

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 1080

Introduced by Raikes, 25.

Read first time January 22, 2008

Committee: Revenue

A BILL

1 FOR AN ACT relating to school finance; to amend section 77-3442,
2 Revised Statutes Supplement, 2007; to change tax levy
3 provisions relating to school districts; to repeal the
4 original section; to provide an operative date; and to
5 declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Supplement,
2 2007, is amended to read:

3 77-3442 (1) Property tax levies for the support of local
4 governments for fiscal years beginning on or after July 1, 1998,
5 shall be limited to the amounts set forth in this section except as
6 provided in section 77-3444.

7 (2) (a) Except as provided in subdivision (2) (e) of this
8 section, school districts and multiple-district school systems,
9 except learning communities and school districts that are members
10 of learning communities, may levy a maximum levy of one dollar
11 and ~~five~~ two cents per one hundred dollars of taxable valuation of
12 property subject to the levy for their general fund budget, plus
13 five cents per one hundred dollars of taxable valuation of property
14 subject to the levy for special building funds.

15 (b) For each fiscal year, learning communities may levy
16 a maximum levy for the general fund budgets of member school
17 districts equal to the local effort rate prescribed in section
18 79-1015.01 for such fiscal year. The proceeds from the levy
19 pursuant to this subdivision shall be distributed pursuant to
20 section 79-1073.

21 (c) Except as provided in subdivision (2) (e) of this
22 section, for each fiscal year, school districts that are members
23 of learning communities may levy for purposes of such districts'
24 general fund budget and special building funds a maximum combined
25 levy of the difference of one dollar and five cents on each one

1 hundred dollars of taxable property subject to the levy minus
2 the learning community levies pursuant to subdivisions (2)(b) and
3 (2)(g) of this section for such learning community.

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

15 (e) Federal aid school districts may exceed the maximum
16 levy prescribed by subdivision (2)(a) or (2)(c) of this section
17 only to the extent necessary to qualify to receive federal aid
18 pursuant to Title VIII of Public Law 103-382, as such title existed
19 on September 1, 2001. For purposes of this subdivision, federal
20 aid school district means any school district which receives ten
21 percent or more of the revenue for its general fund budget from
22 federal government sources pursuant to Title VIII of Public Law
23 103-382, as such title existed on September 1, 2001.

24 (f) For school fiscal year 2002-03 through school fiscal
25 year 2007-08, school districts and multiple-district school systems

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

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

22 (h) For each fiscal year, learning communities may levy
23 a maximum levy of five cents on each one hundred dollars of
24 taxable property subject to the levy for elementary learning center
25 facilities and for up to fifty percent of the estimated cost for

1 capital projects approved by the learning community coordinating
2 council pursuant to section 79-2111.

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

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

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

20 (c) In addition, natural resources districts located in
21 a river basin, subbasin, or reach that has been determined to
22 be fully appropriated pursuant to section 46-714 or designated
23 as overappropriated pursuant to section 46-713 by the Department
24 of Natural Resources shall also have the power and authority to
25 levy a tax equal to the dollar amount by which their restricted

1 funds budgeted to administer and implement ground water management
2 activities and integrated management activities under the Nebraska
3 Ground Water Management and Protection Act exceed their restricted
4 funds budgeted to administer and implement ground water management
5 activities and integrated management activities for FY2005-06, not
6 to exceed three cents on each one hundred dollars of taxable
7 valuation on all of the taxable property within the district for
8 fiscal year 2006-07 and each fiscal year thereafter through fiscal
9 year 2011-12.

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

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

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

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

1 allocation under section 77-3443.

2 (10) Property tax levies for judgments, except judgments
3 or orders from the Commission of Industrial Relations, obtained
4 against a political subdivision which require or obligate a
5 political subdivision to pay such judgment, to the extent such
6 judgment is not paid by liability insurance coverage of a political
7 subdivision, for preexisting lease-purchase contracts approved
8 prior to July 1, 1998, for bonded indebtedness approved according
9 to law and secured by a levy on property except bonded indebtedness
10 incurred by a school district without approval of its voters, and
11 for payments by a public airport to retire interest-free loans from
12 the Department of Aeronautics in lieu of bonded indebtedness at
13 a lower cost to the public airport are not included in the levy
14 limits established by this section.

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

20 (12) Tax levies in excess of the limitations in this
21 section shall be considered unauthorized levies under section
22 77-1606 unless approved under section 77-3444.

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

1 Sec. 2. This act becomes operative on July 1, 2008.

2 Sec. 3. Original section 77-3442, Revised Statutes
3 Supplement, 2007, is repealed.

4 Sec. 4. Since an emergency exists, this act takes effect
5 when passed and approved according to law.