

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 170**

Introduced By: Kopplin, 3;  
Read first time: January 8, 2007  
Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-3442, Revised Statutes Cumulative Supplement, 2006; to  
3 change property tax levy provisions; to provide an operative  
4 date; to repeal the original section; and to declare an  
5 emergency.

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

1           Section 1. Section 77-3442, Revised Statutes Cumulative  
2 Supplement, 2006, 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, shall  
5 be limited to the amounts set forth in this section except as provided  
6 in section 77-3444.

7           (2)(a) Except as provided in subdivision (2)(d) of this  
8 section, school districts and multiple-district school systems, except  
9 learning communities and school districts that are members of learning  
10 communities, may levy a maximum levy of one dollar and five cents per  
11 one hundred dollars of taxable valuation of property subject to the  
12 levy.

13           (b) Except as provided in subdivision (2)(d) of this  
14 section, for fiscal year 2008-09 and each fiscal year thereafter, (i)  
15 learning communities may levy a maximum levy for the general fund  
16 budgets of member school districts equal to the ratio of the aggregate  
17 difference of one hundred ten percent of the formula needs as  
18 calculated pursuant to section 79-1007.02 minus the amount of state  
19 aid certified pursuant to section 79-1022 and minus the other actual  
20 receipts included in local system formula resources pursuant to  
21 section 79-1018.01 for each member school district for such school  
22 fiscal year divided by each one hundred dollars of taxable property  
23 subject to the levy, except that such levy shall not exceed one dollar  
24 and two cents on each one hundred dollars of taxable property subject  
25 to the levy, and (ii) school districts that are members of learning  
26 communities may levy a maximum levy of the difference of one dollar  
27 and two cents on each one hundred dollars of taxable property subject

1 to the levy minus the learning community levy pursuant to this  
2 subdivision for purposes of such school district's general fund budget  
3 and special building funds.

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

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

23 (e) For school fiscal year 2002-03 through school fiscal  
24 year 2007-08, school districts and multiple-district school systems  
25 may, upon a three-fourths majority vote of the school board of the  
26 school district, the board of the unified system, or the school board  
27 of the high school district of the multiple-district school system

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

14 (f) For fiscal year 2008-09 and each fiscal year thereafter,  
15 learning communities may levy a maximum levy of two cents on each one  
16 hundred dollars of taxable property subject to the levy for special  
17 building funds for member school districts.

18 (g) For fiscal year 2008-09 and each fiscal year thereafter,  
19 learning communities may levy a maximum levy of one cent on each one  
20 hundred dollars of taxable property subject to the levy for the  
21 learning community budget and for projects approved by the learning  
22 community coordinating council.

23 (3) Community colleges may levy a maximum levy on each one  
24 hundred dollars of taxable property subject to the levy of seven  
25 cents, plus amounts allowed under subsection (7) of section  
26 85-1536.01, except that any community college whose valuation per  
27 reported aid equivalent student as defined in section 85-1503 was less

1 than eighty-two percent of the average valuation per statewide  
2 reimbursable reported aid equivalent total as defined in section  
3 85-1503 for all community colleges for fiscal year 1997-98 may levy up  
4 to an additional one-half cent for each of fiscal years 2005-06 and  
5 2006-07 upon a three-fourths majority vote of the board.

6 (4) Natural resources districts may levy a maximum levy of  
7 four and one-half cents per one hundred dollars of taxable valuation  
8 of property subject to the levy. Natural resources districts shall  
9 also have the power and authority to levy a tax equal to the dollar  
10 amount by which their restricted funds budgeted to administer and  
11 implement ground water management activities and integrated management  
12 activities under the Nebraska Ground Water Management and Protection  
13 Act exceed their restricted funds budgeted to administer and implement  
14 ground water management activities and integrated management  
15 activities for FY2003-04, not to exceed one cent on each one hundred  
16 dollars of taxable valuation annually on all of the taxable property  
17 within the district. In addition, natural resources districts located  
18 in a river basin, subbasin, or reach that has been determined to be  
19 fully appropriated pursuant to section 46-714 or designated as  
20 overappropriated pursuant to section 46-713 by the Department of  
21 Natural Resources shall also have the power and authority to levy a  
22 tax equal to the dollar amount by which their restricted funds  
23 budgeted to administer and implement ground water management  
24 activities and integrated management activities under the Nebraska  
25 Ground Water Management and Protection Act exceed their restricted  
26 funds budgeted to administer and implement ground water management  
27 activities and integrated management activities for FY2005-06, not to

1 exceed three cents on each one hundred dollars of taxable valuation on  
2 all of the taxable property within the district for fiscal year  
3 2006-07 and not to exceed two cents on each one hundred dollars of  
4 taxable valuation annually on all of the taxable property within the  
5 district for fiscal years 2007-08 and 2008-09.

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

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

21 (b) Incorporated cities and villages which are within the  
22 boundaries of a municipal county may levy a maximum levy of ninety  
23 cents per one hundred dollars of taxable valuation of property subject  
24 to the levy. The maximum levy shall include amounts paid to a  
25 municipal county for county services, amounts levied to pay for sums  
26 to support a library pursuant to section 51-201, a museum pursuant to  
27 section 51-501, a visiting community nurse, home health nurse, or home

1 health agency pursuant to section 71-1637, or a statue, memorial, or  
2 monument pursuant to section 80-202.

3 (7) Sanitary and improvement districts which have been in  
4 existence for more than five years may levy a maximum levy of forty  
5 cents per one hundred dollars of taxable valuation of property subject  
6 to the levy, and sanitary and improvement districts which have been in  
7 existence for five years or less shall not have a maximum levy.  
8 Unconsolidated sanitary and improvement districts which have been in  
9 existence for more than five years and are located in a municipal  
10 county may levy a maximum of eighty-five cents per hundred dollars of  
11 taxable valuation of property subject to the levy.

12 (8) Counties may levy or authorize a maximum levy of fifty  
13 cents per one hundred dollars of taxable valuation of property subject  
14 to the levy, except that five cents per one hundred dollars of taxable  
15 valuation of property subject to the levy may only be levied to  
16 provide financing for the county's share of revenue required under an  
17 agreement or agreements executed pursuant to the Interlocal  
18 Cooperation Act or the Joint Public Agency Act. The maximum levy shall  
19 include amounts levied to pay for sums to support a library pursuant  
20 to section 51-201 or museum pursuant to section 51-501. The county may  
21 allocate up to fifteen cents of its authority to other political  
22 subdivisions subject to allocation of property tax authority under  
23 subsection (1) of section 77-3443 and not specifically covered in this  
24 section to levy taxes as authorized by law which do not collectively  
25 exceed fifteen cents per one hundred dollars of taxable valuation on  
26 any parcel or item of taxable property. The county may allocate to one  
27 or more other political subdivisions subject to allocation of property

1 tax authority by the county under subsection (1) of section 77-3443  
2 some or all of the county's five cents per one hundred dollars of  
3 valuation authorized for support of an agreement or agreements to be  
4 levied by the political subdivision for the purpose of supporting that  
5 political subdivision's share of revenue required under an agreement  
6 or agreements executed pursuant to the Interlocal Cooperation Act or  
7 the Joint Public Agency Act. If an allocation by a county would cause  
8 another county to exceed its levy authority under this section, the  
9 second county may exceed the levy authority in order to levy the  
10 amount allocated.

11 (9) Municipal counties may levy or authorize a maximum levy  
12 of one dollar per one hundred dollars of taxable valuation of property  
13 subject to the levy. The municipal county may allocate levy authority  
14 to any political subdivision or entity subject to allocation under  
15 section 77-3443.

16 (10) Property tax levies for judgments, except judgments or  
17 orders from the Commission of Industrial Relations, obtained against a  
18 political subdivision which require or obligate a political  
19 subdivision to pay such judgment, to the extent such judgment is not  
20 paid by liability insurance coverage of a political subdivision, for  
21 preexisting lease-purchase contracts approved prior to July 1, 1998,  
22 for bonded indebtedness approved according to law and secured by a  
23 levy on property, and for payments by a public airport to retire  
24 interest-free loans from the Department of Aeronautics in lieu of  
25 bonded indebtedness at a lower cost to the public airport are not  
26 included in the levy limits established by this section.

27 (11) The limitations on tax levies provided in this section



1 are to include all other general or special levies provided by law.  
2 Notwithstanding other provisions of law, the only exceptions to the  
3 limits in this section are those provided by or authorized by sections  
4 77-3442 to 77-3444.

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

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

11 Sec. 2. This act becomes operative on July 1, 2007.

12 Sec. 3. Original section 77-3442, Revised Statutes  
13 Cumulative Supplement, 2006, is repealed.

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