

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIRST LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 1031

Introduced by Dierks, 40.

Read first time January 20, 2010

Committee: Revenue

A BILL

1 FOR AN ACT relating to natural resources districts; to amend
2 section 77-3442, Reissue Revised Statutes of Nebraska,
3 and section 2-3225, Revised Statutes Cumulative
4 Supplement, 2008; to change tax levy authority as
5 prescribed; and to repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-3225, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 2-3225 (1) (a) Each district shall have the power and
4 authority to levy a tax of not to exceed four and one-half cents
5 on each one hundred dollars of taxable valuation annually on all of
6 the taxable property within such district unless a higher levy is
7 authorized pursuant to section 77-3444.

8 (b) Each district shall also have the power and authority
9 to levy a tax equal to the dollar amount by which its restricted
10 funds budgeted to administer and implement ground water management
11 activities and integrated management activities under the Nebraska
12 Ground Water Management and Protection Act exceed its restricted
13 funds budgeted to administer and implement ground water management
14 activities and integrated management activities for FY2003-04, not
15 to exceed one cent on each one hundred dollars of taxable valuation
16 annually on all of the taxable property within the district.

17 (c) In addition to the power and authority granted in
18 subdivisions (1) (a) and (b) of this section, each district located
19 in a river basin, subbasin, or reach that has been determined
20 to be fully appropriated pursuant to section 46-714 or designated
21 overappropriated pursuant to section 46-713 by the Department of
22 Natural Resources shall also have the power and authority to
23 levy a tax equal to the dollar amount by which its restricted
24 funds budgeted to administer and implement ground water management
25 activities and integrated management activities under the Nebraska

1 Ground Water Management and Protection Act exceed its restricted
2 funds budgeted to administer and implement ground water management
3 activities and integrated management activities for FY2005-06, not
4 to exceed three cents on each one hundred dollars of taxable
5 valuation on all of the taxable property within the district for
6 fiscal year 2006-07 and each fiscal year thereafter. ~~through fiscal~~
7 ~~year 2011-12.~~

8 (d) In addition to the power and authority granted in
9 subdivisions (a) through (c) of this subsection, a district with
10 jurisdiction that includes a river subject to an interstate compact
11 among three or more states and that also includes one or more
12 irrigation districts within the compact river basin may annually
13 levy a tax not to exceed ten cents per one hundred dollars of
14 taxable valuation of all taxable property in the district. The
15 proceeds of such tax may be used for the payment of principal
16 and interest on bonds and refunding bonds issued pursuant to
17 section 2-3226.01 or for the repayment of financial assistance
18 received by the district pursuant to section 2-3226.07. Such levy
19 is not includable in the computation of other limitations upon the
20 district's tax levy.

21 (2) The proceeds of the tax levies authorized in
22 subdivisions (1)(a) through (c) of this section shall be used,
23 together with any other funds which the district may receive from
24 any source, for the operation of the district. When adopted by the
25 board, the tax levies authorized in subdivisions (1)(a) through (d)

1 of this section shall be certified by the secretary to the county
2 clerk of each county which in whole or in part is included within
3 the district. Such levy shall be handled by the counties in the
4 same manner as other levies, and proceeds shall be remitted to the
5 district treasurer. Such levy shall not be considered a part of the
6 general county levy and shall not be considered in connection with
7 any limitation on levies of such counties.

8 Sec. 2. Section 77-3442, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 77-3442 (1) Property tax levies for the support of local
11 governments for fiscal years beginning on or after July 1, 1998,
12 shall be limited to the amounts set forth in this section except as
13 provided in section 77-3444.

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

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

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

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

20 (e) Federal aid school districts may exceed the maximum
21 levy prescribed by subdivision (2)(a) or (2)(c) 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 (f) 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 (f) of this subsection on or before
21 February 15 for school fiscal years 2004-05 through 2007-08.

22 (g) For each fiscal year, learning communities may levy a
23 maximum levy of two cents on each one hundred dollars of taxable
24 property subject to the levy for special building funds for member
25 school districts. The proceeds from the levy pursuant to this

1 subdivision shall be distributed pursuant to section 79-1073.01.

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

8 (3) Community colleges may levy a maximum levy calculated
9 pursuant to the Community College Foundation and Equalization Aid
10 Act on each one hundred dollars of taxable property subject to the
11 levy.

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

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

25 (c) In addition, natural resources districts located in

1 a river basin, subbasin, or reach that has been determined to
2 be fully appropriated pursuant to section 46-714 or designated
3 as overappropriated pursuant to section 46-713 by the Department
4 of Natural Resources shall also have the power and authority to
5 levy a tax equal to the dollar amount by which their restricted
6 funds 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
11 to exceed three cents on each one hundred dollars of taxable
12 valuation on all of the taxable property within the district for
13 fiscal year 2006-07 and each fiscal year thereafter. ~~through fiseal~~
14 ~~year 2011-12.~~

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

19 (6)(a) Incorporated cities and villages which are not
20 within the boundaries of a municipal county may levy a maximum levy
21 of forty-five cents per one hundred dollars of taxable valuation
22 of property subject to the levy plus an additional five cents per
23 one hundred dollars of taxable valuation to provide financing for
24 the municipality's share of revenue required under an agreement
25 or agreements executed pursuant to the Interlocal Cooperation Act

1 or the Joint Public Agency Act. The maximum levy shall include
2 amounts levied to pay for sums to support a library pursuant
3 to section 51-201, museum pursuant to section 51-501, visiting
4 community nurse, home health nurse, or home health agency pursuant
5 to section 71-1637, or statue, memorial, or monument pursuant to
6 section 80-202.

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

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

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

1 levy authority under this section, the second county may exceed
2 the levy authority in order to levy the amount allocated. Property
3 tax levies for costs of reassumption of the assessment function
4 pursuant to section 77-1340 or 77-1340.04 are not included in the
5 levy limits established in this subsection for fiscal years 2010-11
6 through 2013-14.

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

12 (10) Property tax levies for judgments, except judgments
13 or orders from the Commission of Industrial Relations, obtained
14 against a political subdivision which require or obligate a
15 political subdivision to pay such judgment, to the extent such
16 judgment is not paid by liability insurance coverage of a
17 political subdivision, for preexisting lease-purchase contracts
18 approved prior to July 1, 1998, for bonded indebtedness approved
19 according to law and secured by a levy on property except as
20 provided in section 44-4317 for bonded indebtedness issued by
21 educational service units and school districts, and for payments by
22 a public airport to retire interest-free loans from the Department
23 of Aeronautics in lieu of bonded indebtedness at a lower cost to
24 the public airport are not included in the levy limits established
25 by this section.

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

6 (12) Tax levies in excess of the limitations in this
7 section shall be considered unauthorized levies under section
8 77-1606 unless approved under section 77-3444.

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

12 (14) For school districts that file a binding resolution
13 on or before May 9, 2008, with the county assessors, county clerks,
14 and county treasurers for all counties in which the school district
15 has territory pursuant to subsection (7) of section 79-458, if the
16 combined levies, except levies for bonded indebtedness approved by
17 the voters of the school district and levies for the refinancing
18 of such bonded indebtedness, are in excess of the greater of (a)
19 one dollar and twenty cents per one hundred dollars of taxable
20 valuation of property subject to the levy or (b) the maximum
21 levy authorized by a vote pursuant to section 77-3444, all school
22 district levies, except levies for bonded indebtedness approved by
23 the voters of the school district and levies for the refinancing of
24 such bonded indebtedness, shall be considered unauthorized levies
25 under section 77-1606.

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1 Sec. 3. Original section 77-3442, Reissue Revised
2 Statutes of Nebraska, and section 2-3225, Revised Statutes
3 Cumulative Supplement, 2008, are repealed.