



Hundredth Legislature - Second Session - 2008  
**Introducer's Statement of Intent**  
**LB 1007**

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**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** February 22, 2008

The following constitutes the reasons for this bill and the purposes that are sought to be accomplished thereby:

LB 1007 would amend current law regarding the restricted fund lid and levy limits. The restricted fund lid for political subdivisions (other than school districts) is amended in three ways. The bill also amends the levy limits for municipalities and counties.

LB 1007 amends section 13-518 to change the definition of "allowable growth." The "allowable growth" change would give political subdivisions the opportunity to increase their lids by the amount of growth in taxable valuation due to improvements to real property as a result of construction or annexation. Current law only allows increases in the lid for growth over 2-½%.

LB 1007 also amends section 13-518 to change the definition of "capital improvements." The definition of "capital improvements" for the restricted fund lid is amended to include equipment with a useful life of more than five years.

Section 13-520 would be amended to exempt from the lid restricted funds budgeted to pay for any drug prevention or drug enforcement costs in excess of the amount budgeted for such costs for fiscal year 2007-08.

LB 1007 also applies this same definition of capital improvements to the levy law governing municipalities and counties. LB 1007 would amend section 77-3442 which sets the levy limits for municipalities and counties to provide that the maximum levy limit for counties, cities, and villages shall not include any funds budgeted for capital improvements under the new definition in lid law.

Section 77-3442 is also amended to provide that funds budgeted to pay for any drug prevention or drug enforcement costs in excess of the amount budgeted for such costs for fiscal year 2007-08 are not included in the levy limits imposed by the section.

**Principal Introducer:**

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**Senator M.L. Dierks**