

## LEGISLATURE OF NEBRASKA

## ONE HUNDREDTH LEGISLATURE

## FIRST SESSION

**LEGISLATIVE BILL 366**

Introduced By: Janssen, 15; Cornett, 45; Dierks, 40; Fischer, 43

Read first time: January 12, 2007

Committee: Revenue

## A BILL

1       FOR AN ACT relating to revenue and taxation; to amend sections  
2               18-2115, 77-3443, 77-3445, 77-3501, 77-3509.01, 77-3509.02,  
3               77-3509.03, 77-3510, 77-3511, 77-3512, 77-3516, 77-3521,  
4               77-3522, 77-3523, 77-3529, 85-933, 85-1418, 85-1511,  
5               85-1515, 85-1526, 85-1535, and 85-1537, Reissue Revised  
6               Statutes of Nebraska, sections 13-503, 13-518, 13-519,  
7               72-2302, 72-2303, 72-2304, 72-2306, 77-201, 77-1601.02,  
8               77-3442, 77-3513, 77-3514, 77-5023, 85-1402, 85-1416, and  
9               85-1503, Revised Statutes Cumulative Supplement, 2006, and  
10              section 79-1016, Revised Statutes Cumulative Supplement,  
11              2006, as affected by Referendum 2006, No. 422; to provide  
12              for state funding of community colleges; to eliminate  
13              property tax levy authority of community colleges; to change  
14              valuation of agricultural land and horticultural land; to  
15              create a homestead exemption; to harmonize provisions; to  
16              provide an operative date; to repeal the original sections;  
17              and to outright repeal sections 85-1501.01, 85-1516,

1                   85-1518, and 85-1536, Reissue Revised Statutes of Nebraska,  
2                   and sections 85-1517 and 85-1536.01, Revised Statutes  
3                   Cumulative Supplement, 2006.

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

1           Section 1. Section 13-503, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           13-503. For purposes of the Nebraska Budget Act, unless the  
4 context otherwise requires:

5           (1) Governing body ~~shall mean~~ means the governing body  
6 of any county agricultural society, elected county fair board, joint  
7 airport authority formed under the Joint Airport Authorities Act, city  
8 or county airport authority, bridge commission created pursuant to  
9 section 39-868, cemetery district, city, village, municipal county,  
10 ~~community college~~, community redevelopment authority, county,  
11 drainage or levee district, educational service unit, rural or  
12 suburban fire protection district, historical society, hospital  
13 district, irrigation district, learning community, natural resources  
14 district, nonprofit county historical association or society for which  
15 a tax is levied under subsection (1) of section 23-355.01, public  
16 building commission, railroad transportation safety district,  
17 reclamation district, road improvement district, rural water district,  
18 school district, sanitary and improvement district, township,  
19 offstreet parking district, transit authority, metropolitan utilities  
20 district, and political subdivision with the authority to have a  
21 property tax request, with the authority to levy a toll, or that  
22 receives state aid;

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

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

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

4           (5) Auditor ~~shall mean~~ means the Auditor of Public  
5 Accounts;

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

9           (7) Public funds ~~shall mean~~ means all money, including  
10 nontax money, used in the operation and functions of governing bodies.  
11 For purposes of a county, city, or village which has a lottery  
12 established under the Nebraska County and City Lottery Act, only those  
13 net proceeds which are actually received by the county, city, or  
14 village from a licensed lottery operator shall be considered public  
15 funds, and public funds ~~shall~~ does not include amounts awarded as  
16 prizes;

17           (8) Adopted budget statement ~~shall mean~~ means a proposed  
18 budget statement which has been adopted or amended and adopted as  
19 provided in section 13-506. Such term ~~shall include~~ includes  
20 additions, if any, to an adopted budget statement made by a revised  
21 budget which has been adopted as provided in section 13-511;

22           (9) Special reserve fund ~~shall mean~~ means any special  
23 fund set aside by the governing body for a particular purpose and not  
24 available for expenditure for any other purpose. Funds created for (a)  
25 the retirement of bonded indebtedness, (b) the funding of employee  
26 pension plans, (c) the purposes of the Political Subdivisions  
27 Self-Funding Benefits Act, (d) the purposes of the Local Option

1 Municipal Economic Development Act, (e) voter-approved sinking funds,  
2 (f) statutorily authorized sinking funds, or (g) the distribution of  
3 property tax receipts by a learning community to member school  
4 districts shall be considered special reserve funds;

5 (10) Biennial period ~~shall mean~~ means the two fiscal  
6 years comprising a biennium commencing in odd-numbered years used by a  
7 city in determining and carrying on its financial and taxing affairs;  
8 and

9 (11) Biennial budget ~~shall mean~~ means a budget by a city  
10 of the primary or metropolitan class that adopts a charter provision  
11 providing for a biennial period to determine and carry on the city's  
12 financial and taxing affairs.

13 Sec. 2. Section 13-518, Revised Statutes Cumulative  
14 Supplement, 2006, is amended to read:

15 13-518. For purposes of sections 13-518 to 13-522:

16 (1) Allowable growth means ~~(a) for governmental units other~~  
17 ~~than community colleges,~~ the percentage increase in taxable valuation  
18 in excess of the base limitation established under section 77-3446,  
19 if any, due to improvements to real property as a result of new  
20 construction, additions to existing buildings, any improvements to  
21 real property which increase the value of such property, and any  
22 increase in valuation due to annexation and any personal property  
23 valuation over the prior year; ~~and (b) for community colleges, (i)~~  
24 ~~for fiscal years prior to fiscal year 2003-04 and after fiscal year~~  
25 ~~2004-05, the percentage increase in excess of the base limitation, if~~  
26 ~~any, in full-time equivalent students from the second year to the~~  
27 ~~first year preceding the year for which the budget is being~~

1 ~~determined, and (ii) for fiscal year 2003-04 and fiscal year 2004-05,~~  
2 ~~the percentage increase in full time equivalent students from the~~  
3 ~~second year to the first year preceding the year for which the budget~~  
4 ~~is being determined;~~

5 (2) Capital improvements means (a) acquisition of real  
6 property or (b) acquisition, construction, or extension of any  
7 improvements on real property;

8 (3) Governing body has the same meaning as in section  
9 13-503;

10 (4) Governmental unit means every political subdivision  
11 which has authority to levy a property tax or authority to request  
12 levy authority under section 77-3443 except sanitary and improvement  
13 districts which have been in existence for five years or less and  
14 school districts;

15 (5) Qualified sinking fund means a fund or funds maintained  
16 separately from the general fund to pay for acquisition or replacement  
17 of tangible personal property with a useful life of five years or more  
18 which is to be undertaken in the future but is to be paid for in part  
19 or in total in advance using periodic payments into the fund. The term  
20 includes sinking funds under subdivision (13) of section 35-508 for  
21 firefighting and rescue equipment or apparatus;

22 (6) Restricted funds means (a) property tax, excluding any  
23 amounts refunded to taxpayers, (b) payments in lieu of property taxes,  
24 (c) local option sales taxes, (d) motor vehicle taxes, (e) state aid,  
25 (f) transfers of surpluses from any user fee, permit fee, or  
26 regulatory fee if the fee surplus is transferred to fund a service or  
27 function not directly related to the fee and the costs of the activity

1 funded from the fee, (g) any funds excluded from restricted funds for  
 2 the prior year because they were budgeted for capital improvements but  
 3 which were not spent and are not expected to be spent for capital  
 4 improvements, (h) the tax provided in sections 77-27,223 to 77-27,227  
 5 beginning in the second fiscal year in which the county will receive a  
 6 full year of receipts, and (i) any excess tax collections returned to  
 7 the county under section 77-1776; and

8 (7) State aid means:

9 (a) For all governmental units, state aid paid pursuant to  
 10 sections 60-3,202 and 77-3523;

11 (b) For municipalities, state aid to municipalities paid  
 12 pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190, 77-27,136,  
 13 and 77-27,139.04 and insurance premium tax paid to municipalities;

14 (c) For counties, state aid to counties paid pursuant to  
 15 sections 39-2501 to 39-2520, 47-119.01, 60-3,184 to 60-3,190,  
 16 77-27,136, and 77-3618, insurance premium tax paid to counties, and  
 17 reimbursements to counties from funds appropriated pursuant to section  
 18 29-3933;

19 ~~(d) For community colleges, state aid to community colleges~~  
 20 ~~paid under sections 85-1536 to 85-1537;~~

21 ~~(e)~~ (d) For natural resources districts, state aid to  
 22 natural resources districts paid pursuant to section 77-27,136;

23 ~~(f)~~ (e) For educational service units, state aid  
 24 appropriated under section 79-1241; and

25 ~~(g)~~ (f) For local public health departments as defined  
 26 in section 71-1626, state aid as distributed under section 71-1628.08.

27 Sec. 3. Section 13-519, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 13-519. ~~(1)(a) Subject to subdivision (1)(b) of this~~  
3 ~~section, for (1) For~~ all fiscal years beginning on or after July 1,  
4 1998, no governmental unit shall adopt a budget containing a total of  
5 budgeted restricted funds more than the last prior year's total of  
6 budgeted restricted funds plus allowable growth plus the basic  
7 allowable growth percentage of the base limitation established under  
8 section 77-3446. For the second fiscal year in which a county will  
9 receive a full year of receipts from the tax imposed in sections  
10 77-27,223 to 77-27,227, the prior year's total of restricted funds  
11 shall be the prior year's total of restricted funds plus the total  
12 receipts from the tax imposed in sections 77-27,223 to 77-27,227 in  
13 the prior year. If a governmental unit transfers the financial  
14 responsibility of providing a service financed in whole or in part  
15 with restricted funds to another governmental unit or the state, the  
16 amount of restricted funds associated with providing the service shall  
17 be subtracted from the last prior year's total of budgeted restricted  
18 funds for the previous provider and may be added to the last prior  
19 year's total of restricted funds for the new provider. For  
20 governmental units that have consolidated, the calculations made under  
21 this section for consolidating units shall be made based on the  
22 combined total of restricted funds, population, or full-time  
23 equivalent students of each governmental unit.

24 ~~(b) For all fiscal years beginning on or after July 1,~~  
25 ~~2005, the last prior year's total of budgeted restricted funds shall~~  
26 ~~be increased for a community college area by adding to such area's~~  
27 ~~fiscal year base year revenue the amount of revenue to be collected~~



1 ~~under subdivision (2)(c) of section 85-1517 that is in excess of the~~  
2 ~~amount budgeted under this subdivision in the prior fiscal year.~~

3 (2) A governmental unit may exceed the limit provided in  
4 ~~subdivisions (1)(a) and (b)~~ subsection (1) of this section for a  
5 fiscal year by up to an additional one percent upon the affirmative  
6 vote of at least seventy-five percent of the governing body.

7 (3) A governmental unit may exceed the applicable allowable  
8 growth percentage otherwise prescribed in this section by an amount  
9 approved by a majority of legal voters voting on the issue at a  
10 special election called for such purpose upon the recommendation of  
11 the governing body or upon the receipt by the county clerk or election  
12 commissioner of a petition requesting an election signed by at least  
13 five percent of the legal voters of the governmental unit. The  
14 recommendation of the governing body or the petition of the legal  
15 voters shall include the amount and percentage by which the governing  
16 body would increase its budgeted restricted funds for the ensuing year  
17 over and above the current year's budgeted restricted funds. The  
18 county clerk or election commissioner shall call for a special  
19 election on the issue within fifteen days after the receipt of such  
20 governing body recommendation or legal voter petition. The election  
21 shall be held pursuant to the Election Act, and all costs shall be  
22 paid by the governing body. The issue may be approved on the same  
23 question as a vote to exceed the levy limits provided in section  
24 77-3444.

25 (4) In lieu of the election procedures in subsection (3) of  
26 this section, any governmental unit may exceed the allowable growth  
27 percentage otherwise prescribed in this section by an amount approved

1 by a majority of legal voters voting at a meeting of the residents of  
2 the governmental unit, called after notice is published in a newspaper  
3 of general circulation in the governmental unit at least twenty days  
4 prior to the meeting. At least ten percent of the registered voters  
5 residing in the governmental unit shall constitute a quorum for  
6 purposes of taking action to exceed the allowable growth percentage.  
7 If a majority of the registered voters present at the meeting vote in  
8 favor of exceeding the allowable growth percentage, a copy of the  
9 record of that action shall be forwarded to the Auditor of Public  
10 Accounts along with the budget documents. The issue to exceed the  
11 allowable growth percentage may be approved at the same meeting as a  
12 vote to exceed the limits or final levy allocation provided in section  
13 77-3444.

14 Sec. 4. Section 18-2115, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16 18-2115. (1) The governing body of the city shall hold a  
17 public hearing on any redevelopment plan or substantial modification  
18 thereof recommended by the authority, after reasonable public notice  
19 thereof by publication at least once a week for two consecutive weeks  
20 in a legal newspaper of general circulation in the community, the time  
21 of the hearing to be at least ten days from the last publication. The  
22 notice shall describe the time, date, place, and purpose of the  
23 hearing and shall specifically identify the area to be redeveloped  
24 under the plan. All interested parties shall be afforded at such  
25 public hearing a reasonable opportunity to express their views  
26 respecting the proposed redevelopment plan.

27 (2) Except as provided in subsection (3) of this section,

1 the governing body of the city or such other division of the city or  
2 person as the governing body shall designate shall, at least ten days  
3 prior to the public hearing required by subsection (1) of this  
4 section, mail notice of the hearing by first-class United States mail,  
5 postage prepaid, or by certified mail to all registered neighborhood  
6 associations whose area of representation is located in whole or in  
7 part within a one-mile radius of the area to be redeveloped and to the  
8 president or chairperson of the governing body of each county, school  
9 district, ~~community college~~, educational service unit, and natural  
10 resources district in which the real property subject to such plan or  
11 major modification is located and whose property tax receipts would be  
12 directly affected. The notice shall set out the time, date, place, and  
13 purpose of the hearing and shall include a map of sufficient size to  
14 show the area to be redeveloped.

15 (3) If the planning board or planning commission of the city  
16 will conduct a public hearing on the redevelopment plan or substantial  
17 modification thereof, the governing body of the city or such other  
18 division of the city or person as the governing body shall designate  
19 shall, at least ten days prior to the public hearing, mail notice of  
20 the hearing by first-class United States mail, postage prepaid, or by  
21 certified mail to all registered neighborhood associations whose area  
22 of representation is located in whole or in part within a one-mile  
23 radius of the area to be redeveloped and to the president or  
24 chairperson of the governing body of each county, school district,  
25 ~~community college~~, educational service unit, and natural resources  
26 district in which the real property subject to such plan or major  
27 modification is located and whose property tax receipts would be

1 directly affected. The notice shall set out the time, date, place, and  
2 purpose of the hearing and shall include a map of sufficient size to  
3 show the area to be redeveloped. If the registered neighborhood  
4 association has been given notice of the public hearing to be held by  
5 the planning board or planning commission in conformity with the  
6 provisions of this subsection, the governing body or its designee  
7 shall not be required to comply with the notice requirements of  
8 subsection (2) of this section.

9 (4) Each neighborhood association desiring to receive notice  
10 of any hearing as provided in this section shall register with the  
11 city's planning department or, if there is no planning department,  
12 with the city clerk. The registration shall include a description of  
13 the area of representation of the association and the name and address  
14 of the individual designated by the association to receive the notice  
15 on its behalf. Registration of the neighborhood association for the  
16 purposes of this section shall be accomplished in accordance with such  
17 other rules and regulations as may be adopted and promulgated by the  
18 city.

19 Sec. 5. Section 72-2302, Revised Statutes Cumulative  
20 Supplement, 2006, is amended to read:

21 72-2302. It is the purpose of the Public Facilities  
22 Construction and Finance Act to allow local governmental units which  
23 cooperate with other governmental units to issue bonds to finance  
24 joint projects which may be serviced by property taxes, regardless of  
25 the restrictions on the issuance of debt contained in other statutory  
26 provisions, home rule charters, or the limitations in section 77-3442,  
27 for the acquisition, construction, financing, operation, and ownership

1 of (1) public buildings and related improvements to real estate,  
 2 recreational facilities and related improvements, flood control and  
 3 storm water drainage, and street and road construction and  
 4 improvements and (2) information technology for libraries operated by  
 5 counties, municipalities, school districts, and educational service  
 6 units. ~~, and community colleges.~~

7 Sec. 6. Section 72-2303, Revised Statutes Cumulative  
 8 Supplement, 2006, is amended to read:

9 72-2303. For purposes of the Public Facilities Construction  
 10 and Finance Act:

11 (1) Bond measure means a resolution or ordinance which  
 12 authorizes bonds to be issued and sold in accordance with the act and  
 13 which sets the terms of such bonds;

14 (2) Joint project means a project financed and operated by  
 15 at least two or more qualified public agencies cooperating as a joint  
 16 entity or joint public agency for (a) any public building or buildings  
 17 and related improvements to real estate, including parking facilities,  
 18 any recreational facilities and related improvements to real estate,  
 19 any flood control and storm water drainage, and any street and road  
 20 construction and improvements and related fixtures and (b) any item of  
 21 hardware or software used in providing for the delivery of  
 22 information, including the purchasing of upgrades or related  
 23 improvements to information technology for the operation of libraries  
 24 operated by counties, municipalities, school districts, and  
 25 educational service units; and ~~, and community colleges; and~~

26 (3) Qualified public agency means any city, village,  
 27 municipal county, ~~community college,~~ county, educational service

1 unit, rural or suburban fire protection district, hospital district,  
2 school district, and sanitary and improvement district.

3 Sec. 7. Section 72-2304, Revised Statutes Cumulative  
4 Supplement, 2006, is amended to read:

5 72-2304. (1) In addition to any other borrowing powers  
6 provided for by law, a qualified public agency shall have the power to  
7 issue its negotiable bonds to any joint entity as defined in section  
8 13-803 or to any joint public agency as defined in section 13-2503 in  
9 connection with any joint project which is to be owned, operated, or  
10 financed by the joint entity or joint public agency for the benefit of  
11 the qualified public agency. The bonds may be issued only if the  
12 second largest participant in the joint project has a financial  
13 contribution in the joint project of at least twenty-five percent of  
14 the debt service. Such bonds may be issued after the qualified public  
15 agency has conducted a public hearing on the issuance of bonds. Notice  
16 of such public hearing shall be given by publication in a newspaper of  
17 general circulation within the territory of the qualified public  
18 agency by at least one publication occurring not less than ten days  
19 prior to the time of hearing. After the public hearing, the governing  
20 body of the qualified public agency may proceed to adopt a bond  
21 measure authorizing bonds.

22 (2) Notice of any such bond measure shall be given by  
23 publication of notice of intention to issue bonds in a newspaper of  
24 general circulation within the territory of the qualified public  
25 agency at least twice after the adoption of the bond measure. Such  
26 publications shall be at least three weeks apart. The notice shall  
27 state:

- 1 (a) The name of the qualified public agency;
- 2 (b) The purpose of the issue;
- 3 (c) The principal amount of the issue;
- 4 (d) The amount of annual debt service payment anticipated  
5 for the bonds, which may be stated as an approximation or estimate,  
6 and the anticipated duration for such debt service payments; and
- 7 (e) The time and place where a copy of the form of the bond  
8 measure may be examined for a period of at least thirty days.
- 9 (3) No election shall be required prior to the issuance of  
10 bonds under the Public Facilities Construction and Finance Act unless,  
11 within sixty days after the first publication of the notice of  
12 intention to issue bonds, a remonstrance petition against the issuance  
13 of bonds is filed with the clerk or secretary of the qualified public  
14 agency. Such remonstrance petition shall be signed by registered  
15 voters of the qualified public agency equal in number to at least five  
16 percent of the number of registered voters of the qualified public  
17 agency at the time the remonstrance petition is filed or at least the  
18 number of signatures listed in subsection (5) of this section for the  
19 applicable qualified public agency, whichever is less. If a  
20 remonstrance petition with the necessary number of qualified  
21 signatures is timely filed, the question shall be submitted to the  
22 voters of the qualified public agency at a general election or a  
23 special election called for the purpose of approving the bonds  
24 proposed to be issued. Any joint project for which bonds are issued in  
25 accordance with the procedures of the act shall not require any other  
26 approval or proceeding by the governing body or the voters of the  
27 qualified public agency.

1           (4) No election shall be required for any qualified public  
2 agency not issuing bonds to participate in such joint project unless,  
3 within sixty days after the governing body of the qualified public  
4 agency adopts the measure approving the interlocal or cooperative  
5 agreement related to the joint project, a remonstrance petition is  
6 filed with the clerk or secretary of the qualified public agency. Such  
7 remonstrance petition shall be signed by registered voters of the  
8 qualified public agency equal in number to at least five percent of  
9 the number of registered voters of the qualified public agency at the  
10 time the remonstrance petition is filed or at least the number of  
11 signatures listed in subsection (5) of this section for the applicable  
12 qualified public agency, whichever is less. If a remonstrance petition  
13 with the necessary number of qualified signatures is timely filed, the  
14 question shall be submitted to the voters of the qualified public  
15 agency at a general election or a special election called for the  
16 purpose of approving the interlocal or cooperative agreement related  
17 to the joint project.

18           (5) The chart in this subsection provides the alternative  
19 number of signatures of registered voters of a qualified public agency  
20 which may be used to submit a remonstrance petition under subsection  
21 (3) or (4) of this section. The classification of counties in section  
22 23-1114.01 applies for purposes of this section.

Qualified Public Agency	Number of Signatures of Registered Voters
City of the Metropolitan Class	1500
City of the Primary Class	1000



1	City of the First Class	750
2	City of the Second Class	250
3	Villages	50
4	Municipal County	1500
5	Class 7 County	1500
6	Class 6 County	1000
7	Class 5 County	750
8	Class 4 County	500
9	Class 3 County	250
10	Class 2 County	100
11	Class 1 County	50
12	Class VI School District	250
13	Class V School District	1500
14	Class IV School District	1000
15	Class III School District	500
16	Class II School District	250
17	Class I School District	250
18	Educational Service Unit	250
19	<del>Community College Area</del>	<del>1500</del>
20	Fire Protection District	500
21	Hospital District	500
22	Sanitary and Improvement District	500

23                   Sec. 8. Section 72-2306, Revised Statutes Cumulative  
 24 Supplement, 2006, is amended to read:

25                   72-2306. For joint projects described in subdivision (2)(b)  
 26 of section 72-2303, the principal amount of bonds which may be issued  
 27 by a qualified public agency under the Public Facilities Construction

1 and Finance Act shall not exceed two hundred fifty thousand dollars  
2 for cities of the metropolitan and primary classes, one hundred  
3 thousand dollars for counties, cities of the first class, school  
4 districts, and educational service units, ~~and community colleges,~~  
5 and fifty thousand dollars for cities of the second class and  
6 villages, as to the total principal amount of such bonds which may be  
7 outstanding at any time, and the annual amounts due by reason of such  
8 bonds from each qualified public agency shall not exceed five percent  
9 of the restricted funds of the obligated qualified public agency in  
10 the year prior to issuance. The principal amount of bonds of a  
11 qualified public agency in the aggregate issued for any one such joint  
12 project shall not exceed two hundred and fifty thousand dollars for  
13 cities of the metropolitan and primary classes and one hundred  
14 thousand dollars for counties, cities of the first class, cities of  
15 the second class, villages, school districts, and educational  
16 service units. ~~, and community colleges.~~

17 Sec. 9. Section 77-201, Revised Statutes Cumulative  
18 Supplement, 2006, is amended to read:

19 77-201. (1) Except as provided in subsections (2) through  
20 (4) of this section, all real property in this state, not expressly  
21 exempt therefrom, shall be subject to taxation and shall be valued at  
22 its actual value.

23 (2) Agricultural land and horticultural land as defined in  
24 section 77-1359 shall constitute a separate and distinct class of  
25 property for purposes of property taxation, shall be subject to  
26 taxation, unless expressly exempt from taxation, and shall be valued  
27 at ~~seventy-five~~ seventy percent of its actual value.

1           (3) Agricultural land and horticultural land actively  
2 devoted to agricultural or horticultural purposes which has value for  
3 purposes other than agricultural or horticultural uses and which meets  
4 the qualifications for special valuation under section 77-1344 shall  
5 constitute a separate and distinct class of property for purposes of  
6 property taxation, shall be subject to taxation, and shall be valued  
7 for taxation at ~~seventy-five~~ seventy percent of its special value  
8 as defined in section 77-1343 and at its actual value when the land is  
9 disqualified for special valuation under section 77-1347.

10           (4) Commencing January 1, 2006, historically significant  
11 real property which meets the qualifications for historic  
12 rehabilitation valuation under sections 77-1385 to 77-1394 shall be  
13 valued for taxation as provided in such sections.

14           (5) Tangible personal property, not including motor vehicles  
15 registered for operation on the highways of this state, shall  
16 constitute a separate and distinct class of property for purposes of  
17 property taxation, shall be subject to taxation, unless expressly  
18 exempt from taxation, and shall be valued at its net book value.  
19 Tangible personal property transferred as a gift or devise or as part  
20 of a transaction which is not a purchase shall be subject to taxation  
21 based upon the date the property was acquired by the previous owner  
22 and at the previous owner's Nebraska adjusted basis. Tangible personal  
23 property acquired as replacement property for converted property shall  
24 be subject to taxation based upon the date the converted property was  
25 acquired and at the Nebraska adjusted basis of the converted property  
26 unless insurance proceeds are payable by reason of the conversion. For  
27 purposes of this subsection, (a) converted property means tangible

1 personal property which is compulsorily or involuntarily converted as  
2 a result of its destruction in whole or in part, theft, seizure,  
3 requisition, or condemnation, or the threat or imminence thereof, and  
4 no gain or loss is recognized for federal or state income tax purposes  
5 by the holder of the property as a result of the conversion and (b)  
6 replacement property means tangible personal property acquired within  
7 two years after the close of the calendar year in which tangible  
8 personal property was converted and which is, except for date of  
9 construction or manufacture, substantially the same as the converted  
10 property.

11 Sec. 10. Section 77-1601.02, Revised Statutes Cumulative  
12 Supplement, 2006, is amended to read:

13 77-1601.02. (1) The property tax request for the prior year  
14 shall be the property tax request for the current year for purposes of  
15 the levy set by the county board of equalization in section 77-1601  
16 unless the governing body of the county, municipality, school  
17 district, learning community, sanitary and improvement district,  
18 natural resources district, or educational service unit, ~~or~~  
19 ~~community college~~ passes by a majority vote a resolution or ordinance  
20 setting the tax request at a different amount. Such resolution or  
21 ordinance shall only be passed after a special public hearing called  
22 for such purpose is held and after notice is published in a newspaper  
23 of general circulation in the area of the political subdivision at  
24 least five days prior to the hearing. The hearing notice shall contain  
25 the following information: The dollar amount of the prior year's tax  
26 request and the property tax rate that was necessary to fund that tax  
27 request; the property tax rate that would be necessary to fund last

1 year's tax request if applied to the current year's valuation; and the  
2 proposed dollar amount of the tax request for the current year and the  
3 property tax rate that will be necessary to fund that tax request. Any  
4 resolution setting a tax request under this section shall be certified  
5 and forwarded to the county clerk on or before October 13 of the year  
6 for which the tax request is to apply.

7 (2) Any levy which is not in compliance with this section  
8 and section 77-1601 shall be construed as an unauthorized levy under  
9 section 77-1606.

10 Sec. 11. Section 77-3442, Revised Statutes Cumulative  
11 Supplement, 2006, is amended to read:

12 77-3442. (1) Property tax levies for the support of local  
13 governments for fiscal years beginning on or after July 1, 1998, shall  
14 be limited to the amounts set forth in this section except as provided  
15 in section 77-3444.

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

22 (b) Except as provided in subdivision (2)(d) of this  
23 section, for fiscal year 2008-09 and each fiscal year thereafter, (i)  
24 learning communities may levy a maximum levy for the general fund  
25 budgets of member school districts equal to the ratio of the aggregate  
26 difference of one hundred ten percent of the formula needs as  
27 calculated pursuant to section 79-1007.02 minus the amount of state

1 aid certified pursuant to section 79-1022 and minus the other actual  
2 receipts included in local system formula resources pursuant to  
3 section 79-1018.01 for each member school district for such school  
4 fiscal year divided by each one hundred dollars of taxable property  
5 subject to the levy, except that such levy shall not exceed one dollar  
6 and two cents on each one hundred dollars of taxable property subject  
7 to the levy, and (ii) school districts that are members of learning  
8 communities may levy a maximum levy of the difference of one dollar  
9 and two cents on each one hundred dollars of taxable property subject  
10 to the levy minus the learning community levy pursuant to this  
11 subdivision for purposes of such school district's general fund budget  
12 and special building funds.

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

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

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

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

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

27 (g) For fiscal year 2008-09 and each fiscal year thereafter,

1 learning communities may levy a maximum levy of one cent on each one  
2 hundred dollars of taxable property subject to the levy for the  
3 learning community budget and for projects approved by the learning  
4 community coordinating council.

5 (3) ~~Community~~ Until January 1, 2008, community colleges  
6 may levy a maximum levy on each one hundred dollars of taxable  
7 property subject to the levy of seven cents, plus amounts allowed  
8 under subsection (7) of section 85-1536.01, except that any community  
9 college whose valuation per reported aid equivalent student as defined  
10 in section 85-1503 was less than eighty-two percent of the average  
11 valuation per statewide reimbursable reported aid equivalent total as  
12 defined in section 85-1503 for all community colleges for fiscal year  
13 1997-98 may levy up to an additional one-half cent for each of fiscal  
14 years 2005-06 and 2006-07 upon a three-fourths majority vote of the  
15 board.

16 (4) Natural resources districts may levy a maximum levy of  
17 four and one-half cents per one hundred dollars of taxable valuation  
18 of property subject to the levy. Natural resources districts shall  
19 also have the power and authority to levy a tax equal to the dollar  
20 amount by which their restricted funds budgeted to administer and  
21 implement ground water management activities and integrated management  
22 activities under the Nebraska Ground Water Management and Protection  
23 Act exceed their restricted funds budgeted to administer and implement  
24 ground water management activities and integrated management  
25 activities for FY2003-04, not to exceed one cent on each one hundred  
26 dollars of taxable valuation annually on all of the taxable property  
27 within the district. In addition, natural resources districts located



1 in a river basin, subbasin, or reach that has been determined to be  
2 fully appropriated pursuant to section 46-714 or designated as  
3 overappropriated pursuant to section 46-713 by the Department of  
4 Natural Resources shall also have the power and authority to levy a  
5 tax equal to the dollar amount by which their restricted funds  
6 budgeted to administer and implement ground water management  
7 activities and integrated management activities under the Nebraska  
8 Ground Water Management and Protection Act exceed their restricted  
9 funds budgeted to administer and implement ground water management  
10 activities and integrated management activities for FY2005-06, not to  
11 exceed three cents on each one hundred dollars of taxable valuation on  
12 all of the taxable property within the district for fiscal year  
13 2006-07 and not to exceed two cents on each one hundred dollars of  
14 taxable valuation annually on all of the taxable property within the  
15 district for fiscal years 2007-08 and 2008-09.

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

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

1 museum pursuant to section 51-501, visiting community nurse, home  
2 health nurse, or home health agency pursuant to section 71-1637, or  
3 statue, memorial, or monument pursuant to section 80-202.

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

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

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

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

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

26 (10) Property tax levies for judgments, except judgments or  
27 orders from the Commission of Industrial Relations, obtained against a

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

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

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

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

21 Sec. 12. Section 77-3443, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 77-3443. (1) All political subdivisions, other than (a)  
24 school districts, ~~community colleges~~, natural resources districts,  
25 educational service units, cities, villages, counties, municipal  
26 counties, and sanitary and improvement districts and (b) political  
27 subdivisions subject to municipal allocation under subsection (2) of

1 this section, may levy taxes as authorized by law which are authorized  
2 by the county board of the county or the council of a municipal county  
3 in which the greatest portion of the valuation is located, which are  
4 counted in the county or municipal county levy limit provided in  
5 section 77-3442, and which do not collectively total more than fifteen  
6 cents per one hundred dollars of taxable valuation on any parcel or  
7 item of taxable property for all governments for which allocations are  
8 made by the municipality, county, or municipal county, except that  
9 such limitation shall not apply to property tax levies for preexisting  
10 lease-purchase contracts approved prior to July 1, 1998, for bonded  
11 indebtedness approved according to law and secured by a levy on  
12 property, and for payments by a public airport to retire interest-free  
13 loans from the Department of Aeronautics in lieu of bonded  
14 indebtedness at a lower cost to the public airport. The county board  
15 or council shall review and approve or disapprove the levy request of  
16 all political subdivisions subject to this subsection. The county  
17 board or council may approve all or a portion of the levy request and  
18 may approve a levy request that would allow the requesting political  
19 subdivision to levy a tax at a levy greater than that permitted by  
20 law. The county board of a county or the council of a municipal county  
21 which contains a transit authority created pursuant to section 14-1803  
22 shall allocate no less than three cents per one hundred dollars of  
23 taxable property within the city or municipal county subject to the  
24 levy to the transit authority if requested by such authority. For any  
25 political subdivision subject to this subsection that receives taxes  
26 from more than one county or municipal county, the levy shall be  
27 allocated only by the county or municipal county in which the greatest

1 portion of the valuation is located. The county board of equalization  
2 shall certify all levies by October 15 to insure that the taxes levied  
3 by political subdivisions subject to this subsection do not exceed the  
4 allowable limit for any parcel or item of taxable property. The levy  
5 allocated by the county or municipal county may be exceeded as  
6 provided in section 77-3444.

7 (2) All city airport authorities established under the  
8 Cities Airport Authorities Act, community redevelopment authorities  
9 established under the Community Development Law, transit authorities  
10 established under the Transit Authority Law, and offstreet parking  
11 districts established under the Offstreet Parking District Act may be  
12 allocated property taxes as authorized by law which are authorized by  
13 the city, village, or municipal county and are counted in the city or  
14 village levy limit or municipal county levy limit provided by section  
15 77-3442, except that such limitation shall not apply to property tax  
16 levies for preexisting lease-purchase contracts approved prior to July  
17 1, 1998, for bonded indebtedness approved according to law and secured  
18 by a levy on property, and for payments by a public airport to retire  
19 interest-free loans from the Department of Aeronautics in lieu of  
20 bonded indebtedness at a lower cost to the public airport. For  
21 offstreet parking districts established under the Offstreet Parking  
22 District Act, the tax shall be counted in the allocation by the city  
23 proportionately, by dividing the total taxable valuation of the  
24 taxable property within the district by the total taxable valuation of  
25 the taxable property within the city multiplied by the levy of the  
26 district. The city council of a city which has created a transit  
27 authority pursuant to section 14-1803 or the council of a municipal

1 county which contains a transit authority shall allocate no less than  
2 three cents per one hundred dollars of taxable property subject to the  
3 levy to the transit authority if requested by such authority. The city  
4 council, village board, or council shall review and approve or  
5 disapprove the levy request of the political subdivisions subject to  
6 this subsection. The city council, village board, or council may  
7 approve all or a portion of the levy request and may approve a levy  
8 request that would allow a levy greater than that permitted by law.  
9 The levy allocated by the municipality or municipal county may be  
10 exceeded as provided in section 77-3444.

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

22 (4) Each county board, city council, village board, or  
23 council shall (a) adopt a resolution by a majority vote of members  
24 present which determines a final allocation of levy authority to its  
25 political subdivisions and (b) forward a copy of such resolution to  
26 the chairperson of the governing body of each of its political  
27 subdivisions. No final levy allocation shall be changed after

1 September 1 except by agreement between both the county board, city  
2 council, village board, or council which determined the amount of the  
3 final levy allocation and the governing body of the political  
4 subdivision whose final levy allocation is at issue.

5 Sec. 13. Section 77-3445, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7 77-3445. A council on public improvements and services may  
8 be created within each county or for adjoining counties by resolutions  
9 of county boards or by joint resolutions passed by at least three  
10 different types of political subdivisions located in the county which  
11 are authorized to levy property taxes or which may benefit from  
12 property taxes affected by the levy limits imposed by sections 77-3442  
13 to 77-3444. Such councils shall include, but are not limited to, one  
14 elected official from each school board, county board, incorporated  
15 city or village, natural resources district, ~~community college,~~  
16 educational service unit, hospital district, airport authority, fire  
17 protection district, and township taxing property within the county  
18 or counties. The elected governing body of each political subdivision  
19 which has the legal authority to request property tax funding or a  
20 levy set by the county board within a county may by resolution of the  
21 governing body appoint one elected official from the governing board  
22 to the council on public improvements and services.

23 Councils on public improvements and services may meet,  
24 beginning in 1996, as often as necessary prior to the adoption of  
25 budgets and property tax requests affected by the levy limits  
26 described in sections 77-3442 to 77-3444. The council shall jointly  
27 examine the budgets and property tax requests of each governmental



1 agency or quasi-governmental agency with statutory authority to  
2 request a share of the property tax. The county clerk or designated  
3 county official of each county shall attend such meetings and keep a  
4 public record of the proceedings. Each council on public improvements  
5 and services which is created by resolution as provided in this  
6 section shall hold at least one public meeting prior to the adoption  
7 of public budgets affected by the levy limits imposed by sections  
8 77-3442 to 77-3444. Such council may continue to meet to discuss  
9 issues of public service provision in an effective and coordinated  
10 manner, the impacts of levy limits, state and federal law, program, or  
11 aid changes, and the joint provision or use of capital facilities and  
12 equipment.

13 Sec. 14. Section 77-3501, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15 77-3501. For purposes of sections 77-3501 to 77-3529 and  
16 section 15 of this act, unless the context otherwise requires, the  
17 definitions found in sections 77-3501.01 to 77-3505.04 shall be used.

18 Sec. 15. All homesteads in this state shall be assessed for  
19 taxation the same as other property, except that commencing January 1,  
20 2008, there shall be exempt from taxation the first twelve thousand  
21 dollars of the actual value of the homestead.

22 Sec. 16. Section 77-3509.01, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24 77-3509.01. The owner of a homestead which has been granted  
25 an exemption provided in sections 77-3507 to 77-3509 or section 15 of  
26 this act, who transfers the ownership of such homestead and becomes  
27 the owner of another homestead prior to August 15 during the year for

1 which the exemption was granted, may file an application with the  
2 county assessor of the county where the new homestead is located, on  
3 or before August 15 of such year, for a transfer of the exemption to  
4 the new homestead. The county assessor shall examine each application  
5 and determine whether or not the new homestead, except for the January  
6 1 through August 15 ownership and occupancy requirement and the income  
7 requirements, is eligible for exemption under sections 77-3507 to  
8 77-3509 or section 15 of this act. If the application is approved by  
9 the county assessor, he or she shall make a deduction upon the  
10 assessment rolls using the same criteria as previously applied to the  
11 original homestead. The county assessor may allow the application for  
12 transfer to also be considered an application for a homestead  
13 exemption for the subsequent year.

14 Sec. 17. Section 77-3509.02, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16 77-3509.02. If the owner of any homestead granted an  
17 exemption under sections 77-3507 to 77-3509 or section 15 of this  
18 act transfers the ownership of such homestead on or before August 15  
19 of any year pursuant to section 77-3509.01 and makes the application  
20 for transfer of the homestead exemption and such application is  
21 approved, the exemption shall be disallowed for such year as applied  
22 to the original homestead if the exemption was granted based on the  
23 status of such owner. If the transfer involves property in more than  
24 one county, the county assessor of the county where the new homestead  
25 is located shall notify the other county assessor and the Department  
26 of Revenue of the application for transfer within ten days after  
27 receipt of the application.

1           Sec. 18. Section 77-3509.03, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           77-3509.03. All property tax statements for homesteads  
4 granted an exemption in sections 77-3507 to 77-3509 or section 15 of  
5 this act shall show the amount of the exemption, the tax that would  
6 otherwise be due, and a statement that the tax loss shall be  
7 reimbursed by the state as a homestead exemption.

8           Sec. 19. Section 77-3510, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           77-3510. On or before February 1 of each year, the Tax  
11 Commissioner shall prescribe forms to be used by all claimants for  
12 homestead exemption or for transfer of homestead exemption. Such forms  
13 shall contain provisions for the showing of all information which the  
14 Tax Commissioner may deem necessary to (1) enable the county officials  
15 and the Tax Commissioner to determine whether each claim for exemption  
16 under sections 77-3507 to 77-3509 or section 15 of this act should  
17 be allowed and (2) enable the county assessor to determine whether  
18 each claim for transfer of homestead exemption pursuant to section  
19 77-3509.01 should be allowed. It shall be the duty of the county  
20 assessor of each county in this state to furnish such forms, upon  
21 request, to each person desiring to make application for homestead  
22 exemption or for transfer of homestead exemption. The forms so  
23 prescribed shall be used uniformly throughout the state, and no  
24 application for exemption or for transfer of homestead exemption shall  
25 be allowed unless the applicant uses the prescribed form in making an  
26 application. The forms shall require the attachment of an income  
27 statement as prescribed by the Tax Commissioner fully accounting for

1 all household income. The application and information contained on any  
2 attachments to the application shall be confidential and available to  
3 tax officials only.

4 Sec. 20. Section 77-3511, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6 77-3511. The application for homestead exemption or for  
7 transfer of homestead exemption shall be signed by the owner of the  
8 property who qualifies for exemption under sections 77-3501 to 77-3529  
9 and section 15 of this act unless the owner is an incompetent or  
10 unable to make such application, in which case it shall be signed by  
11 the guardian. If an owner who in all respects qualifies for a  
12 homestead exemption under such sections dies after January 1 and  
13 before the last day for filing an application for a homestead  
14 exemption and before applying for a homestead exemption, his or her  
15 personal representative may file the application for exemption on or  
16 before the last day for filing an application for a homestead  
17 exemption of that year if the surviving spouse of such owner continues  
18 to occupy the homestead. Any exemption granted as a result of such  
19 application signed by a personal representative shall be in effect for  
20 only the year in which the owner died.

21 Sec. 21. Section 77-3512, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 77-3512. It shall be the duty of each owner who applies for  
24 the homestead exemption provided in sections 77-3507 to 77-3509 or  
25 section 15 of this act to file an application therefor with the  
26 county assessor of the county in which the homestead is located after  
27 February 1 and on or before June 30 of each year. Failure to do so

1 shall constitute a waiver of the exemption for that year, except that  
2 the county board of the county in which the homestead is located may,  
3 by majority vote, extend the deadline to on or before July 20 of each  
4 year. An extension shall not be granted to an applicant who received  
5 an extension in the immediately preceding year.

6 Sec. 22. Section 77-3513, Revised Statutes Cumulative  
7 Supplement, 2006, is amended to read:

8 77-3513. (1) Except as required by section 77-3514, if an  
9 owner is granted a homestead exemption as provided in section 77-3507  
10 or 77-3509 or subdivision (1)(b)(ii) or (iii) of section 77-3508, no  
11 reapplication need be filed for succeeding years, in which case the  
12 county assessor and Tax Commissioner shall determine whether the  
13 claimant qualifies for the homestead exemption in such succeeding  
14 years as otherwise provided in sections 77-3501 to 77-3529 and  
15 section 15 of this act as though a claim were made.

16 (2) For tax year 2008, all persons who apply for a  
17 homestead exemption provided in section 15 of this act shall file an  
18 application pursuant to section 77-3512. For tax year 2009 and  
19 subsequent tax years, if an owner has been granted a homestead  
20 exemption as provided in section 15 of this act, no reapplication  
21 need be filed for succeeding years, in which case the county assessor  
22 shall determine whether the claimant qualifies for the homestead  
23 exemption in such succeeding years as otherwise provided in sections  
24 77-3501 to 77-3529 and section 15 of this act as though a claim were  
25 made.

26 ~~(2)~~ (3) It shall be the duty of each claimant who wants  
27 the homestead exemption provided in subdivision (1)(b)(i) of section

1 77-3508 to file an application therefor with the county assessor on or  
2 before June 30 of each year. Failure to do so shall constitute a  
3 waiver of the exemption for such year, except that the county board of  
4 the county in which the homestead is located may, by majority vote,  
5 extend the deadline to on or before July 20 of each year. An extension  
6 shall not be granted to an applicant who received an extension in the  
7 immediately preceding year.

8 Sec. 23. Section 77-3514, Revised Statutes Cumulative  
9 Supplement, 2006, is amended to read:

10 77-3514. A claimant who is the owner of a homestead which  
11 has been granted an exemption under sections 77-3507 to 77-3509,  
12 except subdivision (1)(b)(i) of section 77-3508 and section 15 of  
13 this act, shall certify to the county assessor on or before June 30  
14 of each year that a change in the homestead exemption status has  
15 occurred or that no change in the homestead exemption status has  
16 occurred. The county board of the county in which the homestead is  
17 located may, by majority vote, extend the deadline to on or before  
18 July 20 of each year. An extension shall not be granted to an  
19 applicant who received an extension in the immediately preceding year.  
20 For purposes of this section, change in the homestead exemption status  
21 shall include any change in the name of the owner, ownership,  
22 residence, occupancy, marital status, veteran status, or rating by the  
23 United States Department of Veterans Affairs or any other change that  
24 would affect the qualification for or type of exemption granted,  
25 except income checked by the Tax Commissioner under section 77-3517.  
26 The certificate shall require the attachment of an income statement as  
27 prescribed by the Tax Commissioner fully accounting for all household

1 income. The certification and the information contained on any  
2 attachments to the certification shall be confidential and available  
3 to tax officials only. In addition, a claimant who is the owner of a  
4 homestead which has been granted an exemption under sections 77-3507  
5 to 77-3509 may notify the county assessor by August 15 of each year of  
6 any change in the homestead exemption status occurring in the  
7 preceding portion of the calendar year as a result of a transfer of  
8 the homestead exemption pursuant to sections 77-3509.01 and  
9 77-3509.02. If by his or her failure to give such notice any property  
10 owner permits the allowance of the homestead exemption for any year,  
11 or in the year of application in the case of transfers pursuant to  
12 sections 77-3509.01 and 77-3509.02, after the homestead exemption  
13 status of such property has changed, an amount equal to the amount of  
14 the taxes lawfully due but not paid by reason of such unlawful and  
15 improper allowance of homestead exemption, together with penalty and  
16 interest on such total sum as provided by statute on delinquent ad  
17 valorem taxes, shall be due and shall upon entry of the amount thereof  
18 on the books of the county treasurer be a lien on such property while  
19 unpaid. Such lien may be enforced in the manner provided for liens for  
20 other delinquent taxes. Any person who has permitted the improper and  
21 unlawful allowance of such homestead exemption on his or her property  
22 shall, as an additional penalty, also forfeit his or her right to a  
23 homestead exemption on any property in this state for the two  
24 succeeding years.

25 Sec. 24. Section 77-3516, Reissue Revised Statutes of  
26 Nebraska, is amended to read:

27 77-3516. The county assessor shall examine each application

1 for homestead exemption filed with him or her for an exemption  
2 pursuant to sections 77-3507 to 77-3509 or section 15 of this act  
3 and shall determine, except for the income requirements, whether or  
4 not such application should be approved or rejected. If the  
5 application is approved, the county assessor shall mark the same  
6 approved and sign the application. In case he or she finds that the  
7 exemption should not be allowed by reason of not being in conformity  
8 to law, the county assessor shall mark the application rejected and  
9 state thereon the reason for such rejection and sign the application.  
10 In any case when the county assessor rejects an application for  
11 exemption, he or she shall notify the applicant of such action by  
12 mailing written notice to the applicant at the address shown in the  
13 application, which notice shall be mailed not later than July 31 of  
14 each year, except that in cases of a change in ownership or occupancy  
15 from January 1 through August 15 or a late application authorized by  
16 the county board, the notice shall be sent within a reasonable time.  
17 The notice shall be on forms prescribed by the Tax Commissioner.

18 Sec. 25. Section 77-3521, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20 77-3521. It shall be the duty of the Tax Commissioner to  
21 adopt and promulgate rules and regulations for the information and  
22 guidance of the county assessors and county boards of equalization,  
23 not inconsistent with sections 77-3501 to 77-3529 and section 15 of  
24 this act, affecting the application, hearing, assessment, or  
25 equalization of property which is claimed to be entitled to the  
26 exemption granted by such sections.

27 Sec. 26. Section 77-3522, Reissue Revised Statutes of



1 Nebraska, is amended to read:

2 77-3522. (1) Any person who makes any false or fraudulent  
3 claim for exemption or any false statement or false representation of  
4 a material fact in support of such claim or any person who assists  
5 another in the preparation of any such false or fraudulent claim or  
6 enters into any collusion with another by the execution of a  
7 fictitious deed or other instrument for the purpose of obtaining  
8 unlawful exemption under sections 77-3501 to 77-3529 and section 15  
9 of this act shall be guilty of a Class II misdemeanor and shall be  
10 subject to a forfeiture of any such exemption for a period of two  
11 years from the date of conviction. Any person who shall make an oath  
12 or affirmation to any false or fraudulent application for homestead  
13 exemption knowing the same to be false or fraudulent shall be guilty  
14 of a Class I misdemeanor.

15 (2) In addition to the penalty provided in subsection (1) of  
16 this section, if any person files a claim for exemption as provided in  
17 section 77-3507, 77-3508, or 77-3509 or section 15 of this act  
18 which is excessive due to misstatements by the owner filing such  
19 claim, the claim may be disallowed in full and, if the claim has been  
20 allowed, an amount equal to the amount of taxes lawfully due but not  
21 paid by reason of such unlawful and improper allowance of homestead  
22 exemption shall be due and shall upon entry of the amount thereof on  
23 the books of the county treasurer be a lien on such property until  
24 paid and a penalty equal to the amount of taxes lawfully due but  
25 claimed for exemption shall be assessed.

26 Sec. 27. Section 77-3523, Reissue Revised Statutes of  
27 Nebraska, is amended to read:

1           77-3523. The county treasurer shall, on or before November  
2       30 of each year, certify to the Tax Commissioner the total tax revenue  
3       that will be lost to all taxing agencies within his or her county from  
4       taxes levied and assessed in that year because of exemptions allowed  
5       under ~~Chapter 77, article 35, sections 77-3501 to 77-3529 and~~  
6       section 15 of this act, multiplied by the aggregate assessment sales  
7       ratio calculated by the Property Tax Administrator for all  
8       single-family residential real property in the county for the current  
9       year after adjustments by the Tax Equalization and Review Commission,  
10      except that any assessment sales ratio greater than 100 or any  
11      assessment sales ratio that complies with the standards of  
12      equalization as determined by the commission shall be deemed to be 100  
13      for such purpose. The county treasurer may amend the certification to  
14      show any change or correction in the total tax that will be lost until  
15      May 30 of the next succeeding year. If a homestead exemption is  
16      approved, denied, or corrected by the Tax Commissioner under  
17      subsection (2) of section 77-3517 after May 1 of the next year, the  
18      county treasurer shall prepare and submit amended reports to the Tax  
19      Commissioner and the political subdivisions covering any affected year  
20      and shall adjust the reimbursement to the county and the other  
21      political subdivisions by adjusting the reimbursement due under this  
22      section in later years. The Tax Commissioner shall, on or before  
23      January 1 next following such certification or within thirty days of  
24      any amendment to the certification, notify the Director of  
25      Administrative Services of the amount so certified to be reimbursed by  
26      the state. Reimbursement of the funds lost shall be made to each  
27      county according to the certification and shall be distributed in six

1 as nearly as possible equal monthly payments on the last business day  
2 of each month beginning in January. The State Treasurer shall, on the  
3 business day preceding the last business day of each month, notify the  
4 Director of Administrative Services of the amount of funds available  
5 in the General Fund for payment purposes. The Director of  
6 Administrative Services shall, on the last business day of each month,  
7 draw warrants against funds appropriated. Out of the amount so  
8 received the county treasurer shall distribute to each of the taxing  
9 agencies within his or her county the full amount so lost by such  
10 agency, multiplied by the aggregate assessment sales ratio calculated  
11 by the Property Tax Administrator for all single-family residential  
12 real property in the county for the current year after adjustments by  
13 the commission, except that any assessment sales ratio greater than  
14 100 or any assessment sales ratio that complies with the standards of  
15 equalization as determined by the commission shall be deemed to be 100  
16 for such purpose, except that one percent of such amount shall be  
17 deposited in the county general fund and that the amount due a Class V  
18 school district shall be paid to the district and the county shall be  
19 compensated pursuant to section 14-554. Each taxing agency shall, in  
20 preparing its annual or biennial budget, take into account the amount  
21 to be received under this section.

22 Sec. 28. Section 77-3529, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24 77-3529. If any application for exemption pursuant to  
25 sections 77-3501 to 77-3529 and section 15 of this act is denied and  
26 the applicant would be qualified for any other exemption under such  
27 sections, then such denied application shall be treated as an

1 application for the highest exemption for which qualified. Any  
2 additional documentation necessary for such other exemption shall be  
3 submitted to the county assessor within a reasonable time after  
4 receipt of the notice of denial.

5 Sec. 29. Section 77-5023, Revised Statutes Cumulative  
6 Supplement, 2006, is amended to read:

7 77-5023. (1) Pursuant to section 77-5022, the commission  
8 shall have the power to increase or decrease the value of a class or  
9 subclass of real property in any county or taxing authority or of real  
10 property valued by the state so that all classes or subclasses of real  
11 property in all counties fall within an acceptable range.

12 (2) An acceptable range is the percentage of variation from  
13 a standard for valuation as measured by an established indicator of  
14 central tendency of assessment. Acceptable ranges are: (a) For  
15 agricultural land and horticultural land as defined in section  
16 77-1359, ~~sixty-nine to seventy-five~~ sixty-four to seventy percent  
17 of actual value; (b) for lands receiving special valuation,  
18 ~~sixty-nine to seventy-five~~ sixty-four to seventy percent of  
19 special valuation as defined in section 77-1343 and ~~sixty-nine to~~  
20 ~~seventy-five~~ sixty-four to seventy percent of recapture valuation  
21 as defined in section 77-1343; and (c) for all other real property,  
22 ninety-two to one hundred percent of actual value.

23 (3) Any increase or decrease shall cause the indicator of  
24 central tendency of assessment utilized by the commission to be at the  
25 midpoint of the applicable acceptable range.

26 (4) Any decrease or increase to a subclass of property shall  
27 also cause the indicator of central tendency utilized by the

1 commission for the class from which the subclass is drawn to be within  
2 the applicable acceptable range.

3 (5) Whether or not an established indicator of central  
4 tendency falls within an acceptable range or at the midpoint of an  
5 acceptable range may be determined to a reasonable degree of certainty  
6 relying upon generally accepted mass appraisal techniques.

7 Sec. 30. Section 79-1016, Revised Statutes Cumulative  
8 Supplement, 2006, as affected by Referendum 2006, No. 422, is amended  
9 to read:

10 79-1016. (1) On or before August 25, the county assessor  
11 shall certify to the Property Tax Administrator the total taxable  
12 value by school district in the county for the current assessment year  
13 on forms prescribed by the Property Tax Administrator. The county  
14 assessor may amend the filing for changes made to the taxable  
15 valuation of the school district in the county if corrections or  
16 errors on the original certification are discovered. Amendments shall  
17 be certified to the Property Tax Administrator on or before September  
18 30.

19 (2) On or before October 10, the Property Tax Administrator  
20 shall compute and certify to the State Department of Education the  
21 adjusted valuation for the current assessment year for each class of  
22 property in each school district and each local system. The adjusted  
23 valuation of property for each school district and each local system,  
24 for purposes of determining state aid pursuant to the Tax Equity and  
25 Educational Opportunities Support Act, shall reflect as nearly as  
26 possible state aid value as defined in subsection (3) of this section.  
27 The Property Tax Administrator shall notify each school district and

1 each local system of its adjusted valuation for the current assessment  
2 year by class of property on or before October 10. Establishment of  
3 the adjusted valuation shall be based on the taxable value certified  
4 by the county assessor for each school district in the county adjusted  
5 by the determination of the level of value for each school district  
6 from an analysis of the comprehensive assessment ratio study or other  
7 studies developed by the Property Tax Administrator, in compliance  
8 with professionally accepted mass appraisal techniques, as required by  
9 section 77-1327. The Property Tax Administrator shall adopt and  
10 promulgate rules and regulations setting forth standards for the  
11 determination of level of value for school aid purposes.

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

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

15 (b) For agricultural and horticultural land, ~~seventy-five~~  
16 seventy percent of actual value as provided in sections 77-1359 to  
17 77-1363. For agricultural and horticultural land that receives  
18 special valuation pursuant to section 77-1344, ~~seventy-five~~ seventy  
19 percent of special valuation as defined in section 77-1343; and

20 (c) For personal property, the net book value as defined in  
21 section 77-120.

22 (4) On or before November 10, any local system may file with  
23 the Property Tax Administrator written objections to the adjusted  
24 valuations prepared by the Property Tax Administrator, stating the  
25 reasons why such adjusted valuations are not the valuations required  
26 by subsection (3) of this section. The Property Tax Administrator  
27 shall fix a time for a hearing. Either party shall be permitted to

1 introduce any evidence in reference thereto. On or before January 1,  
2 the Property Tax Administrator shall enter a written order modifying  
3 or declining to modify, in whole or in part, the adjusted valuations  
4 and shall certify the order to the State Department of Education.  
5 Modification by the Property Tax Administrator shall be based upon the  
6 evidence introduced at hearing and shall not be limited to the  
7 modification requested in the written objections or at hearing. A copy  
8 of the written order shall be mailed to the local system within seven  
9 days after the date of the order. The written order of the Property  
10 Tax Administrator may be appealed within thirty days after the date of  
11 the order to the Tax Equalization and Review Commission in accordance  
12 with section 77-5013.

13 (5) On or before November 10, any local system or county  
14 official may file with the Property Tax Administrator a written  
15 request for a nonappealable correction of the adjusted valuation due  
16 to clerical error as defined in section 77-128 or, for agricultural  
17 and horticultural land, assessed value changes by reason of land  
18 qualified or disqualified for special use valuation pursuant to  
19 sections 77-1343 to 77-1348. On or before the following January 1, the  
20 Property Tax Administrator shall approve or deny the request and, if  
21 approved, certify the corrected adjusted valuations resulting from  
22 such action to the State Department of Education.

23 (6) On or before May 31 of the year following the  
24 certification of adjusted valuation pursuant to subsection (2) of this  
25 section, any local system or county official may file with the  
26 Property Tax Administrator a written request for a nonappealable  
27 correction of the adjusted valuation due to changes to the tax list

1 that change the assessed value of taxable property. Upon the filing of  
2 the written request, the Property Tax Administrator shall require the  
3 county assessor to recertify the taxable valuation by school district  
4 in the county on forms prescribed by the Property Tax Administrator.  
5 The recertified valuation shall be the valuation that was certified on  
6 the tax list, pursuant to section 77-1613, increased or decreased by  
7 changes to the tax list that change the assessed value of taxable  
8 property in the school district in the county in the prior assessment  
9 year. On or before the following July 31, the Property Tax  
10 Administrator shall approve or deny the request and, if approved,  
11 certify the corrected adjusted valuations resulting from such action  
12 to the State Department of Education.

13 (7) No injunction shall be granted restraining the  
14 distribution of state aid based upon the adjusted valuations pursuant  
15 to this section.

16 (8) A school district whose state aid is to be calculated  
17 pursuant to subsection (5) of this section and whose state aid payment  
18 is postponed as a result of failure to calculate state aid pursuant to  
19 such subsection may apply to the state board for lump-sum payment of  
20 such postponed state aid. Such application may be for any amount up to  
21 one hundred percent of the postponed state aid. The state board may  
22 grant the entire amount applied for or any portion of such amount. The  
23 state board shall notify the Director of Administrative Services of  
24 the amount of funds to be paid in a lump sum and the reduced amount of  
25 the monthly payments. The Director of Administrative Services shall,  
26 at the time of the next state aid payment made pursuant to section  
27 79-1022, draw a warrant for the lump-sum amount from appropriated



1 funds and forward such warrant to the district.

2 Sec. 31. Section 85-933, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4 85-933. No funds generated or received from a General Fund  
5 appropriation,or state aid assistance program,~~or receipts from~~  
6 ~~a tax levy authorized by statute~~ shall be expended in support of  
7 programs or activities which are in conflict with the role and  
8 mission assignments applicable to the University of Nebraska, state  
9 colleges, or community colleges under sections 79-741, 79-744, 85-194,  
10 85-308, 85-606.01, 85-917 to 85-966, and 85-1511.

11 Sec. 32. Section 85-1402, Revised Statutes Cumulative  
12 Supplement, 2006, is amended to read:

13 85-1402. For purposes of the Coordinating Commission for  
14 Postsecondary Education Act:

15 (1)(a) Capital construction project ~~shall mean~~ means a  
16 project which utilizes tax funds designated by the Legislature and  
17 shall be: Any proposed new capital structure; any proposed addition  
18 to, renovation of, or remodeling of a capital structure; any proposed  
19 acquisition of a capital structure by gift, purchase, lease-purchase,  
20 or other means of construction or acquisition that (i) will be  
21 directly financed in whole or in part with tax funds designated by the  
22 Legislature totaling at least the minimum capital expenditure for  
23 purposes of this subdivision or (ii) is likely, as determined by the  
24 institution, to result in an incremental increase in appropriation or  
25 expenditure of tax funds designated by the Legislature of at least the  
26 minimum capital expenditure for the facility's operations and  
27 maintenance costs in any one fiscal year within a period of ten years

1 from the date of substantial completion or acquisition of the project.  
 2 No tax funds designated by the Legislature shall be appropriated or  
 3 expended for any incremental increase of more than the minimum capital  
 4 expenditure for the costs of the operations and utilities of any  
 5 facility which is not included in the definition of capital  
 6 construction project and thus is not subject to commission approval  
 7 pursuant to the Coordinating Commission for Postsecondary Education  
 8 Act. No institution shall include a request for funding such an  
 9 increase in its budget request for tax funds designated by the  
 10 Legislature, and no ~~nor shall any~~ institution shall utilize any  
 11 such funds for such an increase. The Governor shall not include in his  
 12 or her budget recommendations, and the Legislature shall not  
 13 appropriate, such funds for such increase.

14 (b) For purposes of this subdivision:

15 (i) Directly financed ~~shall mean~~ means funded by:

16 (A) Appropriation of tax funds designated by the Legislature  
 17 for the specific capital construction project; or

18 ~~(B) Property tax levies used to establish a capital~~  
 19 ~~improvement and bond sinking fund pursuant to section 85-1515; or~~

20 ~~(C)~~ (B) That portion of tax funds designated by the  
 21 Legislature and appropriated by the Legislature for the general  
 22 operation of the public institution and utilized to fund the capital  
 23 project;

24 (ii) Incremental increase ~~shall mean~~ means an increase  
 25 in appropriation or expenditure of tax funds designated by the  
 26 Legislature of at least the minimum capital expenditure for a  
 27 facility's operations and maintenance costs, beyond any increase due

1 to inflation, to pay for a capital structure's operations and  
2 maintenance costs that are a direct result of a capital construction  
3 project; and

4 (iii) Minimum capital expenditure ~~shall mean~~ means:

5 (A) For purposes of subdivision (a)(i) of this subdivision,  
6 a base amount of five hundred thousand dollars; and

7 (B) For the facility's operations and maintenance costs  
8 pursuant to subdivision (a)(ii) of this subdivision, a base amount of  
9 seventy-five thousand dollars for any one fiscal year.

10 Both base amounts shall be subject to any inflationary or  
11 market adjustments made by the commission pursuant to this  
12 subdivision. The commission shall adjust the base amounts on a  
13 biennial basis beginning January 1, 2008. The adjustments shall be  
14 based on percentage changes in a construction cost index and any other  
15 published index relevant to operations and utilities costs, both as  
16 selected by the commission in cooperation with the public  
17 institutions. The index or indices shall reflect inflationary or  
18 market trends for the applicable operations and maintenance or  
19 construction costs;

20 (2) Commission ~~shall mean~~ means the Coordinating  
21 Commission for Postsecondary Education;

22 (3) Coordination ~~shall mean~~ means:

23 (a) Authority to adopt, and revise as needed, a  
24 comprehensive statewide plan for postsecondary education which shall  
25 include (i) definitions of the role and mission of each public  
26 postsecondary educational institution within any general assignments  
27 of role and mission as may be prescribed by the Legislature and (ii)

1 plans for facilities which utilize tax funds designated by the  
2 Legislature;

3 (b) Authority to review, monitor, and approve or disapprove  
4 each public postsecondary educational institution's programs and  
5 capital construction projects which utilize tax funds designated by  
6 the Legislature in order to provide compliance and consistency with  
7 the comprehensive plan and to prevent unnecessary duplication; and

8 (c) Authority to review and modify, if needed to promote  
9 compliance and consistency with the comprehensive statewide plan and  
10 prevent unnecessary duplication, the budget requests of the governing  
11 boards or any other governing board for any other public postsecondary  
12 educational institution which may be established by the Legislature;

13 (4) Education center ~~shall mean~~ means an off-campus  
14 branch of a public institution or cooperative of either public or  
15 public and private postsecondary educational institutions which offers  
16 instructional programs to students;

17 (5) Governing board ~~shall mean~~ means the Board of  
18 Regents of the University of Nebraska, the Board of Trustees of the  
19 Nebraska State Colleges, or the board of governors for each community  
20 college area;

21 (6) Program ~~shall mean~~ means any program of instruction  
22 which leads directly to a degree, diploma, or certificate and, for  
23 purposes of section 85-1414, ~~shall include~~ includes public service  
24 programs and all off-campus instructional programs, whether or not  
25 such programs lead directly to a degree, diploma, or certificate.  
26 Program ~~shall also include~~ also includes the establishment of any  
27 new college, school, major division, education center, or institute

1 but shall not include reasonable and moderate extensions of existing  
2 curricula which have a direct relationship to existing programs;

3 (7) Public institution ~~shall mean~~ means each campus of a  
4 public postsecondary educational institution which is or may be  
5 established by the Legislature, which is under the direction of a  
6 governing board, and which is administered as a separate unit by the  
7 board; and

8 (8) Tax funds designated by the Legislature ~~shall mean~~  
9 means all state tax revenue ~~and all property tax revenue.~~

10 Sec. 33. Section 85-1416, Revised Statutes Cumulative  
11 Supplement, 2006, is amended to read:

12 85-1416. (1) Pursuant to the authority granted in Article  
13 VII, section 14, of the Constitution of Nebraska and the Coordinating  
14 Commission for Postsecondary Education Act, the commission shall, in  
15 accordance with the coordination function of the commission pursuant  
16 to section 85-1403, review and modify, if needed to promote compliance  
17 and consistency with the comprehensive statewide plan and prevent  
18 unnecessary duplication, the budget requests of the governing boards.

19 (2)(a) At least thirty days prior to submitting to the  
20 Governor their biennial budget requests pursuant to section 81-1113  
21 and any major deficit appropriation requests pursuant to instructions  
22 of the Department of Administrative Services, the Board of Regents of  
23 the University of Nebraska and the Board of Trustees of the Nebraska  
24 State Colleges shall each submit to the commission an outline of its  
25 proposed operating budget. The outline of its proposed operating  
26 budget or outline of proposed state aid request shall include those  
27 information summaries provided to the institution's governing board

1 describing the respective institution's budget for the next fiscal  
2 year or biennium. The outline shall contain projections of funds  
3 necessary for (i) the retention of current programs and services at  
4 current funding levels, (ii) any inflationary costs necessary to  
5 maintain current programs and services at the current programmatic or  
6 service levels, and (iii) proposed new and expanded programs and  
7 services. In addition to the outline, the commission may request an  
8 institution to provide to the commission any other supporting  
9 information to assist the commission in its budget review process. An  
10 institution may comply with such requests pursuant to section 85-1417.

11 (b) On September 15 of each biennial budget request year,  
12 the boards of governors of the community colleges or their designated  
13 representatives shall submit to the commission outlines of their  
14 proposed state aid requests ~~pursuant to sections 85-1536 and~~  
15 ~~85-1537.~~

16 (c) The commission shall analyze institutional budget  
17 priorities in light of the comprehensive statewide plan, role and  
18 mission assignments, and the goal of prevention of unnecessary  
19 duplication. The commission shall submit to the Governor and  
20 Legislature by October 15 of each year recommendations for approval or  
21 modification of the budget requests together with a rationale for its  
22 recommendations. The analysis and recommendations by the commission  
23 shall focus on budget requests for new and expanded programs and  
24 services and major statewide funding issues or initiatives as  
25 identified in the comprehensive statewide plan. If an institution does  
26 not comply with the commission's request pursuant to subdivision (a)  
27 of this subsection for additional budget information, the commission

1 may so note the refusal and its specific information request in its  
2 report of budget recommendations. The commission shall also provide to  
3 the Governor and the Appropriations Committee of the Legislature on or  
4 before October 1 of each even-numbered year a report identifying  
5 public policy issues relating to student tuition and fees, including  
6 the appropriate relative differentials of tuition and fee levels  
7 between the sectors of public postsecondary education in the state  
8 consistent with the comprehensive statewide plan.

9 (3) At least thirty days prior to submitting to the Governor  
10 their biennial budget requests pursuant to section 81-1113 and any  
11 major deficit appropriation requests pursuant to instructions of the  
12 Department of Administrative Services, the Board of Regents of the  
13 University of Nebraska and the Board of Trustees of the Nebraska State  
14 Colleges shall each submit to the commission information the  
15 commission deems necessary regarding each board's capital construction  
16 budget requests. The commission shall review the capital construction  
17 budget request information and may recommend to the Governor and the  
18 Legislature modification, approval, or disapproval of such requests  
19 consistent with the statewide facilities plan and any project approval  
20 determined pursuant to subsection (10) of section 85-1414 and to  
21 section 85-1415. The commission shall develop from a statewide  
22 perspective a unified prioritization of individual capital  
23 construction budget requests for which it has recommended approval and  
24 submit such prioritization to the Governor and the Legislature for  
25 their consideration. In establishing its prioritized list, the  
26 commission may consider and respond to the priority order established  
27 by the Board of Regents or the Board of Trustees in their respective

1 capital construction budget requests.

2 (4) Nothing in this section shall be construed to affect  
3 other constitutional, statutory, or administrative requirements for  
4 the submission of budget or state aid requests by the governing boards  
5 to the Governor and the Legislature.

6 Sec. 34. Section 85-1418, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 85-1418. (1) No state warrant shall be issued by the  
9 Department of Administrative Services or used by any public  
10 institution for the purpose of funding any program or capital  
11 construction project which has not been approved or which has been  
12 disapproved by the commission pursuant to the Coordinating Commission  
13 for Postsecondary Education Act. If state funding for any such program  
14 or project cannot be or is not divided into warrants separate from  
15 other programs or projects, the department shall reduce a warrant to  
16 the public institution which includes funding for the program or  
17 project by the amount of tax funds designated by the Legislature which  
18 are budgeted in that fiscal year by the public institution for use for  
19 the program or project.

20 (2) The department may reduce the amount of state aid  
21 distributed to a community college area ~~pursuant to sections 85-1536~~  
22 ~~and 85-1537~~ by the amount of funds used by the area to provide a  
23 program or capital construction project which has not been approved  
24 or which has been disapproved by the commission.

25 (3) The district court of Lancaster County shall have  
26 jurisdiction to enforce an order or decision of the commission entered  
27 pursuant to the Coordinating Commission for Postsecondary Education



1 Act and to enforce this section.

2 (4) Any person or public institution aggrieved by a final  
3 order of the commission entered pursuant to section 85-1413, 85-1414,  
4 85-1415, or 85-1416 shall be entitled to judicial review of the order.  
5 Proceedings for review shall be instituted by filing a petition in the  
6 district court of Lancaster County within thirty days after public  
7 notice of the final decision by the commission is given. The filing of  
8 the petition or the service of summons upon the commission shall not  
9 stay enforcement of such order. The review shall be conducted by the  
10 court without a jury on the record of the commission. The court shall  
11 have jurisdiction to enjoin enforcement of any order of the commission  
12 which is (a) in violation of constitutional provisions, (b) in excess  
13 of the constitutional or statutory authority of the commission, (c)  
14 made upon unlawful procedure, or (d) affected by other error of law.

15 (5) A party may secure a review of any final judgment of the  
16 district court by appeal to the Court of Appeals. Such appeal shall be  
17 taken in the manner provided by law for appeals in civil cases and  
18 shall be heard de novo on the record.

19 Sec. 35. Section 85-1503, Revised Statutes Cumulative  
20 Supplement, 2006, is amended to read:

21 85-1503. For purposes of sections 85-1501 to 85-1540, unless  
22 the context otherwise requires:

23 (1) Community college shall mean an educational institution  
24 operating and offering programs pursuant to such sections;

25 (2) Community college area shall mean an area established by  
26 section 85-1504;

27 (3) Board shall mean the Community College Board of

1       Governors for each community college area;

2               (4) Full-time equivalent student shall mean, in the  
3       aggregate, the equivalent of a registered student who in a  
4       twelve-month period is enrolled in (a) thirty semester credit hours or  
5       forty-five quarter credit hours of classroom, laboratory, clinical,  
6       practicum, or independent study course work or cooperative work  
7       experience or (b) nine hundred contact hours of classroom or  
8       laboratory course work for which credit hours are not offered or  
9       awarded. Avocational and recreational community service programs or  
10      courses shall not be included in determining full-time equivalent  
11      students or student enrollment;

12              (5) Contact hour shall mean an educational activity  
13      consisting of sixty minutes minus break time and required time to  
14      change classes;

15              (6) Credit hour shall mean the unit used to ascertain the  
16      educational value of course work offered by the institution to  
17      students enrolling for such course work, earned by such students upon  
18      successful completion of such course work, and for which tuition is  
19      charged. A credit hour may be offered and earned in any of several  
20      instructional delivery systems, including, but not limited to,  
21      classroom hours, laboratory hours, clinical hours, practicum hours,  
22      cooperative work experience, and independent study. A credit hour  
23      shall consist of a minimum of: (a) Ten quarter or fifteen semester  
24      classroom contact hours per term of enrollment; (b) twenty quarter or  
25      thirty semester academic transfer and academic support laboratory  
26      hours per term of enrollment; (c) thirty quarter or forty-five  
27      semester vocational laboratory hours per term of enrollment; (d)

1 thirty quarter or forty-five semester clinical or practicum contact  
2 hours per term of enrollment; or (e) forty quarter or sixty semester  
3 cooperative work experience contact hours per term of enrollment. An  
4 institution may include in a credit hour more classroom, laboratory,  
5 clinical, practicum, or cooperative work experience hours than the  
6 minimum required in this subdivision. The institution shall publish in  
7 its catalog, or otherwise make known to the student in writing prior  
8 to the student enrolling or paying tuition for any courses, the number  
9 of credit or contact hours offered in each such course. Such published  
10 credit or contact hour offerings shall be used to determine whether a  
11 student is a full-time equivalent student pursuant to subdivision (4)  
12 of this section;

13 (7) Classroom hour shall mean a minimum of fifty minutes of  
14 formalized instruction on campus or off campus in which a qualified  
15 instructor applying any combination of instructional methods such as  
16 lecture, directed discussion, demonstration, or the presentation of  
17 audiovisual materials is responsible for providing an educational  
18 experience to students;

19 (8) Laboratory hour shall mean a minimum of fifty minutes of  
20 educational activity on campus or off campus in which students conduct  
21 experiments, perfect skills, or practice procedures under the  
22 direction of a qualified instructor;

23 (9) Clinical hour shall mean a minimum of fifty minutes of  
24 educational activity on campus or off campus during which the student  
25 is assigned practical experience under constant supervision at a  
26 health-related agency, receives individual instruction in the  
27 performance of a particular function, and is observed and critiqued in

1 the repeat performance of such function. Adjunct professional  
2 personnel, who may or may not be paid by the college, may be used for  
3 the directed supervision of students and for the delivery of part of  
4 the didactic phase of the experience;

5 (10) Practicum hour shall mean a minimum of fifty minutes of  
6 educational activity on campus or off campus during which the student  
7 is assigned practical experiences, receives individual instruction in  
8 the performance of a particular function, and is observed and  
9 critiqued by an instructor in the repeat performance of such function.  
10 Adjunct professional personnel, who may or may not be paid by the  
11 college, may be used for the directed supervision of the students;

12 (11) Cooperative work experience shall mean an internship or  
13 on-the-job training, designed to provide specialized skills and  
14 educational experiences, which is coordinated, supervised, observed,  
15 and evaluated by qualified college staff or faculty and may be  
16 completed on campus or off campus, depending on the nature of the  
17 arrangement;

18 (12) Independent study shall mean an arrangement between an  
19 instructor and student in which the instructor is responsible for  
20 assigning work activity or skill objectives to the student, personally  
21 providing needed instruction, assessing the student's progress, and  
22 assigning a final grade. Credit hours shall be assigned according to  
23 the practice of assigning credits in similar courses;

24 (13) Full-time equivalent student enrollment total shall  
25 mean the total of full-time equivalent students enrolled in a  
26 community college in any fiscal year;

27 (14) General academic transfer course shall mean a course

1 offering in a one-year or two-year degree-credit program, at the  
2 associate degree level or below, intended by the offering institution  
3 for transfer into a baccalaureate program. The completion of the  
4 specified courses in a general academic transfer program may include  
5 the award of a formal degree;

6 (15) Applied technology or occupational course shall mean a  
7 course offering in an instructional program, at the associate degree  
8 level or below, intended to prepare individuals for immediate entry  
9 into a specific occupation or career. The primary intent of the  
10 institutions offering an applied technology or occupational program  
11 shall be that such program is for immediate job entry. The completion  
12 of the specified courses in an applied technology or occupational  
13 program may include the award of a formal degree, diploma, or  
14 certificate;

15 (16) Academic support course shall mean a general education  
16 academic course offering which may be necessary to support an applied  
17 technology or occupational program;

18 (17) Class 1 course shall mean an applied technology or  
19 occupational course offering which requires the use of equipment,  
20 facilities, or instructional methods easily adaptable for use in a  
21 general academic transfer program classroom or laboratory;

22 (18) Class 2 course shall mean an applied technology or  
23 occupational course offering which requires the use of specialized  
24 equipment, facilities, or instructional methods not easily adaptable  
25 for use in a general academic transfer program classroom or  
26 laboratory;

27 (19) Reported aid equivalent student shall mean a full-time

1 equivalent student subject to the following limitations:

2 (a) The number of credit hours which can be counted for each  
3 student per semester or quarter shall be limited to eighteen credit  
4 hours;

5 (b) For students enrolled for more than eighteen credit  
6 hours, credit hours for each course shall be prorated as the  
7 eighteen-credit-hour limit is to the student's total credit hours for  
8 the semester or quarter;

9 (c) The credit-hour limit for a special instructional term  
10 shall be prorated on the same ratio that a fifteen-week term is to  
11 eighteen semester credit hours or a ten-week term is to eighteen  
12 quarter credit hours; and

13 (d) The number of credit and contact hours which shall be  
14 counted by any community college area in which a tribally controlled  
15 community college is located shall include credit and contact hours  
16 awarded by such tribally controlled community college to students for  
17 which such institution received no federal reimbursement pursuant to  
18 the Tribally Controlled Community College Assistance Act, 25 U.S.C.  
19 1801;

20 (20) Reported aid equivalent total shall mean the total of  
21 all reported aid equivalents accumulated in a community college area  
22 in any fiscal year;

23 (21) Reimbursable educational unit shall mean a reported aid  
24 equivalent student multiplied by (a) for a general academic transfer  
25 course or an academic support course, a factor of one, (b) for a Class  
26 1 course, a factor of one and fifty-hundredths, (c) for a Class 2  
27 course, a factor of one and eight-tenths for fiscal year 1995-96 and

1 for the three-year averages, a factor of one and nine-tenths for  
2 fiscal year 1996-97 and for the three-year averages, and a factor of  
3 two for fiscal year 1997-98 and each fiscal year thereafter and for  
4 the three-year averages, (d) for a tribally controlled community  
5 college general academic transfer course or academic support course, a  
6 factor of two, (e) for a tribally controlled community college Class 1  
7 course, a factor of three, and (f) for a tribally controlled community  
8 college Class 2 course, a factor of three and six-tenths for fiscal  
9 year 1995-96 and for the three-year averages, a factor of three and  
10 eight-tenths for fiscal year 1996-97 and for the three-year averages,  
11 and a factor of four for fiscal year 1997-98 and each fiscal year  
12 thereafter and for the three-year averages;

13 (22) Reimbursable educational unit total shall mean the  
14 total of all reimbursable educational units accumulated in a community  
15 college area in any fiscal year;

16 (23) Special instructional term shall mean any term which is  
17 less than fifteen weeks for community colleges using semesters or ten  
18 weeks for community colleges using quarters;

19 (24) Statewide reimbursable reported aid equivalent total  
20 shall mean the total of all reimbursable reported aid equivalents  
21 accumulated statewide for the community college in any fiscal year;

22 (25) Tribally controlled community college shall mean an  
23 educational institution operating and offering programs pursuant to  
24 the Tribally Controlled Community College Assistance Act, 25 U.S.C.  
25 1801; and

26 (26) Tribally controlled community college state aid amount  
27 shall mean the quotient of the amount of state aid to be distributed

1 ~~pursuant to sections 85-1536 and 85-1537~~ for the current fiscal year  
2 to a community college area in which a tribally controlled community  
3 college is located divided by the average of the reimbursable  
4 educational unit totals for such community college area for the  
5 immediately preceding three fiscal years, with such quotient then  
6 multiplied by the average reimbursable educational units derived  
7 pursuant to subdivision (19)(d) of this section for the immediately  
8 preceding three fiscal years.

9 Sec. 36. Section 85-1511, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11 85-1511. In addition to any other powers and duties imposed  
12 upon the community college system or its areas, campuses, or boards by  
13 sections 85-917 to 85-966 and 85-1501 to 85-1540 and any other  
14 provision of law, each board shall:

15 (1) Have general supervision, control, and operation of each  
16 community college within its jurisdiction;

17 (2) Subject to coordination by the Coordinating Commission  
18 for Postsecondary Education as prescribed in the Coordinating  
19 Commission for Postsecondary Education Act, develop and offer programs  
20 of applied technology education, academic transfer programs, academic  
21 support courses, and such other programs and courses as the needs of  
22 the community college area served may require. The board shall avoid  
23 unnecessary duplication of existing programs and courses in meeting  
24 the needs of the students and the community college area;

25 (3) Employ, for a period to be fixed by the board, executive  
26 officers, members of the faculty, and such other administrative  
27 officers and employees as may be necessary or appropriate and fix



1 their salaries and duties;

2 (4) Subject to coordination by the Coordinating Commission  
3 for Postsecondary Education as prescribed in the Coordinating  
4 Commission for Postsecondary Education Act, construct, lease,  
5 purchase, purchase on contract, operate, equip, and maintain  
6 facilities;

7 (5) Contract for services connected with the operation of  
8 the community college area as needs and interest demand;

9 (6) Cause an examination and comprehensive audit of the  
10 books, accounts, records, and affairs, including full-time equivalent  
11 student enrollment totals, reported aid equivalent totals, and  
12 reimbursable educational unit totals as defined in section 85-1503, to  
13 be made annually covering the most recently completed fiscal year. The  
14 audit of each area shall include the full-time equivalent student  
15 enrollment totals, reported aid equivalent totals, and reimbursable  
16 educational unit totals for the three most recently completed fiscal  
17 years which shall be used for calculation of aid to the community  
18 college areas ~~as prescribed in section 85-1536~~. The audit shall  
19 also include the county-certified property valuations for the  
20 community college area for the three most recently completed fiscal  
21 years which shall be used for calculation of aid to such community  
22 college areas. Such examination and audit of the books, accounts,  
23 records, and affairs shall be completed and filed with the Auditor of  
24 Public Accounts and the Department of Administrative Services on or  
25 before October 15 of each year. The examination and audit of the  
26 full-time equivalent student enrollment totals, reported aid  
27 equivalent totals, and reimbursable educational unit totals shall be

1 completed and filed with the Auditor of Public Accounts and the  
2 Department of Administrative Services on or before August 15 of each  
3 year;

4 (7) Establish fees and charges for the facilities authorized  
5 by sections 85-1501 to 85-1540. Each board may enter into agreements  
6 with owners of facilities to be used for housing regarding the  
7 management, operation, and government of such facilities and may  
8 employ necessary employees to govern, manage, and operate such  
9 facilities;

10 (8) Receive such gifts, grants, conveyances, and bequests of  
11 real and personal property from public or private sources as may be  
12 made from time to time, in trust or otherwise, whenever the terms and  
13 conditions thereof will aid in carrying out the community college  
14 programs as specified by law. Each board may sell, lease, exchange,  
15 invest, or expend such gifts, grants, conveyances, and bequests or the  
16 proceeds, rents, profits, and income therefrom according to the terms  
17 and conditions thereof and adopt and promulgate rules and regulations  
18 governing the receipt and expenditure of such proceeds, rents,  
19 profits, and income, except that acceptance of such gifts, grants, or  
20 conveyances shall not be conditioned on matching state or local funds;

21 (9) Prescribe the courses of study for any community college  
22 under its control and publish such catalogs and bulletins as may be  
23 necessary;

24 (10) Grant to every student upon graduation or completion of  
25 a course of study a suitable diploma, associate degree, or  
26 certificate;

27 (11) Adopt and promulgate such rules and regulations and

1 perform all other acts as the board may deem necessary or appropriate  
2 to the administration of the community college area. Such rules and  
3 regulations shall include, but not be limited to, rules and  
4 regulations relating to facilities, housing, scholarships, discipline,  
5 and pedestrian and vehicular traffic on property owned, operated, or  
6 maintained by the community college area;

7 (12) Employ, for a period to be fixed by the board, an  
8 executive officer for the community college area and, by written order  
9 filed in its office, delegate to such executive officer any of the  
10 powers and duties vested in or imposed upon it by sections 85-1501 to  
11 85-1540. Such delegated powers and duties may be exercised in the name  
12 of the board;

13 (13) Acquire real property by eminent domain pursuant to  
14 sections 76-701 to 76-724;

15 (14) Acquire real and personal property and sell, convey, or  
16 lease such property whenever the community college area will be  
17 benefited thereby. The sale, conveyance, or lease of any real estate  
18 owned by a community college area shall be effective only when  
19 authorized by an affirmative vote of at least two-thirds of all the  
20 members of the board;

21 (15) Enter into agreements for services, facilities, or  
22 equipment and for the presentation of courses for students when such  
23 agreements are deemed to be in the best interests of the education of  
24 the students involved;

25 (16) Transfer tribally controlled community college state  
26 aid amounts to a tribally controlled community college located within  
27 its community college area;

1           (17) Invest, after proper consideration of the requirements  
2 for the availability of money, funds of the community college in  
3 securities the nature of which individuals of prudence, discretion,  
4 and intelligence acquire or retain in dealing with the property of  
5 another;

6           (18) Establish tuition rates for courses of instruction  
7 offered by each community college within its community college area.  
8 Separate tuition rates shall be established for students who are  
9 nonresidents of the State of Nebraska;

10           (19) Establish a fiscal year for the community college area  
11 which conforms to the fiscal year of the state; and

12           (20) Exercise any other powers, duties, and responsibilities  
13 necessary to carry out sections 85-1501 to 85-1540.

14           Sec. 37. Section 85-1515, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16           85-1515. Each board may issue and sell revenue bonds ~~and~~  
17 ~~general—obligation—bonds~~ for the purchase, construction,  
18 reconstruction, equipping, demolition, or alteration of capital  
19 assets, including accessibility barrier elimination project costs and  
20 abatement of environmental hazards as such terms are defined in  
21 section 79-10,110, and the acquisition of sites, rights-of-way,  
22 easements, improvements, or appurtenances and other facilities  
23 connected with the operation of the community colleges. Each board may  
24 establish in its budget a capital improvement and bond sinking fund.  
25 Such fund shall be used (1) first for the retirement of bonds assumed  
26 by the board in accordance with the provisions of such bonds, (2) then  
27 for (a) renewal work and deferred maintenance as defined in section

1 81-173, (b) handicapped access and life safety improvements made to  
 2 existing structures or grounds including accessibility barrier  
 3 elimination project costs and abatement of environmental hazards as  
 4 such terms are defined in section 79-10,110, and (c) projects designed  
 5 to prevent or correct a waste of energy, including measures taken to  
 6 utilize alternate energy sources, all in accordance with the capital  
 7 facilities plan of the community college area, (3) then for the  
 8 retirement of bonds issued pursuant to this section, and (4) then for  
 9 the purchasing, purchasing on contract, constructing, and improving of  
 10 facilities necessary to carry out sections 85-1501 to 85-1540. Revenue  
 11 bonds issued shall be subject to sections 85-1520 to 85-1527. ~~No~~  
 12 ~~general obligation bonds shall be issued without the approval by a~~  
 13 ~~majority vote of the qualified electors of the community college area~~  
 14 ~~voting in an election called for such purpose pursuant to section~~  
 15 ~~85-1518.~~ No bonds issued under sections 85-1501 to 85-1540 shall be  
 16 an obligation of the State of Nebraska, and no state tax shall be  
 17 levied to raise funds for the payment thereof or interest  
 18 thereon. Beginning January 1, 2008, no community college area may  
 19 issue debt pledging property tax revenue. Any debt existing on that  
 20 date which pledges property tax revenue shall be a valid obligation  
 21 of the property tax and property taxes shall be levied to satisfy  
 22 such debt until such debt is fully paid and the obligation  
 23 liquidated.

24 Sec. 38. Section 85-1526, Reissue Revised Statutes of  
 25 Nebraska, is amended to read:

26 85-1526. In issuing revenue bonds pursuant to ~~section~~  
 27 ~~85-1515~~ or sections 85-1515 and 85-1520 to 85-1527, the board

1 issuing such bonds shall be a governmental subdivision and  
2 instrumentality of the State of Nebraska and all bonds issued under  
3 the authority of such sections, together with interest on such bonds,  
4 shall be wholly exempt from taxation.

5 Sec. 39. Section 85-1535, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7 85-1535. A board of a community college area with a  
8 population of less than one hundred thousand according to the last  
9 federal decennial census and a campus located on a former military  
10 base may enter into contracts with any person, firm, or corporation  
11 providing for the implementation of any project for the constructing  
12 and improving of facilities to house applied technology educational  
13 programs necessary to carry out sections 85-1501 to 85-1540 and  
14 providing for the long-term payment of the cost of such project.

15 In no case shall any such contract run for a period longer  
16 than twenty years or shall the aggregate of existing contracts exceed  
17 four million five hundred thousand dollars for each area exclusive of  
18 administrative costs, credit enhancement costs, financing costs,  
19 capitalized interest, and reserves dedicated to secure payment of  
20 contracts.

21 No contract shall be entered into pursuant to this section  
22 without prior approval by a resolution of the board and the approval  
23 of the Coordinating Commission for Postsecondary Education.

24 ~~The long term payment of the cost of such project shall be~~  
25 ~~paid from revenue to be raised pursuant to subdivision (2)(a) of~~  
26 ~~section 85-1517.~~ Any board entering into such contract for the  
27 construction and improvement of facilities from revenue to be raised

1 pursuant to such subdivision shall make annual appropriations for  
2 amounts sufficient to pay annual obligations under such contract for  
3 the duration of such contract.

4 The board may also convey or lease and lease back all or any  
5 part of the project and the land on which such project is situated to  
6 such person, firm, or corporation as the board may contract with  
7 pursuant to this section to facilitate the long-term payment of the  
8 cost of such project. Any such conveyance or lease shall provide that  
9 when the cost of such project has been paid, together with interest  
10 and other costs thereon, such project and the land on which such  
11 project is located shall become the property of the community college  
12 area.

13 Sec. 40. Section 85-1537, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15 85-1537. For each fiscal year, the Legislature shall  
16 appropriate ~~an additional two million one hundred eighty seven~~  
17 ~~thousand dollars for~~ aid to community colleges to fund eighty  
18 percent of the community colleges' need. The base year for  
19 calculating need shall be fiscal year 2006-07, with future  
20 adjustments reflecting increases equal to two percent plus the  
21 percentage increase, if any, in full-time equivalent students from  
22 the second year to the first year preceding the year for which the  
23 aid is being determined. If the Legislature fails to appropriate  
24 adequate funds for the program, the funds appropriated shall be  
25 apportioned on a pro rata basis. Such amount shall be in addition  
26 to any other amounts appropriated for aid to community colleges and  
27 shall be distributed pursuant to sections 85-1536 and 85-1538.

1           Sec. 41. This act becomes operative on January 1, 2008.

2           Sec. 42. Original sections 18-2115, 77-3443, 77-3445,  
3       77-3501, 77-3509.01, 77-3509.02, 77-3509.03, 77-3510, 77-3511,  
4       77-3512, 77-3516, 77-3521, 77-3522, 77-3523, 77-3529, 85-933, 85-1418,  
5       85-1511, 85-1515, 85-1526, 85-1535, and 85-1537, Reissue Revised  
6       Statutes of Nebraska, sections 13-503, 13-518, 13-519, 72-2302,  
7       72-2303, 72-2304, 72-2306, 77-201, 77-1601.02, 77-3442, 77-3513,  
8       77-3514, 77-5023, 85-1402, 85-1416, and 85-1503, Revised Statutes  
9       Cumulative Supplement, 2006, and section 79-1016, Revised Statutes  
10      Cumulative Supplement, 2006, as affected by Referendum 2006, No. 422,  
11      are repealed.

12          Sec. 43. The following sections are outright repealed:  
13      Sections 85-1501.01, 85-1516, 85-1518, and 85-1536, Reissue Revised  
14      Statutes of Nebraska, and sections 85-1517 and 85-1536.01, Revised  
15      Statutes Cumulative Supplement, 2006.