

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1097

Introduced by Cornett, 45.

Read first time January 21, 2010

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-3442, Reissue Revised Statutes of Nebraska; to change
3 property tax levy limitations as prescribed; and to
4 repeal the original section.

5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Reissue Revised Statutes of
2 Nebraska, 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) (e) 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) For each fiscal year, learning communities may levy
14 a maximum levy for the general fund budgets of member school
15 districts of ninety-five cents per one hundred dollars of taxable
16 valuation of property subject to the levy. The proceeds from the
17 levy pursuant to this subdivision shall be distributed pursuant to
18 section 79-1073.

19 (c) Except as provided in subdivision (2) (e) of this
20 section, for each fiscal year, school districts that are members
21 of learning communities may levy for purposes of such districts'
22 general fund budget and special building funds a maximum combined
23 levy of the difference of one dollar and five cents on each one
24 hundred dollars of taxable property subject to the levy minus
25 the learning community levies pursuant to subdivisions (2) (b) and

1 (2)(g) of this section for such learning community.

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

13 (e) Federal aid school districts may exceed the maximum
14 levy prescribed by subdivision (2)(a) or (2)(c) of this section
15 only to the extent necessary to qualify to receive federal aid
16 pursuant to Title VIII of Public Law 103-382, as such title existed
17 on September 1, 2001. For purposes of this subdivision, federal
18 aid school district means any school district which receives ten
19 percent or more of the revenue for its general fund budget from
20 federal government sources pursuant to Title VIII of Public Law
21 103-382, as such title existed on September 1, 2001.

22 (f) For school fiscal year 2002-03 through school fiscal
23 year 2007-08, school districts and multiple-district school systems
24 may, upon a three-fourths majority vote of the school board of
25 the school district, the board of the unified system, or the

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

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

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

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

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

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

18 (c) In addition, natural resources districts located in
19 a river basin, subbasin, or reach that has been determined to
20 be fully appropriated pursuant to section 46-714 or designated
21 as overappropriated pursuant to section 46-713 by the Department
22 of Natural Resources shall also have the power and authority to
23 levy a tax equal to the dollar amount by which their 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 their 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 (5) Any educational service unit authorized to levy a
9 property tax pursuant to section 79-1225 may levy a maximum levy of
10 one and one-half cents per one hundred dollars of taxable valuation
11 of property subject to the levy.

12 (6) (a) Incorporated cities and villages which are not
13 within the boundaries of a municipal county may levy a maximum levy
14 of forty-five cents per one hundred dollars of taxable valuation
15 of property subject to the levy plus an additional five cents per
16 one hundred dollars of taxable valuation to provide financing for
17 the municipality's share of revenue required under an agreement
18 or agreements executed pursuant to the Interlocal Cooperation Act
19 or the Joint Public Agency Act. The maximum levy shall include
20 amounts levied to pay for sums to support a library pursuant
21 to section 51-201, museum pursuant to section 51-501, visiting
22 community nurse, home health nurse, or home health agency pursuant
23 to section 71-1637, or statue, memorial, or monument pursuant to
24 section 80-202.

25 (b) Incorporated cities and villages which are within the

1 boundaries of a municipal county may levy a maximum levy of ninety
2 cents per one hundred dollars of taxable valuation of property
3 subject to the levy. The maximum levy shall include amounts paid
4 to a municipal county for county services, amounts levied to pay
5 for sums to support a library pursuant to section 51-201, a museum
6 pursuant to section 51-501, a visiting community nurse, home health
7 nurse, or home health agency pursuant to section 71-1637, or a
8 statue, memorial, or monument pursuant to section 80-202.

9 (7) Sanitary and improvement districts which have been in
10 existence for more than five years may levy a maximum levy of forty
11 cents per one hundred dollars of taxable valuation of property
12 subject to the levy, and sanitary and improvement districts which
13 have been in existence for five years or less shall not have
14 a maximum levy. Unconsolidated sanitary and improvement districts
15 which have been in existence for more than five years and are
16 located in a municipal county may levy a maximum of eighty-five
17 cents per hundred dollars of taxable valuation of property subject
18 to the levy.

19 (8) Counties may levy or authorize a maximum levy of
20 fifty cents per one hundred dollars of taxable valuation of
21 property subject to the levy, except that five cents per one
22 hundred dollars of taxable valuation of property subject to the
23 levy may only be levied to provide financing for the county's
24 share of revenue required under an agreement or agreements executed
25 pursuant to the Interlocal Cooperation Act or the Joint Public

1 Agency Act. The maximum levy shall include amounts levied to pay
2 for sums to support a library pursuant to section 51-201 or museum
3 pursuant to section 51-501. The county may allocate up to fifteen
4 cents of its authority to other political subdivisions subject
5 to allocation of property tax authority under subsection (1) of
6 section 77-3443 and not specifically covered in this section to
7 levy taxes as authorized by law which do not collectively exceed
8 fifteen cents per one hundred dollars of taxable valuation on any
9 parcel or item of taxable property. The county may allocate to
10 one or more other political subdivisions subject to allocation
11 of property tax authority by the county under subsection (1) of
12 section 77-3443 some or all of the county's five cents per one
13 hundred dollars of valuation authorized for support of an agreement
14 or agreements to be levied by the political subdivision for the
15 purpose of supporting that political subdivision's share of revenue
16 required under an agreement or agreements executed pursuant to the
17 Interlocal Cooperation Act or the Joint Public Agency Act. If an
18 allocation by a county would cause another county to exceed its
19 levy authority under this section, the second county may exceed
20 the levy authority in order to levy the amount allocated. Property
21 tax levies for costs of reassumption of the assessment function
22 pursuant to section 77-1340 or 77-1340.04 are not included in the
23 levy limits established in this subsection for fiscal years 2010-11
24 through 2013-14.

25 (9) Municipal counties may levy or authorize a maximum

1 levy of one dollar per one hundred dollars of taxable valuation
2 of property subject to the levy. The municipal county may allocate
3 levy authority to any political subdivision or entity subject to
4 allocation under section 77-3443.

5 (10) Property tax levies (a) for judgments, except
6 judgments or orders from the Commission of Industrial Relations,
7 obtained against a political subdivision which require or obligate
8 a political subdivision to pay such judgment, to the extent such
9 judgment is not paid by liability insurance coverage of a political
10 subdivision, (b) for preexisting lease-purchase contracts approved
11 prior to July 1, 1998, (c) for ~~bonded indebtedness~~ bonds as
12 defined in section 10-134 approved according to law and secured
13 by a levy on property except as provided in section 44-4317 for
14 bonded indebtedness issued by educational service units and school
15 districts, and (d) for payments 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 are not
18 included in the levy limits established by this section.

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

24 (12) Tax levies in excess of the limitations in this
25 section shall be considered unauthorized levies under section

1 77-1606 unless approved under section 77-3444.

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

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

19 Sec. 2. Original section 77-3442, Reissue Revised
20 Statutes of Nebraska, is repealed.