

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIRST LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 1032

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 to
20 be fully appropriated pursuant to section 46-714, that has been
21 ~~ex~~ designated overappropriated pursuant to section 46-713 by the
22 Department of Natural Resources, or that received a preliminary
23 or final determination of fully appropriated and a status change
24 occurs pursuant to section 46-714 shall also have the power and
25 authority to levy a tax equal to the dollar amount by which its

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

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

23 (2) The proceeds of the tax levies authorized in
24 subdivisions (1)(a) through (c) of this section shall be used,
25 together with any other funds which the district may receive from

1 any source, for the operation of the district. When adopted by the
2 board, the tax levies authorized in subdivisions (1)(a) through (d)
3 of this section shall be certified by the secretary to the county
4 clerk of each county which in whole or in part is included within
5 the district. Such levy shall be handled by the counties in the
6 same manner as other levies, and proceeds shall be remitted to the
7 district treasurer. Such levy shall not be considered a part of the
8 general county levy and shall not be considered in connection with
9 any limitation on levies of such counties.

10 Sec. 2. Section 77-3442, Reissue Revised Statutes of
11 Nebraska, 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,
14 shall be limited to the amounts set forth in this section except as
15 provided in section 77-3444.

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

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

1 levy pursuant to this subdivision shall be distributed pursuant to
2 section 79-1073.

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

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

22 (e) Federal aid school districts may exceed the maximum
23 levy prescribed by subdivision (2)(a) or (2)(c) of this section
24 only to the extent necessary to qualify to receive federal aid
25 pursuant to Title VIII of Public Law 103-382, as such title existed

1 on September 1, 2001. For purposes of this subdivision, federal
2 aid school district means any school district which receives ten
3 percent or more of the revenue for its general fund budget from
4 federal government sources pursuant to Title VIII of Public Law
5 103-382, as such title existed on September 1, 2001.

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

24 (g) For each fiscal year, learning communities may levy a
25 maximum levy of two cents on each one hundred dollars of taxable

1 property subject to the levy for special building funds for member
2 school districts. The proceeds from the levy pursuant to this
3 subdivision shall be distributed pursuant to section 79-1073.01.

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

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

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

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

1 property within the district.

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

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

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

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

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

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

1 which have been in existence for more than five years and are
2 located in a municipal county may levy a maximum of eighty-five
3 cents per hundred dollars of taxable valuation of property subject
4 to the levy.

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

1 purpose of supporting that political subdivision's share of revenue
2 required under an agreement or agreements executed pursuant to the
3 Interlocal Cooperation Act or the Joint Public Agency Act. If an
4 allocation by a county would cause another county to exceed its
5 levy authority under this section, the second county may exceed
6 the levy authority in order to levy the amount allocated. Property
7 tax levies for costs of reassumption of the assessment function
8 pursuant to section 77-1340 or 77-1340.04 are not included in the
9 levy limits established in this subsection for fiscal years 2010-11
10 through 2013-14.

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

16 (10) Property tax levies for judgments, except judgments
17 or orders from the Commission of Industrial Relations, obtained
18 against a political subdivision which require or obligate a
19 political subdivision to pay such judgment, to the extent such
20 judgment is not paid by liability insurance coverage of a
21 political subdivision, for preexisting lease-purchase contracts
22 approved prior to July 1, 1998, for bonded indebtedness approved
23 according to law and secured by a levy on property except as
24 provided in section 44-4317 for bonded indebtedness issued by
25 educational service units and school districts, and for payments by

1 a public airport to retire interest-free loans from the Department
2 of Aeronautics in lieu of bonded indebtedness at a lower cost to
3 the public airport are not included in the levy limits established
4 by this section.

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

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

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

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

1 district levies, except levies for bonded indebtedness approved by
2 the voters of the school district and levies for the refinancing of
3 such bonded indebtedness, shall be considered unauthorized levies
4 under section 77-1606.

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