

AMENDMENTS TO LB 988

Introduced by Education.

1 1. Insert the following new sections:

2 Section 1. Section 77-1327, Revised Statutes Supplement,
3 2007, is amended to read:

4 77-1327 (1) It is the intent of the Legislature that
5 accurate and comprehensive information be developed by the Property
6 Tax Administrator and made accessible to the taxing officials
7 and property owners in order to ensure the uniformity and
8 proportionality of the assessments of real property valuations
9 in the state in accordance with law and to provide the statistical
10 and narrative reports pursuant to section 77-5027.

11 (2) All transactions of real property for which the
12 statement required in section 76-214 is filed shall be available
13 for development of a sales file by the Property Tax Administrator.
14 All transactions with stated consideration of more than one hundred
15 dollars or upon which more than two dollars and twenty-five
16 cents in documentary stamp taxes are paid shall be considered
17 sales. All sales shall be deemed to be arm's length transactions
18 unless determined to be otherwise under professionally accepted
19 mass appraisal techniques. The Department of Revenue shall not
20 overturn a determination made by a county assessor regarding the
21 qualification of a sale unless the department reviews the sale and
22 determines through the review that the determination made by the
23 county assessor is incorrect.

1 (3) The Property Tax Administrator annually shall make
2 and issue comprehensive assessment ratio studies of the average
3 level of assessment, the degree of assessment uniformity, and the
4 overall compliance with assessment requirements for each major
5 class of real property subject to the property tax in each county.
6 The comprehensive assessment ratio studies shall be developed in
7 compliance with professionally accepted mass appraisal techniques
8 and shall employ such statistical analysis as deemed appropriate
9 by the Property Tax Administrator, including measures of central
10 tendency and dispersion. The comprehensive assessment ratio studies
11 shall be based upon the sales file as developed in subsection
12 (2) of this section and shall be used by the Property Tax
13 Administrator for the analysis of the level of value and quality
14 of assessment for purposes of section 77-5027. ~~and by the Property~~
15 ~~Tax Administrator in establishing the adjusted valuations required~~
16 ~~by section 79-1016.~~ Such studies may also be used by assessing
17 officials in establishing assessed valuations.

18 (4) For purposes of determining the level of value of
19 agricultural and horticultural land subject to special valuation
20 under sections 77-1343 to 77-1348, the Property Tax Administrator
21 shall annually make and issue a comprehensive study developed in
22 compliance with professionally accepted mass appraisal techniques
23 to establish the level of value if in his or her opinion the level
24 of value cannot be developed through the use of the comprehensive
25 assessment ratio studies developed in subsection (3) of this
26 section.

27 (5) The Property Tax Administrator may require assessors

1 and other taxing officials to report data on the assessed valuation
2 and other features of the property assessment for such periods and
3 in such form and content as the Property Tax Administrator shall
4 deem appropriate. The Property Tax Administrator shall so construct
5 and maintain the system used to collect and analyze the data to
6 enable him or her to make intracounty comparisons of assessed
7 valuation, including school districts, as well as intercounty
8 comparisons of assessed valuation, including school districts. The
9 Property Tax Administrator shall include analysis of real property
10 sales pursuant to land contracts and similar transfers at the time
11 of execution of the contract or similar transfer.

12 Sec. 2. Section 77-3442, Revised Statutes Supplement,
13 2007, is amended to read:

14 77-3442 (1) Property tax levies for the support of local
15 governments for fiscal years beginning on or after July 1, 1998,
16 shall be limited to the amounts set forth in this section except as
17 provided in section 77-3444.

18 (2)(a) Except as provided in subdivision (2)(e) of this
19 section, school districts and multiple-district school systems,
20 except learning communities and school districts that are members
21 of learning communities, may levy a maximum levy of one dollar and
22 five cents per one hundred dollars of taxable valuation of property
23 subject to the levy.

24 (b) For each fiscal year, learning communities may levy
25 a maximum levy for the general fund budgets of member school
26 districts ~~equal to the local effort rate prescribed in section~~
27 ~~79-1015.01 for such fiscal year.~~ of ninety-five cents per one

1 hundred dollars of taxable valuation of property subject to the
2 levy. The proceeds from the levy pursuant to this subdivision shall
3 be distributed pursuant to section 79-1073.

4 (c) Except as provided in subdivision (2)(e) of this
5 section, for each fiscal year, school districts that are members
6 of learning communities may levy for purposes of such districts'
7 general fund budget and special building funds a maximum combined
8 levy of the difference of one dollar and five cents on each one
9 hundred dollars of taxable property subject to the levy minus
10 the learning community levies pursuant to subdivisions (2)(b) and
11 (2)(g) of this section for such learning community.

12 (d) Excluded from the limitations in subdivisions (2)(a)
13 and (2)(c) of this section are amounts levied to pay for
14 sums agreed to be paid by a school district to certificated
15 employees in exchange for a voluntary termination of employment
16 and amounts levied to pay for special building funds and sinking
17 funds established for projects commenced prior to April 1, 1996,
18 for construction, expansion, or alteration of school district
19 buildings. For purposes of this subsection, commenced means any
20 action taken by the school board on the record which commits
21 the board to expend district funds in planning, constructing, or
22 carrying out the project.

23 (e) Federal aid school districts may exceed the maximum
24 levy prescribed by subdivision (2)(a) or (2)(c) of this section
25 only to the extent necessary to qualify to receive federal aid
26 pursuant to Title VIII of Public Law 103-382, as such title existed
27 on September 1, 2001. For purposes of this subdivision, federal

1 aid school district means any school district which receives ten
2 percent or more of the revenue for its general fund budget from
3 federal government sources pursuant to Title VIII of Public Law
4 103-382, as such title existed on September 1, 2001.

5 (f) For school fiscal year 2002-03 through school fiscal
6 year 2007-08, school districts and multiple-district school systems
7 may, upon a three-fourths majority vote of the school board of
8 the school district, the board of the unified system, or the
9 school board of the high school district of the multiple-district
10 school system that is not a unified system, exceed the maximum
11 levy prescribed by subdivision (2) (a) of this section in an amount
12 equal to the net difference between the amount of state aid that
13 would have been provided under the Tax Equity and Educational
14 Opportunities Support Act without the temporary aid adjustment
15 factor as defined in section 79-1003 for the ensuing school fiscal
16 year for the school district or multiple-district school system
17 and the amount provided with the temporary aid adjustment factor.
18 The State Department of Education shall certify to the school
19 districts and multiple-district school systems the amount by which
20 the maximum levy may be exceeded for the next school fiscal year
21 pursuant to this subdivision (f) of this subsection on or before
22 February 15 for school fiscal years 2004-05 through 2007-08.

23 (g) For each fiscal year, learning communities may levy a
24 maximum levy of two cents on each one hundred dollars of taxable
25 property subject to the levy for special building funds for member
26 school districts. The proceeds from the levy pursuant to this
27 subdivision shall be distributed pursuant to section 79-1073.01.

1 (h) For each fiscal year, learning communities may levy
2 a maximum levy of five cents on each one hundred dollars of
3 taxable property subject to the levy for elementary learning center
4 facilities and for up to fifty percent of the estimated cost for
5 capital projects approved by the learning community coordinating
6 council pursuant to section 79-2111.

7 (3) Community colleges may levy a maximum levy calculated
8 pursuant to the Community College Foundation and Equalization Aid
9 Act on each one hundred dollars of taxable property subject to the
10 levy.

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

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

24 (c) In addition, natural resources districts located in
25 a river basin, subbasin, or reach that has been determined to
26 be fully appropriated pursuant to section 46-714 or designated
27 as overappropriated pursuant to section 46-713 by the Department

1 of Natural Resources shall also have the power and authority to
2 levy a tax equal to the dollar amount by which their restricted
3 funds budgeted to administer and implement ground water management
4 activities and integrated management activities under the Nebraska
5 Ground Water Management and Protection Act exceed their restricted
6 funds budgeted to administer and implement ground water management
7 activities and integrated management activities for FY2005-06, not
8 to exceed three cents on each one hundred dollars of taxable
9 valuation on all of the taxable property within the district for
10 fiscal year 2006-07 and each fiscal year thereafter through fiscal
11 year 2011-12.

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

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

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

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

20 (8) Counties may levy or authorize a maximum levy of
21 fifty cents per one hundred dollars of taxable valuation of
22 property subject to the levy, except that five cents per one
23 hundred dollars of taxable valuation of property subject to the
24 levy may only be levied to provide financing for the county's
25 share of revenue required under an agreement or agreements executed
26 pursuant to the Interlocal Cooperation Act or the Joint Public
27 Agency Act. The maximum levy shall include amounts levied to pay

1 for sums to support a library pursuant to section 51-201 or museum
2 pursuant to section 51-501. The county may allocate up to fifteen
3 cents of its authority to other political subdivisions subject
4 to allocation of property tax authority under subsection (1) of
5 section 77-3443 and not specifically covered in this section to
6 levy taxes as authorized by law which do not collectively exceed
7 fifteen cents per one hundred dollars of taxable valuation on any
8 parcel or item of taxable property. The county may allocate to
9 one or more other political subdivisions subject to allocation
10 of property tax authority by the county under subsection (1) of
11 section 77-3443 some or all of the county's five cents per one
12 hundred dollars of valuation authorized for support of an agreement
13 or agreements to be levied by the political subdivision for the
14 purpose of supporting that political subdivision's share of revenue
15 required under an agreement or agreements executed pursuant to the
16 Interlocal Cooperation Act or the Joint Public Agency Act. If an
17 allocation by a county would cause another county to exceed its
18 levy authority under this section, the second county may exceed the
19 levy authority in order to levy the amount allocated.

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

25 (10) Property tax levies for judgments, except judgments
26 or orders from the Commission of Industrial Relations, obtained
27 against a political subdivision which require or obligate a

1 political subdivision to pay such judgment, to the extent such
2 judgment is not paid by liability insurance coverage of a
3 political subdivision, for preexisting lease-purchase contracts
4 approved prior to July 1, 1998, for bonded indebtedness approved
5 according to law and secured by a levy on property, and for
6 payments by a public airport to retire interest-free loans from the
7 Department of Aeronautics in lieu of bonded indebtedness at a lower
8 cost to the public airport are not included in the levy limits
9 established by this section.

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

15 (12) Tax levies in excess of the limitations in this
16 section shall be considered unauthorized levies under section
17 77-1606 unless approved under section 77-3444.

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

21 Sec. 30. Section 79-1008.02, Revised Statutes Supplement,
22 2007, is amended to read:

23 79-1008.02 A minimum levy adjustment shall be calculated
24 and applied to any local system that has a general fund common levy
25 for the fiscal year during which aid is certified that is less
26 than the maximum levy, for such fiscal year for such local system,
27 allowed pursuant to subdivision (2)(a) or (b) of section 77-3442

1 without a vote pursuant to section 77-3444 less ~~two~~ five cents
2 for learning communities and less ten cents for all other local
3 systems. To calculate the minimum levy adjustment, the department
4 shall subtract the local system general fund common levy for such
5 fiscal year for such local system from the maximum levy allowed
6 pursuant to subdivision (2) (a) or (b) of section 77-3442 without a
7 vote pursuant to section 77-3444 less ~~two~~ five cents for learning
8 communities and less ten cents for all other local systems and
9 multiply the result by the local system's adjusted valuation for
10 school fiscal years prior to school fiscal year 2008-09 and by the
11 local system's assessed valuation for school fiscal year 2008-09
12 and each school fiscal year thereafter divided by one hundred. The
13 minimum levy adjustment shall be added to the formula resources of
14 the local system for the determination of equalization aid pursuant
15 to section 79-1008.01. If the minimum levy adjustment is greater
16 than or equal to the allocated income tax funds calculated pursuant
17 to section 79-1005.01 or 79-1005.02, the local system shall not
18 receive allocated income tax funds. If the minimum levy adjustment
19 is less than the allocated income tax funds calculated pursuant to
20 section 79-1005.01 or 79-1005.02, the local system shall receive
21 allocated income tax funds in the amount of the difference between
22 the allocated income tax funds calculated pursuant to section
23 79-1005.01 or 79-1005.02 and the minimum levy adjustment. This
24 section does not apply to the calculation of aid for a local system
25 containing a learning community for the first school fiscal year
26 for which aid is calculated for such local system.

27 Sec. 32. Section 79-1010, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 79-1010 (1) To encourage consolidation and unification of
3 school districts, incentives shall be paid to reorganized districts
4 and unified systems in certain size ranges for a three-year period
5 to reward the reorganized districts or unified systems for their
6 efforts to increase efficiency in the delivery of educational
7 services. This section shall only apply to consolidations and
8 unifications with an effective date after May 31, 1996, and before
9 August 2, 2001.

10 (2) To qualify for incentive payments under this section,
11 the consolidation or unification must be approved for incentive
12 payments by the State Committee for the Reorganization of School
13 Districts. For consolidations, when reviewing a petition for the
14 boundary change pursuant to section 79-413, the state committee
15 shall issue a preliminary approval or disapproval for incentive
16 payments along with a notice specifying application procedures. For
17 consolidations, affected school districts shall file an application
18 for incentive payments with the state committee within thirty days
19 following the issuance of the boundary change order pursuant to
20 subsection (1) of section 79-479. For unifications, the unified
21 system or participating districts shall file an application for
22 incentive payments with the state committee either following
23 approval of the application for unification or in conjunction
24 with the application for unification. The state committee shall,
25 within thirty days, approve or disapprove incentive payments.
26 For consolidations, if there are no material changes in the
27 reorganization plan between a preliminary approval and application

1 for incentive payments following the boundary change order, the
2 state committee shall approve the incentive payments. If a
3 preliminary disapproval was issued or if there was a material
4 change in the reorganization plan prior to the issuance of the
5 boundary change order, the state committee shall reconsider the
6 approval or disapproval of incentive payments. The state committee
7 shall make the determination regarding whether or not any changes
8 in a reorganization plan are material for the purpose of approving
9 or disapproving incentive payments.

10 (3) For incentive payments to be approved for
11 either consolidations or unifications by the state committee,
12 a reorganization study, including efficiency, demographic,
13 curriculum, facility, financial, and community components, must
14 be completed. If a study containing such elements is completed
15 and the reorganization plan or unification agreement will most
16 likely result in more efficiency in the delivery of educational
17 services or greater educational opportunities, the state committee
18 may approve incentive payments for the affected districts.

19 (4)(a) Incentive payments shall be based on the number
20 of students moving from one size range to a lower cost size range
21 based on the average daily membership in each affected district
22 in the school fiscal year immediately preceding the first school
23 fiscal year the boundary change or unification is in effect and
24 the average daily membership the consolidated district or unified
25 system would have had following the boundary change or unification
26 if it had occurred in the school fiscal year immediately preceding
27 the first school fiscal year the boundary change or unification

1 is in effect. The reorganized school districts or unified systems
2 existing after the qualified boundary change or unification shall
3 receive incentive payments based on the following criteria for each
4 student meeting the criteria:

5 For grades one through six, including full-day
6 kindergarten:

7	Average daily	Average daily	Incentive payment
8	membership range	membership range with	per student who
9	before	boundary change	moves from the
10	consolidation	or unification	average daily
11	or unification		membership range
12			before
13			consolidation
14			or unification
15			to the
16			average daily
17			membership range
18			with boundary
19			change or
20			unification

21	.01 - 101.00	101.01 - 185.00	\$590
22	.01 - 101.00	185.01 - 375.00	890
23	.01 - 101.00	375.01 - 1,000.00	1,190
24	.01 - 101.00	1,000.01 - 1,900.00	1,320
25	101.01 - 185.00	185.01 - 375.00	300
26	101.01 - 185.00	375.01 - 1,000.00	590
27	101.01 - 185.00	1,000.01 - 1,900.00	730

1	185.01 - 375.00	375.01 - 1,000.00	300
2	185.01 - 375.00	1,000.01 - 1,900.00	430
3	375.01 - 1,000.00	1,000.01 - 1,900.00	130
4	For grades seven and eight:		
5	Average daily	Average daily	Incentive payment
6	membership range	membership range with	per student who
7	before	boundary change	moves from the
8	consolidation	or unification	average daily
9	or unification		membership range
10			before
11			consolidation
12			or unification
13			to the
14			average daily
15			membership range
16			with boundary
17			change or
18			unification
19	.01 - 31.00	31.01 - 57.00	\$710
20	.01 - 31.00	57.01 - 115.00	1,070
21	.01 - 31.00	115.01 - 308.00	1,430
22	.01 - 31.00	308.01 - 585.00	1,590
23	31.01 - 57.00	57.01 - 115.00	360
24	31.01 - 57.00	115.01 - 308.00	710
25	31.01 - 57.00	308.01 - 585.00	870
26	57.01 - 115.00	115.01 - 308.00	350
27	57.01 - 115.00	308.01 - 585.00	510

1	115.01 - 308.00	308.01 - 585.00	160
2	For grades nine through twelve:		
3	Average daily	Average daily	Incentive payment
4	membership range	membership range with	per student who
5	before consolidation	boundary change	moves from the
6	or unification	or unification	average daily
7			membership range
8			before
9			consolidation
10			or unification
11			to the
12			average daily
13			membership range
14			with boundary
15			change
16			or unification
17	.01 - 50.00	50.01 - 75.00	\$1,640
18	.01 - 50.00	75.01 - 100.00	2,550
19	.01 - 50.00	100.01 - 150.00	2,924
20	.01 - 50.00	150.01 - 250.00	3,180
21	.01 - 50.00	250.01 - 500.00	3,450
22	.01 - 50.00	500.01 - 1,000.00	3,750
23	50.01 - 75.00	75.01 - 100.00	910
24	50.01 - 75.00	100.01 - 150.00	1,280
25	50.01 - 75.00	150.01 - 250.00	1,540
26	50.01 - 75.00	250.01 - 500.00	1,810
27	50.01 - 75.00	500.01 - 1,000.00	2,110

1	75.01 - 100.00	100.01 - 150.00	380
2	75.01 - 100.00	150.01 - 250.00	630
3	75.01 - 100.00	250.01 - 500.00	900
4	75.01 - 100.00	500.01 - 1,000.00	1,200
5	100.01 - 150.00	150.01 - 250.00	260
6	100.01 - 150.00	250.01 - 500.00	530
7	100.01 - 150.00	500.01 - 1,000.00	830
8	150.01 - 250.00	250.01 - 500.00	270
9	150.01 - 250.00	500.01 - 1,000.00	570
10	250.01 - 500.00	500.01 - 1,000.00	300

11 (b) For local systems that will receive base fiscal
12 year incentive payments for school fiscal year 2001-02 for a
13 consolidation that includes two districts which entered into
14 an agreement under the Interlocal Cooperation Act in which
15 one district did not offer instruction in either grades seven
16 through twelve or nine through twelve and contracted with the
17 other district for the education of seventh through twelfth grade
18 students or ninth through twelfth grade students for the school
19 year prior to the consolidation, those seventh through twelfth
20 grade students or ninth through twelfth grade students who were
21 being educated outside their resident district pursuant to the
22 agreement by a school that is in the local system receiving the
23 incentives shall be included in the average daily membership of the
24 resident district before consolidation for purposes of calculating
25 incentive payments under this section.

26 (5) Except as otherwise provided in subsection (6) of
27 this section, two million dollars shall be set aside for school

1 fiscal years 1999-00 and 2000-01 and one million six hundred
2 sixteen thousand three hundred fifty-four dollars shall be set
3 aside for school fiscal year 2001-02 for base fiscal year incentive
4 payments pursuant to subsection (6) of this section. All other
5 payments pursuant to this section shall be paid directly to the
6 consolidated district or unified system from the Tax Equity and
7 Educational Opportunities Fund.

8 (6) Base fiscal year incentive payments shall be
9 calculated as of August 2 immediately preceding the base fiscal
10 year and shall be paid directly to the consolidated district or
11 unified system from the amount set aside for such school fiscal
12 year from the Tax Equity and Educational Opportunities Fund
13 pursuant to subsection (5) of this section. The payments shall
14 be made in ten as nearly as possible equal payments on the last
15 business day of each month, beginning in September and ending the
16 following June, for the base fiscal year. If the total amount of
17 base fiscal year incentive payments for that school fiscal year
18 exceeds the amount set aside for such school fiscal year, the base
19 fiscal year incentive payments shall be reduced proportionately
20 so that the total amount of base fiscal year incentive payments
21 equals the amount set aside for such school fiscal year pursuant
22 to subsection (5) of this section. The base fiscal year incentive
23 payments shall not be included in local system formula resources as
24 calculated under section 79-1018.01. No base fiscal year incentive
25 payments shall be made pursuant to this subsection after July 1,
26 2002.

27 (7) (a) For consolidations, one hundred percent of the

1 amount calculated pursuant to subsection (4) of this section shall
2 be included in the distribution of state aid for each of the
3 first three consecutive school fiscal years beginning with the base
4 fiscal year or two consecutive school fiscal years following the
5 base fiscal year if payments were made in the base fiscal year
6 pursuant to subsection (6) of this section. For unifications, one
7 hundred percent of the amount calculated pursuant to subsection
8 (4) of this section shall be included in the distribution of
9 state aid for the first school fiscal year beginning with the base
10 fiscal year, seventy-five percent for the second school fiscal year
11 beginning with the base fiscal year, and fifty percent for the
12 third school fiscal year beginning with the base fiscal year. If
13 a unified system consolidates and the boundary change takes effect
14 before August 2, 2001, the consolidated district will be eligible
15 to receive seventy-five percent of the amount originally calculated
16 pursuant to subsection (4) of this section in the base fiscal
17 year. If a consolidated district is still receiving incentive
18 payments for a unification in the base fiscal year, the payments
19 for the remainder of the first three years will be at one hundred
20 percent of the amount calculated pursuant to subsection (4) of
21 this section and in the fourth year, the district will receive
22 the difference between the incentive payments received and three
23 hundred percent of the amount calculated pursuant to subsection (4)
24 of this section. If before August 2, 2001, additional districts
25 are added to the unified system or are added in a consolidation,
26 the additional incentives shall be calculated by the department and
27 added to the incentive payments.

1 (b) For local systems that received base fiscal year
2 incentive payments prior to school fiscal year 2001-02 for a
3 consolidation that included two districts which entered into an
4 agreement under the Interlocal Cooperation Act in which one
5 district did not offer instruction for either grades seven
6 through twelve or nine through twelve and contracted with the
7 other district for the education of seventh through twelfth grade
8 students or ninth through twelfth grade students for the school
9 year prior to the consolidation, a calculation shall be made
10 for additional incentives. The additional incentives shall be
11 calculated pursuant to subsection (4) of this section, except that
12 the average daily membership before consolidation shall equal the
13 seventh through twelfth grade students or ninth through twelfth
14 grade students who were being educated outside their resident
15 district pursuant to the agreement by a school that is in the local
16 system receiving the incentives. The June 30, 2001, and June 30,
17 2002, state aid payments for such local system shall include an
18 amount equal to the additional incentives calculated pursuant to
19 this subsection. An amount equal to the additional incentives shall
20 also be included in the reorganization incentives for state aid to
21 be paid in the 2002-03 school fiscal year, subject to any reduction
22 that may be required pursuant to subsection (9) of this section.

23 (8) If, prior to the beginning of the eighth school
24 year of operating as a unified system, the unified system (a)
25 discontinues its status as a unified system and (b) does not
26 consolidate, the districts in the unified system shall pay back
27 the incentives. The total incentives paid to the unified system

1 shall be divided between the districts based on the adjusted
2 assessed valuation of each district in the year prior to the
3 discontinuation of the unified system, and each district's share
4 shall be paid back through reductions in state aid in equal amounts
5 for five years unless a lesser number of years is agreed to by the
6 school district and the department. If a district withdraws from a
7 unified system prior to the beginning of the eighth school year of
8 participating in the unified system, the district shall pay back
9 the incentives attributable to the district's participation in the
10 unified system through reductions in state aid in equal amounts
11 for five years unless a lesser number of years is agreed to by
12 the school district and the department. The total incentives paid
13 shall include interest calculated from the date of payment until
14 the estimated repayment at the rate specified in section 45-104.02
15 as of the expiration of the agreement or the effective date of
16 withdrawal. If the state aid is less than the repayment amount
17 in any school fiscal year, the remaining repayment will reduce
18 state aid in future school fiscal years. In entering into any
19 agreement with a school district for the repayment of incentives,
20 the department shall take into consideration the ability of the
21 school district to repay the incentives in the fewest number of
22 years and meet the educational needs of the students that are
23 enrolled in the school district while repaying the incentives.

24 (9) If the total amount of incentive payments to
25 school districts for a school year exceeds one percent of the
26 appropriation to the Tax Equity and Educational Opportunities Fund
27 minus two million dollars, the incentive payments shall be reduced

1 proportionately so that the total amount of incentive payments to
2 school districts equals one percent of the appropriation to the
3 Tax Equity and Educational Opportunities Fund minus two million
4 dollars. The payments shall not be included in local system formula
5 resources as calculated under section 79-1018.01. No incentive
6 payments shall be made pursuant to this section after July 1, 2004.

7 Sec. 35. Section 79-1015.01, Revised Statutes Supplement,
8 2007, is amended to read:

9 79-1015.01 (1) Local system formula resources shall
10 include local effort rate yield which shall be computed as
11 prescribed in this section.

12 (2) For school fiscal years prior to school fiscal year
13 2008-09: (a) For state aid certified pursuant to section 79-1022,
14 the local effort rate shall be the maximum levy, for the school
15 fiscal year for which aid is being certified, authorized pursuant
16 to subdivision (2)(a) ~~or (e)~~ of section 77-3442 less ten cents;
17 (b) for ~~For~~ the final calculation of state aid pursuant to
18 section 79-1065, the local effort rate shall be the rate which,
19 when multiplied by the total adjusted valuation of all taxable
20 property in local systems receiving equalization aid pursuant to
21 the Tax Equity and Educational Opportunities Support Act, will
22 produce the amount needed to support the total formula need of
23 such local systems when added to state aid appropriated by the
24 Legislature and other actual receipts of local systems described in
25 section 79-1018.01; and (c) the ~~The~~ local effort rate yield shall
26 be determined by multiplying each local system's total adjusted
27 valuation by the local effort rate.

1 (3) For school fiscal year 2008-09 and each school fiscal
2 year thereafter: (a) For state aid certified pursuant to section
3 79-1022, the local effort rate shall be the maximum levy, for the
4 school fiscal year for which aid is being certified, authorized
5 pursuant to subdivision (2)(a) of section 77-3442 less five cents;
6 (b) for the final calculation of state aid pursuant to section
7 79-1065, the local effort rate shall be the rate which, when
8 multiplied by the total assessed valuation of all taxable property
9 in local systems receiving equalization aid pursuant to the Tax
10 Equity and Educational Opportunities Support Act, will produce the
11 amount needed to support the total formula need of such local
12 systems when added to state aid appropriated by the Legislature
13 and other actual receipts of local systems described in section
14 79-1018.01; and (c) the local effort rate yield for such school
15 fiscal years shall be determined by multiplying each local system's
16 total assessed valuation by the local effort rate.

17 Sec. 36. Section 79-1016, Revised Statutes Supplement,
18 2007, is amended to read:

19 79-1016 (1) On or before August 25, the county assessor
20 shall certify to the Property Tax Administrator the total taxable
21 value by school district in the county for the current assessment
22 year on forms prescribed by the Tax Commissioner. The county
23 assessor may amend the filing for changes made to the taxable
24 valuation of the school district in the county if corrections or
25 errors on the original certification are discovered. Amendments
26 shall be certified to the Property Tax Administrator on or before
27 September 30.

1 (2) On or before October 10, the Property Tax
2 Administrator shall compute and certify to the State Department
3 of Education the adjusted assessed valuation for the current
4 assessment year for each class of property in each school district
5 and each local system. The ~~adjusted valuation of property for each~~
6 ~~school district and each local system,~~ for purposes of determining
7 state aid pursuant to the Tax Equity and Educational Opportunities
8 Support Act, shall reflect as nearly as possible state aid value
9 as defined in subsection ~~(3)~~ of this section. The Property Tax
10 Administrator shall notify each school district and each local
11 system of its adjusted assessed valuation for state aid purposes
12 for the current assessment year by class of property on or before
13 October 10. Establishment of the adjusted valuation shall be based
14 on the taxable value certified by the county assessor for each
15 school district in the county adjusted by the determination of
16 the level of value for each school district from an analysis
17 of the comprehensive assessment ratio study or other studies
18 developed by the Property Tax Administrator, in compliance with
19 professionally accepted mass appraisal techniques, as required by
20 section ~~77-1327~~. The Tax Commissioner shall adopt and promulgate
21 rules and regulations setting forth standards for the determination
22 of level of assessed value for school state aid purposes.

23 ~~(3) For purposes of this section, state aid value means:~~

24 ~~(a) For real property other than agricultural and~~
25 ~~horticultural land, one hundred percent of actual value;~~

26 ~~(b) For agricultural and horticultural land, seventy-five~~
27 ~~percent of actual value as provided in sections 77-1359 to 77-1363.~~

1 ~~For agricultural and horticultural land that receives special~~
2 ~~valuation pursuant to section 77-1344, seventy-five percent of~~
3 ~~special valuation as defined in section 77-1343, and~~

4 ~~(c) For personal property, the net book value as defined~~
5 ~~in section 77-120.~~

6 ~~(4)~~ (3) On or before November 10, any local system may
7 file with the Tax Commissioner written objections to the ~~adjusted~~
8 assessed valuations prepared by the Property Tax Administrator,
9 stating the reasons why such ~~adjusted~~ assessed valuations are not
10 the valuations required by ~~subsection (3)~~ of this section. The Tax
11 Commissioner shall fix a time for a hearing. Either party shall
12 be permitted to introduce any evidence in reference thereto. On or
13 before January 1, the Tax Commissioner shall enter a written order
14 modifying or declining to modify, in whole or in part, the ~~adjusted~~
15 assessed valuations and shall certify the order to the State
16 Department of Education. Modification by the Tax Commissioner shall
17 be based upon the evidence introduced at hearing and shall not be
18 limited to the modification requested in the written objections or
19 at hearing. A copy of the written order shall be mailed to the
20 local system within seven days after the date of the order. The
21 written order of the Tax Commissioner may be appealed within thirty
22 days after the date of the order to the Tax Equalization and Review
23 Commission in accordance with section 77-5013.

24 ~~(5)~~ (4) On or before November 10, any local system
25 or county official may file with the Tax Commissioner a written
26 request for a nonappealable correction of the ~~adjusted~~ assessed
27 valuation due to clerical error as defined in section 77-128 or,

1 for agricultural and horticultural land, assessed value changes
2 by reason of land qualified or disqualified for special use
3 valuation pursuant to sections 77-1343 to 77-1348. On or before the
4 following January 1, the Tax Commissioner shall approve or deny the
5 request and, if approved, certify the corrected ~~adjusted~~ assessed
6 valuations resulting from such action to the State Department of
7 Education.

8 ~~(6)~~ (5) On or before May 31 of the year following the
9 certification of ~~adjusted~~ assessed valuation pursuant to subsection
10 (2) of this section, any local system or county official may file
11 with the Tax Commissioner a written request for a nonappealable
12 correction of the ~~adjusted~~ assessed valuation due to changes to
13 the tax list that change the assessed value of taxable property.
14 Upon the filing of the written request, the Tax Commissioner shall
15 require the county assessor to recertify the taxable valuation
16 by school district in the county on forms prescribed by the Tax
17 Commissioner. The recertified valuation shall be the valuation
18 that was certified on the tax list, pursuant to section 77-1613,
19 increased or decreased by changes to the tax list that change
20 the assessed value of taxable property in the school district
21 in the county in the prior assessment year. On or before the
22 following July 31, the Tax Commissioner shall approve or deny the
23 request and, if approved, certify the corrected ~~adjusted~~ assessed
24 valuations resulting from such action to the State Department of
25 Education.

26 ~~(7)~~ (6) No injunction shall be granted restraining
27 the distribution of state aid based upon the ~~adjusted~~ assessed

1 valuations pursuant to this section.

2 ~~(8)~~ (7) A school district whose state aid is to be
3 calculated pursuant to subsection ~~(5)~~ (4) of this section and whose
4 state aid payment is postponed as a result of failure to calculate
5 state aid pursuant to such subsection may apply to the state board
6 for lump-sum payment of such postponed state aid. Such application
7 may be for any amount up to one hundred percent of the postponed
8 state aid. The state board may grant the entire amount applied for
9 or any portion of such amount. The state board shall notify the
10 Director of Administrative Services of the amount of funds to be
11 paid in a lump sum and the reduced amount of the monthly payments.
12 The Director of Administrative Services shall, at the time of the
13 next state aid payment made pursuant to section 79-1022, draw a
14 warrant for the lump-sum amount from appropriated funds and forward
15 such warrant to the district.

16 Sec. 45. Section 79-1065.02, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 79-1065.02 (1) State aid payments shall be adjusted to
19 reflect transfers of property due to annexation, to any dissolution
20 of a Class I school district, and to any reorganization involving
21 one or more Class I school districts.

22 (2) This section applies whenever:

23 (a) A Class I school district dissolves or reorganizes
24 in such a manner that the parcels of property making up the Class
25 I district prior to the dissolution or reorganization which were
26 affiliated with a Class II, III, IV, or V school district do not
27 become part of the Class II, III, IV, or V school district with

1 which such parcels of property were affiliated; or

2 (b) Property within the boundaries of a Class II, III,
3 IV, V, or VI school district is transferred to another school
4 district due to a change in the school district boundaries in
5 response to annexation of the transferred property by a city or
6 village.

7 (3) To qualify for additional state aid pursuant to
8 this section, the school district from which property is being
9 transferred shall apply on a form prescribed by the State
10 Department of Education on or before August 20 preceding the first
11 school fiscal year for which the property will not be available for
12 taxation for the school district's general fund levy. On or before
13 such deadline, the applicant school district shall send copies of
14 the application to the high school districts of the local systems
15 receiving valuation in the transfer. For purposes of this section,
16 property is deemed transferred from the school district whether the
17 property was within the boundaries of the school district or the
18 property was affiliated with the school district.

19 (4) Upon receipt of the application, the department, with
20 the assistance of the Property Tax Administrator, shall calculate
21 the amount of additional state aid, if any, that the local system,
22 as defined in section 79-1003, for the applicant school district
23 would have received for such school fiscal year if the adjusted
24 valuation for the transferred property had not been included in
25 the adjusted valuation of such local system, or if the assessed
26 valuation for the transferred property had not been included in the
27 assessed valuation of such local system, as appropriate, for the

1 calculation of state aid for such school fiscal year. On or before
2 September 20 of such school fiscal year, the department shall
3 certify to the applicant school district the amount of additional
4 state aid, if any, the district will receive. Except as otherwise
5 provided in this subsection, if such applicant school district
6 receives a lump-sum payment pursuant to subsection (2) of section
7 79-1022, such lump-sum payment shall be increased by the amount
8 of additional state aid. Except as otherwise provided in this
9 subsection, if such applicant school district does not receive a
10 lump-sum payment pursuant to such subsection, state aid payments
11 shall be increased by one-tenth of the amount of additional state
12 aid for each of the ten state aid payments for such school fiscal
13 year. If a portion of the total reduction calculated pursuant
14 to subsection (5) of this section for local systems receiving
15 valuation in the transfer of property that is the subject of the
16 application is delayed until future years, the additional state aid
17 to be paid in the school fiscal year described in subsection (3) of
18 this section shall be reduced by the amount of the total reduction
19 that is delayed until future years. The amount of the reduction
20 shall be paid as additional aid in the next school fiscal year.

21 (5) The state aid payments shall be reduced for the high
22 school district of each receiving local system. An amount equal to
23 the additional state aid calculated pursuant to subsection (4) of
24 this section for the local system of an applicant school district
25 shall be attributed to the local systems receiving valuation
26 in such transfer based upon the ratio of the adjusted assessed
27 valuation received by each local system divided by the total

1 ~~adjusted~~ assessed valuation transferred from the applicant school
2 district. If such high school district receives a lump-sum payment
3 pursuant to subsection (2) of section 79-1022, such lump-sum
4 payment shall be reduced by the amount attributed to the receiving
5 local system. If the high school district of a receiving local
6 system does not receive a lump-sum payment pursuant to such
7 subsection, state aid payments shall be reduced by one-tenth of
8 the amount attributed to such receiving local system for each of
9 the ten state aid payments for such school fiscal year. If the
10 total reduction is greater than the total state aid payments for
11 such school fiscal year, the remainder shall be subtracted from
12 state aid payments in future school fiscal years until the total
13 reduction has been subtracted from state aid payments. On or before
14 September 20 of such school fiscal year, the department shall
15 certify to the high school district of the receiving local system
16 the amount of the reduction in state aid.

17 (6) For purposes of the final calculation of state aid
18 pursuant to section 79-1065, the adjusted valuation, or assessed
19 valuation, depending on which was used in the calculation of state
20 aid, of the property that was transferred shall also be transferred
21 for purposes of adjusted valuation or assessed valuation, as
22 appropriate for the final calculation of state aid. For determining
23 adjustments in state aid pursuant to section 79-1065, the final
24 calculation of state aid shall be compared to the state aid
25 certified for such school fiscal year combined with any adjustments
26 in state aid payments and transfers from other districts pursuant
27 to this section.

1 Sec. 49. Section 79-1241.03, Revised Statutes Supplement,
2 2007, is amended to read:

3 79-1241.03 For school fiscal year 2008-09 and each school
4 fiscal year thereafter:

5 (1) One percent of the funds appropriated for core
6 services and technology infrastructure shall be transferred to
7 the Educational Service Unit Coordinating Council. The remainder
8 of such funds shall be distributed pursuant to subdivisions (2)
9 through (6) of this section;

10 (2)(a) The distance education and telecommunications
11 allowance for each educational service unit shall equal eighty-five
12 percent of the difference of the costs for telecommunications
13 services, for access to data transmission networks that transmit
14 data to and from the educational service unit, and for the
15 transmission of data on such networks paid by the educational
16 service unit as reported on the annual financial report for the
17 most recently available complete data year minus the receipts from
18 the federal Universal Service Fund pursuant to 47 U.S.C. 254,
19 as such section existed on January 1, 2007, for the educational
20 service unit as reported on the annual financial report for the
21 most recently available complete data year and minus any receipts
22 from school districts or other educational entities for payment
23 of such costs as reported on the annual financial report of the
24 educational service unit;

25 (b) The base allocation of each educational service unit
26 shall equal two and one-half percent of the funds appropriated for
27 distribution pursuant to this section;

1 (c) The satellite office allocation for each educational
2 service unit shall equal one percent of the funds appropriated
3 for distribution pursuant to this section for each office of
4 the educational service unit, except the educational service unit
5 headquarters, up to the maximum number of satellite offices. The
6 maximum number of satellite offices used for the calculation of
7 the satellite office allocation for any educational service unit
8 shall equal the difference of the ratio of the number of square
9 miles within the boundaries of the educational service unit divided
10 by four thousand minus one with the result rounded to the closest
11 whole number;

12 (d) The statewide ~~adjusted~~ assessed valuation shall equal
13 the total ~~adjusted~~ assessed valuation for all local systems
14 pursuant to section 79-1016 used for the calculation of state
15 aid for school districts pursuant to the Tax Equity and Educational
16 Opportunities Support Act for the school fiscal year for which the
17 distribution is being calculated pursuant to this section;

18 (e) The ~~adjusted~~ assessed valuation for each educational
19 service unit shall equal the total ~~adjusted~~ assessed valuation of
20 the member school districts pursuant to section 79-1016 used for
21 the calculation of state aid for school districts pursuant to the
22 act for the school fiscal year for which the distribution is being
23 calculated pursuant to this section;

24 (f) The local effort rate shall equal ~~\$0.0135~~ \$0.01425
25 per one hundred dollars of ~~adjusted~~ assessed valuation;

26 (g) Except as provided in subdivision (5) of this
27 section, the statewide student allocation shall equal the

1 difference of the sum of the amount appropriated for distribution
2 pursuant to this section plus the product of the statewide ~~adjusted~~
3 assessed valuation multiplied by the local effort rate minus
4 the distance education and telecommunications allowance, base
5 allocation, and satellite office allocation for all educational
6 service units;

7 (h) The sparsity adjustment for each educational service
8 unit shall equal the sum of one plus one-tenth of the ratio of the
9 square miles within the boundaries of the educational service unit
10 divided by the fall membership of the member school districts for
11 the school fiscal year immediately preceding the school fiscal year
12 for which the distribution is being calculated pursuant to this
13 section;

14 (i) The adjusted students for each educational service
15 unit shall equal the fall membership of the member school districts
16 for the school fiscal year immediately preceding the school fiscal
17 year for which aid is being calculated pursuant to this section
18 multiplied by the educational service unit sparsity adjustment;

19 (j) The per student allocation shall equal the statewide
20 student allocation divided by the total adjusted students for all
21 educational service units;

22 (k) The student allocation for each educational service
23 unit shall equal the per student allocation multiplied by the
24 adjusted students for the educational service units;

25 (l) The needs for each educational service unit shall
26 equal the sum of the distance education and telecommunications
27 allowance, base allocation, satellite office allocation, and

1 student allocation for the educational service unit; and

2 (m) The distribution of core services and technology
3 infrastructure funds for each educational service unit shall equal
4 the needs for each educational service unit minus the product of
5 the ~~adjusted~~ assessed valuation for the educational service unit
6 multiplied by the local effort rate;

7 (3) If an educational service unit is the result of
8 a merger or received new member school districts from another
9 educational service unit, such educational service unit shall,
10 for each of the three fiscal years following the fiscal year in
11 which the merger takes place or the new member school districts
12 are received, receive core services and technology infrastructure
13 funds pursuant to subdivisions (2) through (6) of this section
14 in an amount not less than the core services and technology
15 infrastructure funds received in the fiscal year immediately
16 preceding the merger or receipt of new member school districts,
17 except that if the total amount available to be distributed
18 pursuant to subdivisions (2) through (6) of this section for such
19 year is less than the total amount distributed pursuant to such
20 subdivisions or sections 79-1241 and 79-1243 for the immediately
21 preceding fiscal year, the minimum core services and technology
22 infrastructure funds for each educational service unit pursuant to
23 this subdivision shall be reduced by a percentage equal to the
24 ratio of the difference of the total amount distributed pursuant
25 to subdivisions (2) through (6) of this section or sections
26 79-1241 and 79-1243 for the immediately preceding fiscal year
27 minus the total amount available to be distributed pursuant to

1 subdivisions (2) through (6) of this section for the fiscal year
2 in question divided by the total amount distributed pursuant to
3 subdivisions (2) through (6) of this section or sections 79-1241
4 and 79-1243 for the immediately preceding fiscal year. The core
5 services and technology infrastructure funds received in the fiscal
6 year immediately preceding a merger or receipt of new member
7 school districts for an educational service unit shall equal the
8 amount received in such fiscal year pursuant to subdivisions (2)
9 through (6) of this section or sections 79-1241 and 79-1243 by any
10 educational service unit affected by the merger or the transfer
11 of school districts multiplied by a ratio equal to the valuation
12 that was transferred to or retained by the educational service unit
13 for which the minimum is being calculated divided by the total
14 valuation of the educational service unit transferring or retaining
15 the territory;

16 (4) For fiscal years 2008-09 through 2013-14, each
17 educational service unit shall receive core services and technology
18 infrastructure funds under this section in an amount not less
19 than ninety-five percent of the total of the core services and
20 technology infrastructure funds that the educational service unit
21 received in the immediately preceding fiscal year either pursuant
22 to subdivisions (2) through (6) of this section or pursuant to
23 sections 79-1241 and 79-1243, except that if the total amount
24 available to be distributed pursuant to subdivisions (2) through
25 (6) of this section for such year is less than the total amount
26 distributed pursuant to such subdivisions or sections 79-1241 and
27 79-1243 for the immediately preceding fiscal year, the minimum core

1 services and technology infrastructure funds for each educational
2 service unit pursuant to this subdivision shall be reduced by
3 a percentage equal to the ratio of the difference of the total
4 amount distributed pursuant to subdivisions (2) through (6) of
5 this section or sections 79-1241 and 79-1243 for the immediately
6 preceding fiscal year minus the total amount available to be
7 distributed pursuant to subdivisions (2) through (6) of this
8 section for the fiscal year in question divided by the total
9 amount distributed pursuant to subdivisions (2) through (6) of
10 this section or sections 79-1241 and 79-1243 for the immediately
11 preceding fiscal year;

12 (5) If the minimum core services and technology
13 infrastructure funds pursuant to subdivision (3) or (4) of this
14 section for any educational service unit exceed the amount that
15 would otherwise be distributed to such educational service unit
16 pursuant to subdivision (2) of this section, the statewide student
17 allocation shall be reduced such that the total amount to be
18 distributed pursuant to this section equals the appropriation
19 for core services and technology infrastructure funds and no
20 educational service unit receives less than the greater of any
21 minimum amounts calculated for such educational service unit
22 pursuant to subdivisions (3) and (4) of this section; and

23 (6) The State Department of Education shall certify the
24 distribution of core services and technology infrastructure funds
25 pursuant to subdivisions (2) through (6) of this section to each
26 educational service unit on or before July 1, 2008, for school
27 fiscal year 2008-09 and on or before July 1 of each year thereafter

1 for the following school fiscal year. Any funds appropriated for
2 distribution pursuant to this section shall be distributed in ten
3 as nearly as possible equal payments on the first business day
4 of each month beginning in September of each school fiscal year
5 and ending in June. Funds distributed pursuant to this section
6 shall be used for core services and technology infrastructure with
7 the approval of representatives of two-thirds of the member school
8 districts of the educational service unit, representing a majority
9 of the students in the member school districts.