

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 121

FINAL READING

Introduced by Wightman, 36.

Read first time January 09, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 13-520, 23-3202, and 32-519, Reissue Revised Statutes
3 of Nebraska, and sections 13-519, 77-1339, 77-1340,
4 77-1342, and 77-3442, Revised Statutes Cumulative
5 Supplement, 2008; to change budget limitations; to
6 require reimbursement by counties to the state for
7 property tax assessment services; to provide for
8 reassumption of the assessment function by counties on
9 or before July 1, 2013; to change tax levy limitations;
10 to harmonize provisions; to provide operative dates; to
11 repeal the original sections; and to outright repeal
12 sections 77-1340.01, 77-1340.02, and 77-1340.03, Reissue
13 Revised Statutes of Nebraska, and section 77-1340,

LB 121

LB 121

1 Revised Statutes Cumulative Supplement, 2008, as amended
2 by section 6 of this legislative bill.
3 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-519, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 13-519 (1) (a) Subject to subdivisions (1) (b) and (c) of
4 this section, for all fiscal years beginning on or after July
5 1, 1998, no governmental unit shall adopt a budget containing
6 a total of budgeted restricted funds more than the last prior
7 year's total of budgeted restricted funds plus allowable growth
8 plus the basic allowable growth percentage of the base limitation
9 established under section 77-3446. For the second fiscal year in
10 which a county will receive a full year of receipts from the
11 tax imposed in sections 77-27,223 to 77-27,227, the prior year's
12 total of restricted funds shall be the prior year's total of
13 restricted funds plus the total receipts from the tax imposed
14 in sections 77-27,223 to 77-27,227 in the prior year. For fiscal
15 years 2010-11 through 2013-14 in which a county will reassume the
16 assessment function pursuant to section 77-1340 or section 8 of
17 this act, the prior year's total of restricted funds shall be the
18 prior year's total of restricted funds plus the total budgeted
19 for the reassumption of the assessment function. If a governmental
20 unit transfers the financial responsibility of providing a service
21 financed in whole or in part with restricted funds to another
22 governmental unit or the state, the amount of restricted funds
23 associated with providing the service shall be subtracted from
24 the last prior year's total of budgeted restricted funds for the
25 previous provider and may be added to the last prior year's total

1 of restricted funds for the new provider. For governmental units
2 that have consolidated, the calculations made under this section
3 for consolidating units shall be made based on the combined total
4 of restricted funds, population, or full-time equivalent students
5 of each governmental unit.

6 (b) For all fiscal years beginning on or after July 1,
7 2005, the last prior year's total of budgeted restricted funds
8 shall be increased for a community college area by adding to such
9 area's fiscal year base-year revenue the amount of revenue to be
10 collected under subdivision (2)(c) of section 85-1517 that is in
11 excess of the amount budgeted under this subdivision in the prior
12 fiscal year.

13 (c) For all fiscal years beginning on or after July
14 1, 2008, educational service units may exceed the limitations
15 of subdivision (1)(a) of this section to the extent that one
16 hundred ten percent of the needs for the educational service unit
17 calculated pursuant to section 79-1241.03 exceeds the budgeted
18 restricted funds allowed pursuant to subdivision (1)(a) of this
19 section.

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

24 (3) A governmental unit may exceed the applicable
25 allowable growth percentage otherwise prescribed in this section

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

17 (4) In lieu of the election procedures in subsection (3)
18 of this section, any governmental unit may exceed the allowable
19 growth percentage otherwise prescribed in this section by an amount
20 approved by a majority of legal voters voting at a meeting of
21 the residents of the governmental unit, called after notice is
22 published in a newspaper of general circulation in the governmental
23 unit at least twenty days prior to the meeting. At least ten
24 percent of the registered voters residing in the governmental unit
25 shall constitute a quorum for purposes of taking action to exceed

1 the allowable growth percentage. If a majority of the registered
2 voters present at the meeting vote in favor of exceeding the
3 allowable growth percentage, a copy of the record of that action
4 shall be forwarded to the Auditor of Public Accounts along with
5 the budget documents. The issue to exceed the allowable growth
6 percentage may be approved at the same meeting as a vote to exceed
7 the limits or final levy allocation provided in section 77-3444.

8 Sec. 2. Section 13-520, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 13-520 The limitations in section 13-519 shall not apply
11 to (1) restricted funds budgeted for capital improvements, (2)
12 restricted funds expended from a qualified sinking fund for
13 acquisition or replacement of tangible personal property with a
14 useful life of five years or more, (3) restricted funds pledged
15 to retire bonded indebtedness, used by a public airport to retire
16 interest-free loans from the Department of Aeronautics in lieu of
17 bonded indebtedness at a lower cost to the public airport, or used
18 to pay other financial instruments that are approved and agreed to
19 before July 1, 1999, in the same manner as bonds by a governing
20 body created under section 35-501, (4) restricted funds budgeted
21 in support of a service which is the subject of an agreement or
22 a modification of an existing agreement whether operated by one
23 of the parties to the agreement or by an independent joint entity
24 or joint public agency, (5) restricted funds budgeted to pay for
25 repairs to infrastructure damaged by a natural disaster which is

1 declared a disaster emergency pursuant to the Emergency Management
2 Act, (6) restricted funds budgeted to pay for judgments, except
3 judgments or orders from the Commission of Industrial Relations,
4 obtained against a governmental unit which require or obligate a
5 governmental unit to pay such judgment, to the extent such judgment
6 is not paid by liability insurance coverage of a governmental unit,
7 ~~or~~ (7) the dollar amount by which restricted funds budgeted by a
8 natural resources district to administer and implement ground water
9 management activities and integrated management activities under
10 the Nebraska Ground Water Management and Protection Act exceed
11 its restricted funds budgeted to administer and implement ground
12 water management activities and integrated management activities
13 for FY2003-04, or (8) restricted funds budgeted to pay for the
14 reassumption of the assessment function pursuant to section 77-1340
15 or section 8 of this act in fiscal years 2010-11 through 2013-14.

16 Sec. 3. Section 23-3202, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 23-3202 No person, ~~except the Property Tax Administrator~~
19 ~~performing the assessment function pursuant to section 77-1340,~~
20 shall be eligible to file for, be appointed to, or hold the office
21 of county assessor or serve as deputy assessor in any county of
22 this state unless he or she holds a county assessor certificate
23 issued pursuant to section 77-422.

24 Sec. 4. Section 32-519, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 32-519 (1) Except as provided in ~~sections 22-417 and~~
2 ~~77-1340, section 22-417,~~ at the statewide general election in 1990
3 and each four years thereafter, a county assessor shall be elected
4 in each county having a population of more than three thousand
5 five hundred inhabitants and more than one thousand two hundred tax
6 returns. The county assessor shall serve for a term of four years.

7 (2) The county board of any county shall order the
8 submission of the question of electing a county assessor in the
9 county to the registered voters of the county at the next statewide
10 general election upon presentation of a petition to the county
11 board (a) conforming to the provisions of section 32-628, (b)
12 not less than sixty days before any statewide general election,
13 (c) signed by at least ten percent of the registered voters of
14 the county secured in not less than two-fifths of the townships
15 or precincts of the county, and (d) asking that the question be
16 submitted to the registered voters in the county. The form of
17 submission upon the ballot shall be as follows: For election of
18 county assessor; Against election of county assessor. If a majority
19 of the votes cast on the question are against the election of a
20 county assessor in such county, the duties of the county assessor
21 shall be performed by the county clerk and the office of county
22 assessor shall either cease with the expiration of the term of
23 the incumbent or continue to be abolished if no such office exists
24 at such time. If a majority of the votes cast on the question
25 are in favor of the election of a county assessor, the office

1 shall continue or a county assessor shall be elected at the next
2 statewide general election.

3 (3) The county assessor shall meet the qualifications
4 found in sections 23-3202 and 23-3204. The county assessor shall be
5 elected on the partisan ballot.

6 Sec. 5. Section 77-1339, Revised Statutes Cumulative
7 Supplement, 2008, is amended to read:

8 77-1339 (1) Any two or more ~~contiguous~~ counties may enter
9 into an agreement for joint or cooperative performance of the
10 assessment function.

11 (2) Such agreement shall provide for:

12 (a) The division, merger, or consolidation of
13 administrative functions between or among the parties, or the
14 performance thereof by one county on behalf of all the parties;

15 (b) The financing of the joint or cooperative
16 undertaking;

17 (c) The rights and responsibilities of the parties with
18 respect to the direction and supervision of work to be performed
19 under the agreement;

20 (d) The duration of the agreement and procedures for
21 amendment or termination thereof; and

22 (e) Any other necessary or appropriate matters.

23 (3) The agreement may provide for the suspension of the
24 powers and duties of the office of county assessor in any one or
25 more of the parties.

1 (4) Unless the agreement provides for the performance
2 of the assessment function by the assessor of one county for
3 and on behalf of all other counties party thereto, the agreement
4 shall prescribe the manner of electing the assessor, and the
5 employees of the office, who shall serve pursuant to the agreement.
6 Each county party to the agreement shall be represented in the
7 procedure for choosing such assessor. No person shall be appointed
8 assessor pursuant to an agreement who could not be so appointed
9 for a single county. Except to the extent made necessary by the
10 multicounty character of the assessment agency, qualifications for
11 employment as assessor or in the assessment agency and terms and
12 conditions of work shall be similar to those for the personnel
13 of a single county assessment agency. Any county may include in
14 any one or more of its employee benefit programs an assessor
15 serving pursuant to an agreement made under this section and the
16 employees of the assessment agency. As nearly as practicable, such
17 inclusion shall be on the same basis as for similar employees
18 of a single county only. An agreement providing for the joint
19 or cooperative performance of the assessment function may provide
20 for such assessor and employee coverage in county employee benefit
21 programs.

22 (5) No agreement made pursuant to the provisions of this
23 section shall take effect until it has been approved in writing by
24 the Tax Commissioner.

25 (6) Copies of any agreement made pursuant to the

1 provisions of this section, and of any amendment thereto, shall be
2 filed in the office of the Tax Commissioner and county board of the
3 counties involved.

4 Sec. 6. Section 77-1340, Revised Statutes Cumulative
5 Supplement, 2008, is amended to read:

6 77-1340 (1) The county board of a county may, by
7 resolution, request the Property Tax Administrator to assume the
8 duties, responsibilities, and authority of the county assessor and
9 to perform the same in and for the county. Such a resolution must
10 be adopted on or before October 31, 2006, and every other year
11 thereafter.

12 (2) If the Property Tax Administrator finds that direct
13 state performance of the duties, responsibilities, and authority
14 of the county assessor will be either (a) necessary or desirable
15 for the economic and efficient performance thereof or (b) necessary
16 or desirable for improving the quality of assessment in the
17 state, he or she may recommend assumption of such duties,
18 responsibilities, and authority. The Tax Commissioner shall decide
19 whether to recommend assumption and deliver such recommendation to
20 the Governor and the Legislature by December 15, 2006, and every
21 other year thereafter.

22 (3) The Tax Commissioner may recommend assuming the
23 duties, responsibilities, and authority of the county assessor or
24 reject assuming such duties, responsibilities, and authority. If
25 the Tax Commissioner rejects the request, the assessment function

1 shall not be transferred and the county may make another request.

2 (4) Upon a recommendation by the Tax Commissioner that
3 the assumption of the assessment function should be undertaken
4 according to the criteria in subsection (2) of this section, the
5 Tax Commissioner shall request from the Legislature a sufficient
6 appropriation in the next regular session of the Legislature
7 following the recommendation to assume the assessment function. If
8 the appropriation is not made, the Tax Commissioner shall notify
9 the county on or before July 1 that the assessment function will
10 not be undertaken. If a sufficient appropriation is made, the Tax
11 Commissioner shall notify the county on or before July 1 that the
12 assessment function will be undertaken beginning the next following
13 July 1.

14 (5) If the Tax Commissioner recommends assumption of
15 the assessment function and the Legislature makes an appropriation
16 which the Tax Commissioner determines is sufficient to undertake
17 the assumption, then commencing on the second July 1 after the
18 adoption of the resolution by the county board, (a) the Property
19 Tax Administrator shall undertake and perform the assessment
20 function and all other duties and functions of the county
21 assessor's office, including appraisal and reappraisal, (b) the
22 office and functions of the county assessor shall be suspended, and
23 (c) the performance of the assessment function by the Property Tax
24 Administrator shall be deemed performance by the county assessor.
25 Upon the assumption of the assessment function by the Property Tax

1 Administrator, the term of office of the incumbent county assessor
2 shall terminate and the county need no longer elect a county
3 assessor pursuant to section 32-519. At that time, the county
4 assessor and the employees of the county assessor's office shall
5 become state employees with the status of newly hired employees
6 except as provided in section 77-1340.02. No transferred county
7 assessor or employee shall incur a loss of income or the right to
8 participate in state-sponsored benefits as a result of becoming a
9 state employee with the status of a newly hired employee pursuant
10 to this section.

11 (6) Beginning July 1, 2010, the Property Tax
12 Administrator shall bill each county for which the Property Tax
13 Administrator has assumed the assessment function under this
14 section for the services rendered on a quarterly basis. Beginning
15 July 1, 2010, through June 30, 2011, the Property Tax Administrator
16 shall bill twenty-five percent of the cost of the services
17 rendered; beginning July 1, 2011, through June 30, 2012, the
18 Property Tax Administrator shall bill fifty percent of the cost of
19 the services rendered; and beginning July 1, 2012, through June
20 30, 2013, the Property Tax Administrator shall bill seventy-five
21 percent of the cost of the services rendered. Reimbursements to
22 the Department of Revenue shall be credited to the Department of
23 Revenue Property Assessment Division Cash Fund.

24 (7) The county board of a county may, by resolution,
25 reassume the assessment function prior to November 1, 2009, for

1 fiscal year 2010-11, prior to September 1, 2010, for fiscal
2 year 2011-12, and prior to September 1, 2011, for fiscal year
3 2012-13. The county board shall appoint an individual with a
4 valid assessor's certificate to the position of county assessor.
5 The appointment shall be effective July 1 of the year following
6 the adoption of the resolution. On July 1 of such year, the
7 appointed county assessor shall assume the title and perform the
8 assessment functions and any other duties mandated of the office of
9 county assessor. The appointed assessor shall continue to perform
10 the county assessor's duties until an assessor is elected at
11 the next election. At the close of business on June 30 of the
12 year following the adoption of the resolution, the Property Tax
13 Administrator shall cease his or her performance of the county
14 assessment function. The Property Tax Administrator shall at that
15 time transfer all books, files, and similar records with regard to
16 the county assessment function of the county and all furniture,
17 computers, and other equipment and property used by the state to
18 perform the county assessment function, other than motor vehicles,
19 to the county assessor. All contracts of the Department of Revenue
20 pertaining to the operation of the county assessment function shall
21 be assumed by the county until the expiration of the contract. On
22 July 1 of the year following the adoption of the resolution, the
23 employees of the Department of Revenue involved in the performance
24 of the county assessment function in that county shall become
25 county employees by operation of law.

1 Sec. 7. Section 77-1342, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 77-1342 There is hereby created a fund to be known as
4 the Department of Revenue Property Assessment Division Cash Fund
5 to which shall be credited all money received by the Department
6 of Revenue for services performed for county and multicounty
7 assessment districts, for charges for publications, manuals, and
8 lists, as an assessor's examination fee authorized by section
9 77-421, and under the provisions of sections 60-3,202, 77-684,
10 ~~and 77-1250, and 77-1340~~. The fund shall be used to carry out
11 any duties and responsibilities of the department. The county or
12 multicounty assessment district shall be billed by the department
13 for services rendered. Reimbursements to the department shall be
14 credited to the fund, and expenditures therefrom shall be made only
15 when such funds are available. The department shall only bill for
16 the actual amount expended in performing the service.

17 The fund shall not, at the close of each year, be
18 lapsed to the General Fund. Any money in the Department of Revenue
19 Property Assessment Division Cash Fund available for investment
20 shall be invested by the state investment officer pursuant to
21 the Nebraska Capital Expansion Act and the Nebraska State Funds
22 Investment Act.

23 ~~Any money in the Department of Property Assessment and~~
24 ~~Taxation Cash Fund on July 1, 2007, shall be transferred to the~~
25 ~~Department of Revenue Property Assessment Division Cash Fund on~~

1 ~~such date.~~

2 Sec. 8. (1) On July 1, 2013, the Property Tax
3 Administrator shall relinquish the property assessment function
4 in all counties that transferred the assessment function to the
5 Property Tax Administrator and have not reassumed the assessment
6 function prior to such date.

7 (2) On July 1, 2013, the employees of the Department
8 of Revenue involved in the performance of the county assessment
9 function shall become county employees by operation of law.

10 (3) At the close of business on June 30, 2013, the
11 Property Tax Administrator shall cease his or her performance of
12 the county assessment function and the county assessor appointed
13 pursuant to subsection (4) of this section shall assume the county
14 assessment function. The Property Tax Administrator shall at that
15 time transfer all books, files, and similar records with regard to
16 the county assessment function of the county and all furniture,
17 computers, and other equipment and property used by the state to
18 perform the county assessment function, other than motor vehicles,
19 to the county assessor.

20 (4) In such counties, the county board shall appoint an
21 individual with a valid assessor's certificate to the position of
22 county assessor. The appointment shall be effective July 1, 2013.
23 On July 1, 2013, the appointed county assessor shall assume the
24 title and perform the assessment functions and any other duties
25 mandated of the office of county assessor. The appointed assessor

1 shall continue to perform the county assessor's duties until an
2 assessor is elected at the next election.

3 (5) The Property Tax Administrator shall provide to each
4 county board of a county that transferred the assessment function
5 to the Property Tax Administrator on or before October 1, 2009, a
6 line-item allocation of its total cost of the assessment function
7 for the fiscal year ending June 30, 2009. This allocation of costs
8 shall also identify the costs attributable to those employees that
9 perform duties in more than one county.

10 (6) All contracts of the Department of Revenue pertaining
11 to the operation of the county assessment function shall be assumed
12 by the county until the expiration of the contract.

13 (7) Counties in which there are employees of the
14 department who provide services to more than one county shall enter
15 into an agreement pursuant to section 77-1339 for the continued
16 performance of the services provided by the employee. No agreement
17 pursuant to section 77-1339 is necessary if one of the counties
18 in which the employee is providing services agrees to retain the
19 employee as a permanent full-time employee.

20 Sec. 9. (1)(a) On the date of employment transfer,
21 all employees of the Department of Revenue transferred to a
22 county pursuant to section 77-1340 or section 8 of this act shall
23 immediately have the right to participate in the particular county
24 employees retirement plan and shall have all retirement funds
25 transferred from the State Employees Retirement System of the State

1 of Nebraska.

2 (b) For transferred employees who are transferring
3 retirement funds, the amount transferred shall equal the employee
4 and employer accounts of the transferring employee plus earnings on
5 those amounts during the period of employment with the state.

6 (2) Upon the completion of the transfer of funds pursuant
7 to subsection (1) of this section, the transferred employee shall
8 receive vesting credit for such employee's years of participation
9 in the retirement system of the county from which the employee was
10 transferred, if any, plus all years of participation in the State
11 Employees Retirement System. Each employee that was employed by the
12 department after the assessment function was transferred from the
13 county shall receive vesting credit for such employee's years of
14 participation in the State Employees Retirement System.

15 Sec. 10. (1) Each employee of the Department of Revenue
16 transferred to a county pursuant to section 77-1340 or section 8 of
17 this act shall be paid for his or her accrued vacation leave hours
18 based on his or her straight-time rate of pay and, notwithstanding
19 section 81-1324, for twenty-five percent of the value of his or
20 her accrued sick leave hours based on his or her straight-time
21 rate of pay. For purposes of this subsection, straight-time rate
22 of pay means the rate of pay in effect on June 30 of the year
23 of transfer. The state shall reimburse employees on the date of
24 employment transfer.

25 (2) A transferred employee may credit years of service

1 with both the county and state toward the accrual rate for sick
2 leave and vacation leave plans. The transferred employee shall not
3 receive any additional accrual rate value for county benefits until
4 the employee meets the qualifications for the increased accrual
5 rates pursuant to the county's requirements.

6 (3) The transferred employee may participate in and be
7 covered by the county's insurance program. The waiting period
8 for medical insurance coverage of a transferred employee shall
9 be waived, and any preexisting condition clause in the county's
10 insurance program shall be waived if the transferred employee has
11 health insurance under the Nebraska State Insurance Program or
12 comparable health insurance coverage immediately prior to the date
13 of employment transfer.

14 Sec. 11. Section 77-3442, Revised Statutes Cumulative
15 Supplement, 2008, is amended to read:

16 77-3442 (1) Property tax levies for the support of local
17 governments for fiscal years beginning on or after July 1, 1998,
18 shall be limited to the amounts set forth in this section except as
19 provided in section 77-3444.

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

1 (b) For each fiscal year, learning communities may levy
2 a maximum levy for the general fund budgets of member school
3 districts of ninety-five cents per one hundred dollars of taxable
4 valuation of property subject to the levy. The proceeds from the
5 levy pursuant to this subdivision shall be distributed pursuant to
6 section 79-1073.

7 (c) Except as provided in subdivision (2)(e) of this
8 section, for each fiscal year, school districts that are members
9 of learning communities may levy for purposes of such districts'
10 general fund budget and special building funds a maximum combined
11 levy of the difference of one dollar and five cents on each one
12 hundred dollars of taxable property subject to the levy minus
13 the learning community levies pursuant to subdivisions (2)(b) and
14 (2)(g) of this section for such learning community.

15 (d) Excluded from the limitations in subdivisions (2)(a)
16 and (2)(c) of this section are amounts levied to pay for
17 sums agreed to be paid by a school district to certificated
18 employees in exchange for a voluntary termination of employment
19 and amounts levied to pay for special building funds and sinking
20 funds established for projects commenced prior to April 1, 1996,
21 for construction, expansion, or alteration of school district
22 buildings. For purposes of this subsection, commenced means any
23 action taken by the school board on the record which commits
24 the board to expend district funds in planning, constructing, or
25 carrying out the project.

1 (e) Federal aid school districts may exceed the maximum
2 levy prescribed by subdivision (2)(a) or (2)(c) of this section
3 only to the extent necessary to qualify to receive federal aid
4 pursuant to Title VIII of Public Law 103-382, as such title existed
5 on September 1, 2001. For purposes of this subdivision, federal
6 aid school district means any school district which receives ten
7 percent or more of the revenue for its general fund budget from
8 federal government sources pursuant to Title VIII of Public Law
9 103-382, as such title existed on September 1, 2001.

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

1 pursuant to this subdivision (f) of this subsection on or before
2 February 15 for school fiscal years 2004-05 through 2007-08.

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

8 (h) For each fiscal year, learning communities may levy
9 a maximum levy of five cents on each one hundred dollars of
10 taxable property subject to the levy for elementary learning center
11 facilities and for up to fifty percent of the estimated cost for
12 capital projects approved by the learning community coordinating
13 council pursuant to section 79-2111.

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

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

21 (b) Natural resources districts shall also have the power
22 and authority to levy a tax equal to the dollar amount by which
23 their restricted funds budgeted to administer and implement ground
24 water management activities and integrated management activities
25 under the Nebraska Ground Water Management and Protection Act

1 exceed their restricted funds budgeted to administer and implement
2 ground water management activities and integrated management
3 activities for FY2003-04, not to exceed one cent on each one
4 hundred dollars of taxable valuation annually on all of the taxable
5 property within the district.

6 (c) In addition, natural resources districts located in
7 a river basin, subbasin, or reach that has been determined to
8 be fully appropriated pursuant to section 46-714 or designated
9 as overappropriated pursuant to section 46-713 by the Department
10 of Natural Resources shall also have the power and authority to
11 levy a tax equal to the dollar amount by which their restricted
12 funds budgeted to administer and implement ground water management
13 activities and integrated management activities under the Nebraska
14 Ground Water Management and Protection Act exceed their restricted
15 funds budgeted to administer and implement ground water management
16 activities and integrated management activities for FY2005-06, not
17 to exceed three cents on each one hundred dollars of taxable
18 valuation on all of the taxable property within the district for
19 fiscal year 2006-07 and each fiscal year thereafter through fiscal
20 year 2011-12.

21 (5) Any educational service unit authorized to levy a
22 property tax pursuant to section 79-1225 may levy a maximum levy of
23 one and one-half cents per one hundred dollars of taxable valuation
24 of property subject to the levy.

25 (6)(a) Incorporated cities and villages which are not

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

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

22 (7) Sanitary and improvement districts which have been in
23 existence for more than five years may levy a maximum levy of forty
24 cents per one hundred dollars of taxable valuation of property
25 subject to the levy, and sanitary and improvement districts which

1 have been in existence for five years or less shall not have
2 a maximum levy. Unconsolidated sanitary and improvement districts
3 which have been in existence for more than five years and are
4 located in a municipal county may levy a maximum of eighty-five
5 cents per hundred dollars of taxable valuation of property subject
6 to the levy.

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

1 hundred dollars of valuation authorized for support of an agreement
2 or agreements to be levied by the political subdivision for the
3 purpose of supporting that political subdivision's share of revenue
4 required under an agreement or agreements executed pursuant to the
5 Interlocal Cooperation Act or the Joint Public Agency Act. If an
6 allocation by a county would cause another county to exceed its
7 levy authority under this section, the second county may exceed
8 the levy authority in order to levy the amount allocated. Property
9 tax levies for costs of reassumption of the assessment function
10 pursuant to section 77-1340 or section 8 of this act are not
11 included in the levy limits established in this subsection for
12 fiscal years 2010-11 through 2013-14.

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

18 (10) Property tax levies for judgments, except judgments
19 or orders from the Commission of Industrial Relations, obtained
20 against a political subdivision which require or obligate a
21 political subdivision to pay such judgment, to the extent such
22 judgment is not paid by liability insurance coverage of a
23 political subdivision, for preexisting lease-purchase contracts
24 approved prior to July 1, 1998, for bonded indebtedness approved
25 according to law and secured by a levy on property except as

1 provided in section 44-4317 for bonded indebtedness issued by
2 educational service units and school districts, and for payments by
3 a public airport to retire interest-free loans from the Department
4 of Aeronautics in lieu of bonded indebtedness at a lower cost to
5 the public airport are not included in the levy limits established
6 by this section.

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

12 (12) Tax levies in excess of the limitations in this
13 section shall be considered unauthorized levies under section
14 77-1606 unless approved under section 77-3444.

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

18 (14) For school districts that file a binding resolution
19 on or before May 9, 2008, with the county assessors, county clerks,
20 and county treasurers for all counties in which the school district
21 has territory pursuant to subsection (7) of section 79-458, if the
22 combined levies, except levies for bonded indebtedness approved by
23 the voters of the school district and levies for the refinancing
24 of such bonded indebtedness, are in excess of the greater of (a)
25 one dollar and twenty cents per one hundred dollars of taxable

1 valuation of property subject to the levy or (b) the maximum
2 levy authorized by a vote pursuant to section 77-3444, all school
3 district levies, except levies for bonded indebtedness approved by
4 the voters of the school district and levies for the refinancing of
5 such bonded indebtedness, shall be considered unauthorized levies
6 under section 77-1606.

7 Sec. 12. Sections 3, 4, 5, 13, and 15 of this act become
8 operative on July 1, 2013. The other sections of this act become
9 operative on their effective date.

10 Sec. 13. Original sections 23-3202 and 32-519, Reissue
11 Revised Statutes of Nebraska, and section 77-1339, Revised Statutes
12 Cumulative Supplement, 2008, are repealed.

13 Sec. 14. Original section 13-520, Reissue Revised
14 Statutes of Nebraska, and sections 13-519, 77-1340, 77-1342,
15 and 77-3442, Revised Statutes Cumulative Supplement, 2008, are
16 repealed.

17 Sec. 15. The following sections are outright repealed:
18 Sections 77-1340.01, 77-1340.02, and 77-1340.03, Reissue Revised
19 Statutes of Nebraska, and section 77-1340, Revised Statutes
20 Cumulative Supplement, 2008, as amended by section 6 of this
21 legislative bill.