political subdivision is a school district or a multiple-district school system, registered voter includes both (a) persons qualified to vote for the members of the school board of the school district which is voting to exceed the maximum levy limits pursuant to this section and (b) persons in those portions of any Class I district which are affiliated with or a part of the school district which is voting pursuant to this section, if such voter is also qualified to vote for the school board of the affected Class I school district.

Sec. 14. Section 79-1225, Reissue Revised Statutes of Nebraska, is amended to read:

79-1225. 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. The levy shall be subject to the limits established by section 77-3442. ~~The tax may exceed the limit by up to five-tenths cent on each one hundred dollars of such valuation in order to carry out the purposes of section 79-1233.~~ 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 20 of each year. 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. 15. Section 79-1233, Reissue Revised Statutes of Nebraska, is amended to read:

79-1233. Each educational service unit shall provide, in cooperation with the State Department of Education, access for all school districts within the geographical area served by the unit to telecomputing resources through the installation of necessary equipment at each educational service unit location and shall provide support for training users to meet their specific telecomputing needs. Each educational service unit shall also develop, with the State Department of Education, a plan which provides for connecting the telecomputing equipment of such school districts with the telecomputing equipment of the unit. ~~An amount not to exceed the proceeds of one-half of the five-tenths cent on each one hundred dollars of assessed valuation, which may be levied for the purposes of this section under section 79-1225, may be used to~~ School districts may connect the their telecomputing equipment ~~of the school districts~~ to the educational service unit pursuant to the plan adopted by the educational service unit.

The purchase of and planning for equipment and software for the educational service units shall be coordinated by the department and shall be compatible with a statewide plan for telecomputing agreed upon by the Department of Administrative Services and the State Department of Education. Educational service units may enter into agreements pursuant to the Interlocal Cooperation Act to carry out this section. Such agreements may include, but need not be limited to, provisions requiring any school district having telecomputing equipment connected to the educational service unit's telecomputing equipment to pay periodic fees necessary to cover the cost of such usage.

Sec. 16. Original sections 14-514, 23-125, 23-381, 23-501, 35-1205, 35-1206, 60-3004, 79-1225, and 79-1233, Reissue Revised Statutes of Nebraska, and sections 13-520, 30-24,125, 77-27,139.03, 77-3442, 77-3443, and 77-3444, Revised Statutes Supplement, 1998, are repealed.

Sec. 17. Since an emergency exists, this act takes effect when passed and approved according to law.