

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 640

Introduced by Raikes, 25

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to public schools; to amend section
2 77-3442, Revised Statutes Cumulative Supplement, 2006; to
3 authorize learning community levies for capital projects
4 for certain purposes; to prescribe procedures; to provide
5 for repayment; to harmonize provisions; and to repeal the
6 original section.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

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

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

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

1 that are members of learning communities may levy a maximum levy
2 of the difference of one dollar and two cents on each one hundred
3 dollars of taxable property subject to the levy minus the learning
4 community levy pursuant to this subdivision for purposes of such
5 school district's general fund budget and special building funds,
6 and (iii) learning communities may levy a maximum levy for capital
7 projects approved pursuant to section 2 of this act of five cents
8 per one hundred dollars of taxable valuation of property subject to
9 the levy.

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

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

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

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

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

1 (g) For fiscal year 2008-09 and each fiscal year
2 thereafter, learning communities may levy a maximum levy of one
3 cent on each one hundred dollars of taxable property subject to the
4 levy for the learning community budget and for projects approved by
5 the learning community coordinating council.

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

16 (4) Natural resources districts may levy a maximum levy
17 of four and one-half cents per one hundred dollars of taxable
18 valuation of property subject to the levy. Natural resources
19 districts shall also have the power and authority to levy a
20 tax equal to the dollar amount by which their restricted funds
21 budgeted to administer and implement ground water management
22 activities and integrated management activities under the Nebraska
23 Ground Water Management and Protection Act exceed their restricted
24 funds budgeted to administer and implement ground water management
25 activities and integrated management activities for FY2003-04,

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

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

22 (6)(a) Incorporated cities and villages which are not
23 within the boundaries of a municipal county may levy a maximum levy
24 of forty-five cents per one hundred dollars of taxable valuation
25 of property subject to the levy plus an additional five cents per

1 one hundred dollars of taxable valuation to provide financing for
2 the municipality's share of revenue required under an agreement
3 or agreements executed pursuant to the Interlocal Cooperation Act
4 or the Joint Public Agency Act. The maximum levy shall include
5 amounts levied to pay for sums to support a library pursuant
6 to section 51-201, museum pursuant to section 51-501, visiting
7 community nurse, home health nurse, or home health agency pursuant
8 to section 71-1637, or statue, memorial, or monument pursuant to
9 section 80-202.

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

19 (7) Sanitary and improvement districts which have been in
20 existence for more than five years may levy a maximum levy of forty
21 cents per one hundred dollars of taxable valuation of property
22 subject to the levy, and sanitary and improvement districts which
23 have been in existence for five years or less shall not have
24 a maximum levy. Unconsolidated sanitary and improvement districts
25 which have been in existence for more than five years and are

1 located in a municipal county may levy a maximum of eighty-five
2 cents per hundred dollars of taxable valuation of property subject
3 to the levy.

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

1 required under an agreement or agreements executed pursuant to the
2 Interlocal Cooperation Act or the Joint Public Agency Act. If an
3 allocation by a county would cause another county to exceed its
4 levy authority under this section, the second county may exceed the
5 levy authority in order to levy the amount allocated.

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

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

23 (11) The limitations on tax levies provided in this
24 section are to include all other general or special levies
25 provided by law. Notwithstanding other provisions of law, the

1 only exceptions to the limits in this section are those provided by
2 or authorized by sections 77-3442 to 77-3444.

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

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

9 Sec. 2. (1) A learning community may levy a maximum levy
10 pursuant to section 77-3442 for capital projects approved pursuant
11 to this section. The proceeds from such levy shall be used for one
12 time reductions of the bonded indebtedness required for approved
13 projects and may not exceed fifty percent of the estimated cost of
14 the approved project. The funds shall be transferred to the school
15 district for which the project was approved and shall be deposited
16 in such school district's building fund for use on such project.

17 (2) The learning community may provide approval pursuant
18 to this section for capital projects which will purchase,
19 construct, or remodel facilities for (i) a focus school or program,
20 or (ii) a school or program that will otherwise specifically
21 attract a more economically and culturally diverse student body
22 than would otherwise attend a school or program in a facility at
23 that location. Such approval shall include an estimated cost for
24 the project and shall state the amount that will be provided by the
25 learning community for such project.

1 (3) If a school district receiving funding for a capital
2 project pursuant to this section uses the facility purchased,
3 constructed, or remodeled with such funds for purposes other than
4 those stated to qualify for such funds within the ten years
5 following receipt of the funding, the school district shall repay
6 such funds to the learning community with interest accrued from
7 the date the funds were transferred to the school's building
8 fund at the rate prescribed in section 45-104.02 as of the
9 last date the facility was used for such purpose or the date
10 that the learning community coordinating council determines that
11 the facility will not be used for such purpose or that such
12 facility will not be purchased, constructed, or remodeled for such
13 purpose. Such interest shall continue to accrue on outstanding
14 balances until the repayment has been completed. The remaining
15 terms of repayment shall be determined by the learning community
16 coordinating council. The learning community coordinating council
17 may waive such repayment if the facility is used for a different
18 (i) focus school or program, or (ii) school or program that will
19 otherwise specifically attract a more economically and culturally
20 diverse student body than would otherwise attend a school or
21 program in a facility at that location for a period of time that
22 will result in the use of the facility for qualifying purposes for
23 a total of at least ten years.

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