

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 473**

Introduced by Louden, 49; Christensen, 44; Dierks, 40; Lathrop, 12;  
Stuthman, 22.

Read first time January 20, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend sections 77-3443,  
2 79-1001, 79-1003, 79-1007.13, 79-1073.01, 79-10,120,  
3 and 79-2111, Reissue Revised Statutes of Nebraska, and  
4 sections 77-3442 and 77-3444, Revised Statutes Cumulative  
5 Supplement, 2008; to adopt the Nebraska Elementary  
6 Attendance Region Act; to provide for tax levies as  
7 prescribed; to provide for Nebraska elementary attendance  
8 region aid under the Tax Equity and Educational  
9 Opportunities Support Act; to harmonize provisions; and  
10 to repeal the original sections.

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

1           Section 1. Sections 1 to 6 of this act shall be known and  
2 may be cited as the Nebraska Elementary Attendance Region Act.

3           Sec. 2. For purposes of the Nebraska Elementary  
4 Attendance Region Act, Nebraska elementary attendance region means  
5 the area served by a site and an attendance facility established  
6 by residents of a Class II, III, or IV school district with the  
7 primary purpose of assuring community educational governance of  
8 elementary grades in sparsely populated areas of the state.

9           Sec. 3. (1) A resident or group of residents of a Class  
10 II, III, or IV school district may develop a plan to create a  
11 Nebraska elementary attendance region. The plan shall include a map  
12 of the proposed Nebraska elementary attendance region, a proposed  
13 site and attendance facility, the initial attendance facility cost  
14 and a list of resident students of the proposed Nebraska elementary  
15 attendance region who will attend such attendance facility as  
16 attested to in writing by the parents or legal guardians of such  
17 students.

18           (2) The proposed Nebraska elementary attendance region  
19 shall consist of compact and contiguous territory of at least  
20 thirty-six square miles if the proposed attendance facility is  
21 located in a city, a village, or an unincorporated village. The  
22 proposed Nebraska elementary attendance region shall consist of  
23 contiguous territory of at least one hundred square miles if the  
24 proposed attendance facility is located outside the limits of  
25 a city, a village, or an unincorporated village. The proposed

1 Nebraska elementary attendance region shall consist of territory  
2 in only a single Class II, III, or IV school district unless an  
3 interlocal agreement is reached.

4 (3) The proposed site and attendance facility may be an  
5 existing elementary attendance center owned by the Class II, III,  
6 or IV school district, or a proposed site and attendance facility  
7 may be donated or purchased by the Class II, III, or IV school  
8 district or by the proposed Nebraska elementary attendance region.  
9 Any initial site and attendance facility costs incurred up to a  
10 maximum of fifty thousand dollars shall be funded from the proceeds  
11 of a property tax levy on property subject to the levy as provided  
12 in subdivision (2) (g) or (h) of section 77-3442. The boundary of a  
13 proposed Nebraska elementary attendance region shall not be closer  
14 than seven miles to an existing elementary attendance center in the  
15 same school district.

16 (4) The minimum number of resident students whose parents  
17 or legal guardians attest will attend a proposed attendance  
18 facility shall be not less than fifteen students if the proposed  
19 attendance facility is located in a city or village and not less  
20 than five students if the proposed attendance facility is located  
21 outside the limits of a city or village.

22 (5) The resident or group of residents proposing a plan  
23 to create a Nebraska elementary attendance region may submit the  
24 plan to the school board of the Class II, III, or IV school  
25 district. The school board has up to forty-five days to consider

1 the plan. The school board may:

2 (a) Authorize the creation of the Nebraska elementary  
3 attendance region and appoint the initial Nebraska elementary  
4 attendance region council; or

5 (b) Require the resident or group of residents proposing  
6 the plan to circulate a petition in the proposed Nebraska  
7 elementary attendance region. The petition shall include the  
8 elements required under subsection (1) of this section and a  
9 disclosure of estimated attendance facility cost and the proposed  
10 method to finance the cost according to the plan. Petition signers  
11 and circulators shall conform to the requirements of sections  
12 32-629 and 32-630. If the board requires such a petition and

13 (i) a petition containing the valid signatures of at least  
14 fifty-five percent of the registered voters in the proposed  
15 Nebraska elementary attendance region is submitted by the resident  
16 or group of residents and all other required elements of the  
17 plan are met, the school board shall authorize the creation of  
18 the Nebraska elementary attendance region and appoint the initial  
19 Nebraska elementary attendance region council or (ii) the petition  
20 submitted contains signatures of less than fifty-five percent but  
21 more than fifty percent of the registered voters in the proposed  
22 Nebraska elementary attendance region, the school board shall call  
23 a special meeting of the school district at which residents of  
24 the proposed Nebraska elementary attendance region may vote on the  
25 question of creating the Nebraska elementary attendance region. If

1 a majority of those voting at such meeting approve the creation of  
 2 the Nebraska elementary attendance region, the school board shall  
 3 authorize the creation of the Nebraska elementary attendance region  
 4 and appoint the initial Nebraska elementary attendance region  
 5 council.

6 (6) The creation of a Nebraska elementary attendance  
 7 region shall be effective for the first school year after the July  
 8 1 following authorization under this section.

9 Sec. 4. (1) Each Nebraska elementary attendance region  
 10 created under the Nebraska Elementary Attendance Region Act shall  
 11 have a Nebraska elementary attendance region council consisting  
 12 of three to five members who are registered voters residing in  
 13 the Nebraska elementary attendance region. The initial members of  
 14 the council shall be appointed by the school board of the Class  
 15 II, III, or IV school district in which the Nebraska elementary  
 16 attendance region is created. The initial council shall call a  
 17 meeting of the Nebraska elementary attendance region on or before  
 18 the second Monday of August of the first school year in which the  
 19 Nebraska elementary attendance region exists and shall prepare an  
 20 agenda for such meeting which includes, but is not limited to,  
 21 election of council members for three-year terms to succeed the  
 22 initial members. Initial members may succeed themselves. Voting in  
 23 such election is limited to persons who sign an oath that they are  
 24 registered voters residing in the Nebraska elementary attendance  
 25 region. Thereafter members of the Nebraska elementary attendance

1 region council shall be elected at the annual meeting of the  
2 Nebraska elementary attendance region held on or before the second  
3 Monday of August. Voting at the annual meeting of the Nebraska  
4 elementary attendance region, or any special meeting thereof, is  
5 limited to persons who sign an oath that they are registered voters  
6 residing in the Nebraska elementary attendance region.

7 (2) The Nebraska elementary attendance region council  
8 shall elect a president and secretary. The council shall meet at  
9 least six times a year, and one of such meetings shall take place  
10 on the second Monday of August each year. Meetings of the council  
11 are subject to the Open Meetings Act.

12 (3) The Nebraska elementary attendance region council  
13 president shall designate a council member to serve as a nonvoting  
14 member of the Class II, III, or IV school board. The president of  
15 the Class II, III, or IV school board shall designate a school  
16 board member to serve as a nonvoting member of the Nebraska  
17 elementary attendance region council.

18 (4) The Nebraska elementary attendance region council  
19 shall make recommendations to the school board of the Class  
20 II, III, or IV school district regarding attendance facility  
21 maintenance, teacher and staffing needs, budget, and other matters  
22 as requested by the school board of the Class II, III, or IV  
23 school district. The council may apply for and receive grants  
24 and donations on behalf of the Nebraska elementary attendance  
25 region. All such grants and donations shall be remitted to the

1 treasurer of the Class II, III, or IV school district for credit  
2 to an elementary region activities account. The elementary region  
3 activities account shall be administered by the council.

4 (5) All teachers and staff employed by the Nebraska  
5 elementary attendance region attendance facility are employees of  
6 the Class II, III, or IV school district and shall be supervised by  
7 the administrators of such Class II, III, or IV school district.

8 (6) A Nebraska elementary attendance region attendance  
9 facility which fails for three or more consecutive years to  
10 maintain at least half the minimum initial enrollments described  
11 in subsection (4) of section 3 of this act may be closed at  
12 the discretion of the Class II, III, or IV school district if  
13 no student would have to travel more than twenty miles upon the  
14 closure of the facility.

15 Sec. 5. (1) All assets and liabilities of a Nebraska  
16 elementary attendance region belong to the Class II, III, or IV  
17 school district in which the Nebraska elementary attendance region  
18 is located. The Nebraska elementary attendance region site and  
19 attendance facility are to be maintained by the school district at  
20 a comparable level as other school district attendance centers.

21 (2) A Nebraska elementary attendance region council may  
22 submit an annual budget recommendation to the school board of the  
23 Class II, III, or IV school district. The school board shall take  
24 into consideration the number of students as well as all other  
25 fixed and variable costs attributable to the attendance facility

1 and provision of appropriate services for transportation, special  
2 education, and all other required services for students in the  
3 Nebraska elementary attendance region. The school district shall  
4 provide total resources for the attendance facility in an amount  
5 not less than the number of adjusted formula students, calculated  
6 pursuant to section 79-1007.01, expected to attend the attendance  
7 facility times the average formula cost per student for the cost  
8 grouping calculated pursuant to section 79-1007.02 attributable to  
9 the Class II, III, or IV school district.

10           Sec. 6. A Nebraska elementary attendance region council  
11 shall be a political subdivision for tax levy purposes. After  
12 a public hearing, a council may levy a tax for construction,  
13 purchase, renovation, or lease of a facility for an elementary  
14 attendance site if the school district in which the Nebraska  
15 elementary attendance region is located does not provide a  
16 facility. The council shall state the purpose for which the  
17 tax levy will be expended, the period of years, not exceeding five,  
18 for which the tax will be levied, and the amount of the levy for  
19 each year of the period. The hearing shall be held only after  
20 notice of such hearing has been published for three consecutive  
21 weeks prior to the hearing in a legal newspaper published or of  
22 general circulation in the school district in which the Nebraska  
23 elementary attendance region is located. The county clerk shall  
24 levy such taxes, not to exceed five and one-fifth cents per one  
25 hundred dollars of taxable valuation on the taxable property in



1 the Nebraska elementary attendance region. Such taxes shall be  
2 collected by the county treasurer at the same time and in the same  
3 manner as county taxes are collected and when collected shall be  
4 paid to the treasurer of the school district in which the Nebraska  
5 elementary attendance region is located. Taxes collected pursuant  
6 to this section shall be credited to the appropriate account.

7           Sec. 7. Section 77-3442, Revised Statutes Cumulative  
8 Supplement, 2008, is amended to read:

9           77-3442 (1) Property tax levies for the support of local  
10 governments for fiscal years beginning on or after July 1, 1998,  
11 shall be limited to the amounts set forth in this section except as  
12 provided in section 77-3444.

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

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

25           (c) Except as provided in subdivision (2)(e) of this

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

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

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

1 federal government sources pursuant to Title VIII of Public Law  
2 103-382, as such title existed on September 1, 2001.

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

21 (g) School districts and multiple-district school systems  
22 may, upon a three-fourths majority vote of the school board of the  
23 school district, of the board of the unified system, or of the  
24 school board of the high school district of the multiple-district  
25 school system that is not a unified system, exceed the maximum levy

1 prescribed by subdivision (2)(a) of this section up to one cent  
2 per one hundred dollars of taxable valuation subject to the levy,  
3 not to exceed a total amount of fifty thousand dollars, of not  
4 more than one cent per one hundred dollars of taxable valuation  
5 of property subject to the levy, for the construction, purchase,  
6 renovation, or lease of an attendance facility for a Nebraska  
7 elementary attendance region.

8 (h) Nebraska elementary attendance regions may levy not  
9 more than five and one-fifth cents per one hundred dollars of  
10 taxable valuation of property subject to the levy, not to exceed  
11 fifty thousand dollars in total over such five fiscal years, for  
12 the construction, purchase, renovation, or lease of an attendance  
13 facility for the Nebraska elementary attendance region.

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

20 ~~(h)~~ (j) For each fiscal year, learning communities may  
21 levy 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 the  
20 levy authority in order to levy the amount allocated.

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



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

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

20           (12) Tax levies in excess of the limitations in this  
21 section shall be considered unauthorized levies under section  
22 77-1606 unless approved under section 77-3444.

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

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

15           Sec. 8. Section 77-3443, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17           77-3443 (1) All political subdivisions, other than (a)  
18 school districts, Nebraska elementary attendance regions, community  
19 colleges, natural resources districts, educational service units,  
20 cities, villages, counties, municipal counties, and sanitary and  
21 improvement districts and (b) political subdivisions subject to  
22 municipal allocation under subsection (2) of this section, may levy  
23 taxes as authorized by law which are authorized by the county  
24 board of the county or the council of a municipal county in  
25 which the greatest portion of the valuation is located, which are

1 counted in the county or municipal county levy limit provided in  
2 section 77-3442, and which do not collectively total more than  
3 fifteen cents per one hundred dollars of taxable valuation on any  
4 parcel or item of taxable property for all governments for which  
5 allocations are made by the municipality, county, or municipal  
6 county, except that such limitation shall not apply to property tax  
7 levies for preexisting lease-purchase contracts approved prior to  
8 July 1, 1998, for bonded indebtedness approved according to law and  
9 secured by a levy on property, and for payments by a public airport  
10 to retire interest-free loans from the Department of Aeronautics  
11 in lieu of bonded indebtedness at a lower cost to the public  
12 airport. The county board or council shall review and approve or  
13 disapprove the levy request of all political subdivisions subject  
14 to this subsection. The county board or council may approve all  
15 or a portion of the levy request and may approve a levy request  
16 that would allow the requesting political subdivision to levy a  
17 tax at a levy greater than that permitted by law. The county  
18 board of a county or the council of a municipal county which  
19 contains a transit authority created pursuant to section 14-1803  
20 shall allocate no less than three cents per one hundred dollars of  
21 taxable property within the city or municipal county subject to the  
22 levy to the transit authority if requested by such authority. For  
23 any political subdivision subject to this subsection that receives  
24 taxes from more than one county or municipal county, the levy shall  
25 be allocated only by the county or municipal county in which the

1 greatest portion of the valuation is located. The county board  
2 of equalization shall certify all levies by October 15 to insure  
3 that the taxes levied by political subdivisions subject to this  
4 subsection do not exceed the allowable limit for any parcel or item  
5 of taxable property. The levy allocated by the county or municipal  
6 county may be exceeded as provided in section 77-3444.

7           (2) All city airport authorities established under  
8 the Cities Airport Authorities Act, community redevelopment  
9 authorities established under the Community Development Law,  
10 transit authorities established under the Transit Authority Law,  
11 and offstreet parking districts established under the Offstreet  
12 Parking District Act may be allocated property taxes as authorized  
13 by law which are authorized by the city, village, or municipal  
14 county and are counted in the city or village levy limit or  
15 municipal county levy limit provided by section 77-3442, except  
16 that such limitation shall not apply to property tax levies for  
17 preexisting lease-purchase contracts approved prior to July 1,  
18 1998, for bonded indebtedness approved according to law and secured  
19 by a levy on property, and for payments by a public airport to  
20 retire interest-free loans from the Department of Aeronautics in  
21 lieu of bonded indebtedness at a lower cost to the public airport.  
22 For offstreet parking districts established under the Offstreet  
23 Parking District Act, the tax shall be counted in the allocation by  
24 the city proportionately, by dividing the total taxable valuation  
25 of the taxable property within the district by the total taxable

1 valuation of the taxable property within the city multiplied by  
2 the levy of the district. The city council of a city which has  
3 created a transit authority pursuant to section 14-1803 or the  
4 council of a municipal county which contains a transit authority  
5 shall allocate no less than three cents per one hundred dollars  
6 of taxable property subject to the levy to the transit authority  
7 if requested by such authority. The city council, village board,  
8 or council shall review and approve or disapprove the levy request  
9 of the political subdivisions subject to this subsection. The city  
10 council, village board, or council may approve all or a portion of  
11 the levy request and may approve a levy request that would allow  
12 a levy greater than that permitted by law. The levy allocated by  
13 the municipality or municipal county may be exceeded as provided  
14 in section 77-3444.

15 (3) On or before August 1, all political subdivisions  
16 subject to county, municipal, or municipal county levy authority  
17 under this section shall submit a preliminary request for levy  
18 allocation to the county board, city council, village board, or  
19 council that is responsible for levying such taxes. The preliminary  
20 request of the political subdivision shall be in the form of a  
21 resolution adopted by a majority vote of members present of the  
22 political subdivision's governing body. The failure of a political  
23 subdivision to make a preliminary request shall preclude such  
24 political subdivision from using procedures set forth in section  
25 77-3444 to exceed the final levy allocation as determined in

1 subsection (4) of this section.

2 (4) Each county board, city council, village board, or  
3 council shall (a) adopt a resolution by a majority vote of members  
4 present which determines a final allocation of levy authority  
5 to its political subdivisions and (b) forward a copy of such  
6 resolution to the chairperson of the governing body of each of its  
7 political subdivisions. No final levy allocation shall be changed  
8 after September 1 except by agreement between both the county  
9 board, city council, village board, or council which determined the  
10 amount of the final levy allocation and the governing body of the  
11 political subdivision whose final levy allocation is at issue.

12 Sec. 9. Section 77-3444, Revised Statutes Cumulative  
13 Supplement, 2008, is amended to read:

14 77-3444 (1) A political subdivision, other than a Class  
15 I school district or Nebraska elementary attendance region, may  
16 exceed the limits provided in section 77-3442 or a final levy  
17 allocation determination as provided in section 77-3443 by an  
18 amount not to exceed a maximum levy approved by a majority of  
19 registered voters voting on the issue in a primary, general, or  
20 special election at which the issue is placed before the registered  
21 voters. A vote to exceed the limits provided in section 77-3442  
22 or a final levy allocation as provided in section 77-3443 must be  
23 approved prior to October 10 of the fiscal year which is to be the  
24 first to exceed the limits or final levy allocation. The governing  
25 body of the political subdivision may call for the submission of

1 the issue to the voters (a) by passing a resolution calling for  
2 exceeding the limits or final levy allocation by a vote of at least  
3 two-thirds of the members of the governing body and delivering a  
4 copy of the resolution to the county clerk or election commissioner  
5 of every county which contains all or part of the political  
6 subdivision or (b) upon receipt of a petition by the county clerk  
7 or election commissioner of every county containing all or part of  
8 the political subdivision requesting an election signed by at least  
9 five percent of the registered voters residing in the political  
10 subdivision. The resolution or petition shall include the amount  
11 of levy which would be imposed in excess of the limits provided  
12 in section 77-3442 or the final levy allocation as provided in  
13 section 77-3443 and the duration of the excess levy authority. The  
14 excess levy authority shall not have a duration greater than five  
15 years. Any resolution or petition calling for a special election  
16 shall be filed with the county clerk or election commissioner no  
17 later than thirty days prior to the date of the election, and the  
18 time of publication and providing a copy of the notice of election  
19 required in section 32-802 shall be no later than twenty days  
20 prior to the election. The county clerk or election commissioner  
21 shall place the issue on the ballot at an election as called  
22 for in the resolution or petition which is at least thirty days  
23 after receipt of the resolution or petition. The election shall be  
24 held pursuant to the Election Act. For petitions filed with the  
25 county clerk or election commissioner on or after May 1, 1998, the

1 petition shall be in the form as provided in sections 32-628 to  
 2 32-631. Any excess levy authority approved under this section shall  
 3 terminate pursuant to its terms, on a vote of the governing body of  
 4 the political subdivision to terminate the authority to levy more  
 5 than the limits, at the end of the fourth fiscal year following  
 6 the first year in which the levy exceeded the limit or the final  
 7 levy allocation, or as provided in subsection (4) of this section,  
 8 whichever is earliest. A governing body may pass no more than one  
 9 resolution calling for an election pursuant to this section during  
 10 any one calendar year. Only one election may be held in any one  
 11 calendar year pursuant to a petition initiated under this section.

12 (2) The ballot question may include any terms and  
 13 conditions set forth in the resolution or petition and shall  
 14 include the following: "Shall (name of political subdivision) be  
 15 allowed to levy a property tax not to exceed ..... cents per  
 16 one hundred dollars of taxable valuation in excess of the limits  
 17 prescribed by law until fiscal year ..... for the purposes  
 18 of (general operations; building construction, remodeling, or site  
 19 acquisition; or both general operations and building construction,  
 20 remodeling, or site acquisition)?" . If a majority of the votes cast  
 21 upon the ballot question are in favor of such tax, the county board  
 22 shall authorize a tax in excess of the limits in section 77-3442  
 23 or the final levy allocation in section 77-3443 but such tax shall  
 24 not exceed the amount stated in the ballot question. If a majority  
 25 of those voting on the ballot question are opposed to such tax, the



1 governing body of the political subdivision shall not impose such  
2 tax.

3 (3) In lieu of the election procedures in subsection (1)  
4 of this section, any political subdivision subject to section  
5 77-3443, other than a Class I school district or Nebraska  
6 elementary attendance region, and villages may approve a levy  
7 in excess of the limits in section 77-3442 or the final levy  
8 allocation provided in section 77-3443 for a period of one year  
9 at a meeting of the residents of the political subdivision or  
10 village, called after notice is published in a newspaper of general  
11 circulation in the political subdivision or village at least twenty  
12 days prior to the meeting. At least ten percent of the registered  
13 voters residing in the political subdivision or village shall  
14 constitute a quorum for purposes of taking action to exceed the  
15 limits or final levy allocation. A record shall be made of the  
16 registered voters residing in the political subdivision or village  
17 who are present at the meeting. The method of voting at the meeting  
18 shall protect the secrecy of the ballot. If a majority of the  
19 registered voters present at the meeting vote in favor of exceeding  
20 the limits or final levy allocation, a copy of the record of that  
21 action shall be forwarded to the county board prior to October 10  
22 and the county board shall authorize a levy as approved by the  
23 residents for the year. If a majority of the registered voters  
24 present at the meeting vote against exceeding the limits or final  
25 allocation, the limit or allocation shall not be exceeded and the

1 political subdivision shall have no power to call for an election  
2 under subsection (1) of this section.

3 (4) A political subdivision, other than a Class I school  
4 district or Nebraska elementary attendance region, may rescind  
5 or modify a previously approved excess levy authority prior to  
6 its expiration by a majority of registered voters voting on the  
7 issue in a primary, general, or special election at which the  
8 issue is placed before the registered voters. A vote to rescind  
9 or modify must be approved prior to October 10 of the fiscal  
10 year for which it is to be effective. The governing body of  
11 the political subdivision may call for the submission of the  
12 issue to the voters (a) by passing a resolution calling for  
13 the rescission or modification by a vote of at least two-thirds  
14 of the members of the governing body and delivering a copy  
15 of the resolution to the county clerk or election commissioner  
16 of every county which contains all or part of the political  
17 subdivision or (b) upon receipt of a petition by the county clerk  
18 or election commissioner of every county containing all or part of  
19 the political subdivision requesting an election signed by at least  
20 five percent of the registered voters residing in the political  
21 subdivision. The resolution or petition shall include the amount  
22 and the duration of the previously approved excess levy authority  
23 and a statement that either such excess levy authority will be  
24 rescinded or such excess levy authority will be modified. If the  
25 excess levy authority will be modified, the amount and duration of

1 such modification shall be stated. The modification shall not have  
2 a duration greater than five years. The county clerk or election  
3 commissioner shall place the issue on the ballot at an election as  
4 called for in the resolution or petition which is at least thirty  
5 days after receipt of the resolution or petition, and the time of  
6 publication and providing a copy of the notice of election required  
7 in section 32-802 shall be no later than twenty days prior to the  
8 election. The election shall be held pursuant to the Election Act.

9 (5) For purposes of this section, when the political  
10 subdivision is a sanitary and improvement district, registered  
11 voter means a person qualified to vote as provided in section  
12 31-735. Any election conducted under this section for a sanitary  
13 and improvement district shall be conducted and counted as provided  
14 in sections 31-735 to 31-735.06.

15 (6) For purposes of this section, when the political  
16 subdivision is a school district or a multiple-district school  
17 system, registered voter includes both (a) persons qualified to  
18 vote for the members of the school board of the school district  
19 which is voting to exceed the maximum levy limits pursuant to this  
20 section and (b) persons in those portions of any Class I district  
21 which are affiliated with or a part of the school district which is  
22 voting pursuant to this section, if such voter is also qualified to  
23 vote for the school board of the affected Class I school district.

24 Sec. 10. Section 79-1001, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1           79-1001 Sections 79-1001 to 79-1033 and section 13 of  
2 this act shall be known and may be cited as the Tax Equity and  
3 Educational Opportunities Support Act.

4           Sec. 11. Section 79-1003, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6           79-1003 For purposes of the Tax Equity and Educational  
7 Opportunities Support Act:

8           (1) Adjusted general fund operating expenditures means  
9 (a) for school fiscal years before school fiscal year 2007-08,  
10 general fund operating expenditures as calculated pursuant to  
11 subdivision (21) of this section minus the transportation allowance  
12 and minus the special receipts allowance, (b) for school fiscal  
13 year 2007-08, general fund operating expenditures as calculated  
14 pursuant to subdivision (21) of this section minus the sum of  
15 the transportation, special receipts, and distance education  
16 and telecommunications allowances, (c) for school fiscal year  
17 2008-09, the difference of the product of the general fund  
18 operating expenditures as calculated pursuant to subdivision (21)  
19 of this section multiplied by the cost growth factor calculated  
20 pursuant to section 79-1007.10 minus the transportation allowance,  
21 special receipts allowance, poverty allowance, limited English  
22 proficiency allowance, distance education and telecommunications  
23 allowance, elementary site allowance, elementary class size  
24 allowance, summer school allowance, and focus school and program  
25 allowance, (d) for school fiscal years 2009-10 through 2012-13,

1 the difference of the product of the general fund operating  
2 expenditures as calculated pursuant to subdivision (21) of this  
3 section multiplied by the cost growth factor calculated pursuant  
4 to section 79-1007.10 minus the transportation allowance, special  
5 receipts allowance, poverty allowance, limited English proficiency  
6 allowance, distance education and telecommunications allowance,  
7 elementary site allowance, elementary class size allowance, summer  
8 school allowance, instructional time allowance, and focus school  
9 and program allowance, and (e) for school fiscal year 2013-14  
10 and each school fiscal year thereafter, the difference of the  
11 product of the general fund operating expenditures as calculated  
12 pursuant to subdivision (21) of this section multiplied by the  
13 cost growth factor calculated pursuant to section 79-1007.10  
14 minus the transportation allowance, special receipts allowance,  
15 poverty allowance, limited English proficiency allowance, distance  
16 education and telecommunications allowance, elementary site  
17 allowance, summer school allowance, instructional time allowance,  
18 and focus school and program allowance;

19 (2) Adjusted valuation means the assessed valuation of  
20 taxable property of each local system in the state, adjusted  
21 pursuant to the adjustment factors described in section 79-1016.  
22 Adjusted valuation means the adjusted valuation for the property  
23 tax year ending during the school fiscal year immediately preceding  
24 the school fiscal year in which the aid based upon that value is  
25 to be paid. For purposes of determining the local effort rate yield

1 pursuant to section 79-1015.01, adjusted valuation does not include  
2 the value of any property which a court, by a final judgment from  
3 which no appeal is taken, has declared to be nontaxable or exempt  
4 from taxation;

5 (3) Allocated income tax funds means the amount of  
6 assistance paid to a local system pursuant to section 79-1005.01 or  
7 79-1005.02 as adjusted by the minimum levy adjustment pursuant to  
8 section 79-1008.02;

9 (4) Average daily attendance of a student who resides on  
10 Indian land means average daily attendance of a student who resides  
11 on Indian land from the most recent data available on November 1  
12 preceding the school fiscal year in which aid is to be paid;

13 (5) Average daily membership means the average daily  
14 membership for grades kindergarten through twelve attributable to  
15 the local system, as provided in each district's annual statistical  
16 summary, and includes the proportionate share of students enrolled  
17 in a public school instructional program on less than a full-time  
18 basis;

19 (6) Base fiscal year means the first school fiscal year  
20 following the school fiscal year in which the reorganization or  
21 unification occurred;

22 (7) Board means the school board of each school district;

23 (8) Categorical funds means funds limited to a specific  
24 purpose by federal or state law, including, but not limited to,  
25 Title I funds, Title VI funds, federal vocational education funds,

1 federal school lunch funds, Indian education funds, Head Start  
2 funds, and funds from the Education Innovation Fund;

3 (9) Consolidate means to voluntarily reduce the number of  
4 school districts providing education to a grade group and does not  
5 include dissolution pursuant to section 79-498;

6 (10) Department means the State Department of Education;

7 (11) District means any Class I, II, III, IV, V, or  
8 VI school district or, unless the context otherwise requires, a  
9 Nebraska elementary attendance region;

10 (12) Ensuing school fiscal year means the school fiscal  
11 year following the current school fiscal year;

12 (13) Equalization aid means the amount of assistance  
13 calculated to be paid to a local system pursuant to sections  
14 79-1007.11 to 79-1007.23, 79-1008.01 to 79-1022, and 79-1022.02;

15 (14) Fall membership means the total membership in  
16 kindergarten through grade twelve attributable to the local system  
17 as reported on the fall school district membership reports for each  
18 district pursuant to section 79-528;

19 (15) Fiscal year means the state fiscal year which is the  
20 period from July 1 to the following June 30;

21 (16) Formula students means:

22 (a) For school fiscal years prior to school fiscal year  
23 2008-09, (i) for state aid certified pursuant to section 79-1022,  
24 the sum of fall membership from the school fiscal year immediately  
25 preceding the school fiscal year in which the aid is to be paid,

1 multiplied by the average ratio of average daily membership to fall  
2 membership for the second school fiscal year immediately preceding  
3 the school fiscal year in which aid is to be paid and the prior  
4 two school fiscal years, plus qualified early childhood education  
5 fall membership plus tuitioned students from the school fiscal year  
6 immediately preceding the school fiscal year in which the aid is  
7 to be paid and (ii) for final calculation of state aid pursuant to  
8 section 79-1065, the sum of average daily membership plus qualified  
9 early childhood education average daily membership plus tuitioned  
10 students from the school fiscal year immediately preceding the  
11 school fiscal year in which the aid was paid; and

12 (b) For school fiscal year 2008-09 and each school fiscal  
13 year thereafter, (i) for state aid certified pursuant to section  
14 79-1022, the sum of the product of fall membership from the school  
15 fiscal year immediately preceding the school fiscal year in which  
16 the aid is to be paid multiplied by the average ratio of average  
17 daily membership to fall membership for the second school fiscal  
18 year immediately preceding the school fiscal year in which the aid  
19 is to be paid and the prior two school fiscal years plus sixty  
20 percent of the qualified early childhood education fall membership  
21 plus tuitioned students from the school fiscal year immediately  
22 preceding the school fiscal year in which aid is to be paid minus  
23 the product of the number of students enrolled in kindergarten that  
24 is not full-day kindergarten from the fall membership multiplied by  
25 0.5 and (ii) for final calculation of state aid pursuant to section



1 79-1065, the sum of average daily membership plus sixty percent of  
2 the qualified early childhood education average daily membership  
3 plus tuitioned students minus the product of the number of students  
4 enrolled in kindergarten that is not full-day kindergarten from the  
5 average daily membership multiplied by 0.5 from the school fiscal  
6 year immediately preceding the school fiscal year in which aid was  
7 paid;

8 (17) Free lunch and free milk student means a student  
9 who qualified for free lunches or free milk from the most recent  
10 data available on November 1 of the school fiscal year immediately  
11 preceding the school fiscal year in which aid is to be paid;

12 (18) Full-day kindergarten means kindergarten offered by  
13 a district for at least one thousand thirty-two instructional  
14 hours;

15 (19) General fund budget of expenditures means the total  
16 budget of disbursements and transfers for general fund purposes as  
17 certified in the budget statement adopted pursuant to the Nebraska  
18 Budget Act, except that for purposes of the limitation imposed in  
19 section 79-1023 and the calculation pursuant to subdivision (2) of  
20 section 79-1027.01, the general fund budget of expenditures does  
21 not include any special grant funds, exclusive of local matching  
22 funds, received by a district;

23 (20) General fund expenditures means all expenditures  
24 from the general fund;

25 (21) General fund operating expenditures means:

1           (a) For state aid calculated for school fiscal years  
2 prior to school fiscal year 2008-09, the total general fund  
3 expenditures minus categorical funds, tuition paid, transportation  
4 fees paid to other districts, adult education, summer school,  
5 community services, redemption of the principal portion of general  
6 fund debt service, retirement incentive plans, staff development  
7 assistance, and transfers from other funds into the general fund  
8 for the second school fiscal year immediately preceding the school  
9 fiscal year in which aid is to be paid as reported on the annual  
10 financial report prior to December 1 of the school fiscal year  
11 immediately preceding the school fiscal year in which aid is to be  
12 paid;

13           (b) For state aid calculated for school fiscal year  
14 2008-09, as reported for the second school fiscal year immediately  
15 preceding the school fiscal year in which aid is to be paid  
16 on the annual financial report submitted prior to December  
17 1 of the school fiscal year immediately preceding the school  
18 fiscal year in which aid is to be paid, the total general  
19 fund expenditures minus (i) the amount of all receipts to  
20 the general fund, to the extent that such receipts are not  
21 included in local system formula resources, from early childhood  
22 education tuition, summer school tuition, educational entities as  
23 defined in section 79-1201.01 for providing distance education  
24 courses through the Educational Service Unit Coordinating Council  
25 to such educational entities, private foundations, individuals,

1 associations, charitable organizations, the textbook loan program  
2 authorized by section 79-734, and federal impact aid, (ii)  
3 the amount of expenditures for categorical funds, tuition paid,  
4 transportation fees paid to other districts, adult education,  
5 community services, redemption of the principal portion of general  
6 fund debt service, retirement incentive plans authorized by section  
7 79-855, and staff development assistance authorized by section  
8 79-856, and (iii) the amount of any transfers from the general fund  
9 to any bond fund and transfers from other funds into the general  
10 fund;

11 (c) For state aid calculated for school fiscal year  
12 2009-10, as reported for the second school fiscal year immediately  
13 preceding the school fiscal year in which aid is to be paid  
14 on the annual financial report submitted prior to December  
15 1 of the school fiscal year immediately preceding the school  
16 fiscal year in which aid is to be paid, the total general  
17 fund expenditures minus (i) the amount of all receipts to  
18 the general fund, to the extent that such receipts are not  
19 included in local system formula resources, from early childhood  
20 education tuition, summer school tuition, educational entities as  
21 defined in section 79-1201.01 for providing distance education  
22 courses through the Educational Service Unit Coordinating Council  
23 to such educational entities, private foundations, individuals,  
24 associations, charitable organizations, the textbook loan program  
25 authorized by section 79-734, and federal impact aid, (ii)

1 the amount of expenditures for categorical funds, tuition paid,  
2 transportation fees paid to other districts, adult education,  
3 community services, redemption of the principal portion of general  
4 fund debt service, retirement incentive plans authorized by section  
5 79-855, and staff development assistance authorized by section  
6 79-856, (iii) the amount of any transfers from the general fund to  
7 any bond fund and transfers from other funds into the general fund,  
8 and (iv) any legal expenses in excess of fifteen-hundredths of one  
9 percent of the formula need for the school fiscal year in which the  
10 expenses occurred; and

11 (d) For state aid calculated for school fiscal year  
12 2010-11 and each school fiscal year thereafter, as reported for  
13 the second school fiscal year immediately preceding the school  
14 fiscal year in which aid is to be paid on the annual financial  
15 report submitted prior to December 1 of the school fiscal year  
16 immediately preceding the school fiscal year in which aid is to be  
17 paid, the total general fund expenditures minus (i) the amount of  
18 all receipts to the general fund, to the extent that such receipts  
19 are not included in local system formula resources, from early  
20 childhood education tuition, summer school tuition, educational  
21 entities as defined in section 79-1201.01 for providing distance  
22 education courses through the Educational Service Unit Coordinating  
23 Council to such educational entities, private foundations,  
24 individuals, associations, charitable organizations, the textbook  
25 loan program authorized by section 79-734, federal impact aid,

1 and levy override elections pursuant to section 77-3444, (ii)  
2 the amount of expenditures for categorical funds, tuition paid,  
3 transportation fees paid to other districts, adult education,  
4 community services, redemption of the principal portion of general  
5 fund debt service, retirement incentive plans authorized by section  
6 79-855, and staff development assistance authorized by section  
7 79-856, (iii) the amount of any transfers from the general fund  
8 to any bond fund and transfers from other funds into the general  
9 fund, and (iv) any legal expenses in excess of fifteen-hundredths  
10 of one percent of the formula need for the school fiscal year in  
11 which the expenses occurred.

12 For purposes of this subdivision (21) of this section,  
13 receipts from levy override elections shall equal ninety-nine  
14 percent of the difference of the total general fund levy minus  
15 a levy of one dollar and five cents per one hundred dollars of  
16 taxable valuation multiplied by the assessed valuation for school  
17 districts that have voted pursuant to section 77-3444 to override  
18 the maximum levy provided pursuant to section 77-3442;

19 (22) High school district means a school district  
20 providing instruction in at least grades nine through twelve;

21 (23) Income tax liability means the amount of the  
22 reported income tax liability for resident individuals pursuant  
23 to the Nebraska Revenue Act of 1967 less all nonrefundable credits  
24 earned and refunds made;

25 (24) Income tax receipts means the amount of income tax

1 collected pursuant to the Nebraska Revenue Act of 1967 less all  
2 nonrefundable credits earned and refunds made;

3 (25) Limited English proficiency students means (a) for  
4 school fiscal years prior to school fiscal year 2009-10, the number  
5 of students with limited English proficiency in a district from  
6 the most recent data available on November 1 of the school fiscal  
7 year preceding the school fiscal year in which aid is to be paid  
8 and (b) for school fiscal year 2009-10 and each school fiscal year  
9 thereafter, the number of students with limited English proficiency  
10 in a district from the most recent data available on November 1 of  
11 the school fiscal year preceding the school fiscal year in which  
12 aid is to be paid plus the difference of such students with limited  
13 English proficiency minus the average number of limited English  
14 proficiency students for such district, prior to such addition,  
15 for the three immediately preceding school fiscal years if such  
16 difference is greater than zero;

17 (26) Local system means a learning community, a unified  
18 system, a Class VI district and the associated Class I districts,  
19 or a Class II, III, IV, or V district and any affiliated Class  
20 I districts or portions of Class I districts. The membership,  
21 expenditures, and resources of Class I districts that are  
22 affiliated with multiple high school districts will be attributed  
23 to local systems based on the percent of the Class I valuation that  
24 is affiliated with each high school district;

25 (27) Low-income child means (a) for school fiscal years

1 prior to 2008-09, a child under nineteen years of age living in  
2 a household having an annual adjusted gross income of fifteen  
3 thousand dollars or less for the second calendar year preceding  
4 the beginning of the school fiscal year for which aid is being  
5 calculated and (b) for school fiscal year 2008-09 and each school  
6 fiscal year thereafter, a child under nineteen years of age living  
7 in a household having an annual adjusted gross income for the  
8 second calendar year preceding the beginning of the school fiscal  
9 year for which aid is being calculated equal to or less than the  
10 maximum household income that would allow a student from a family  
11 of four people to be a free lunch and free milk student during the  
12 school fiscal year immediately preceding the school fiscal year for  
13 which aid is being calculated;

14 (28) Low-income students means the number of low-income  
15 children within the district multiplied by the ratio of the formula  
16 students in the district divided by the total children under  
17 nineteen years of age residing in the district as derived from  
18 income tax information;

19 (29) Most recently available complete data year means  
20 the most recent single school fiscal year for which the annual  
21 financial report, fall school district membership report, annual  
22 statistical summary, Nebraska income tax liability by school  
23 district for the calendar year in which the majority of the school  
24 fiscal year falls, and adjusted valuation data are available;

25 (30) Poverty students means (a) for school fiscal years

1 prior to school fiscal year 2009-10, the number of low-income  
2 students or the number of students who are free lunch and free milk  
3 students in a district, whichever is greater, and (b) for school  
4 fiscal year 2009-10 and each school fiscal year thereafter, the  
5 number of low-income students or the number of students who are  
6 free lunch and free milk students in a district plus the difference  
7 of the number of low-income students or the number of students  
8 who are free lunch and free milk students in a district, whichever  
9 is greater, minus the average number of poverty students for  
10 such district, prior to such addition, for the three immediately  
11 preceding school fiscal years if such difference is greater than  
12 zero;

13 (31) Qualified early childhood education average daily  
14 membership means the product of the average daily membership for  
15 school fiscal year 2006-07 and each school fiscal year thereafter  
16 of students who will be eligible to attend kindergarten the  
17 following school year and are enrolled in an early childhood  
18 education program approved by the department pursuant to section  
19 79-1103 for such school district for such school year multiplied by  
20 the ratio of the actual instructional hours of the program divided  
21 by one thousand thirty-two if: (a) The program is receiving a grant  
22 pursuant to such section for the third year; (b) the program has  
23 already received grants pursuant to such section for three years;  
24 or (c) the program has been approved pursuant to subsection (5) of  
25 section 79-1103 for such school year and the two preceding school



1 years, including any such students in portions of any of such  
2 programs receiving an expansion grant;

3 (32) Qualified early childhood education fall membership  
4 means the product of membership on the last Friday in September  
5 2006 and each year thereafter of students who will be eligible  
6 to attend kindergarten the following school year and are enrolled  
7 in an early childhood education program approved by the department  
8 pursuant to section 79-1103 for such school district for such  
9 school year multiplied by the ratio of the planned instructional  
10 hours of the program divided by one thousand thirty-two if: (a)  
11 The program is receiving a grant pursuant to such section for the  
12 third year; (b) the program has already received grants pursuant to  
13 such section for three years; or (c) the program has been approved  
14 pursuant to subsection (5) of section 79-1103 for such school year  
15 and the two preceding school years, including any such students in  
16 portions of any of such programs receiving an expansion grant;

17 (33) Regular route transportation means the  
18 transportation of students on regularly scheduled daily routes to  
19 and from the attendance center;

20 (34) Reorganized district means any district involved  
21 in a consolidation and currently educating students following  
22 consolidation;

23 (35) School year or school fiscal year means the fiscal  
24 year of a school district as defined in section 79-1091;

25 (36) Sparse local system means a local system that is not

1 a very sparse local system but which meets the following criteria:

2 (a) (i) Less than two students per square mile in the  
3 county in which each high school is located, based on the school  
4 district census, (ii) less than one formula student per square  
5 mile in the local system, and (iii) more than ten miles between  
6 each high school attendance center and the next closest high school  
7 attendance center on paved roads;

8 (b) (i) Less than one and one-half formula students per  
9 square mile in the local system and (ii) more than fifteen miles  
10 between each high school attendance center and the next closest  
11 high school attendance center on paved roads;

12 (c) (i) Less than one and one-half formula students per  
13 square mile in the local system and (ii) more than two hundred  
14 seventy-five square miles in the local system; or

15 (d) (i) Less than two formula students per square mile in  
16 the local system and (ii) the local system includes an area equal  
17 to ninety-five percent or more of the square miles in the largest  
18 county in which a high school attendance center is located in the  
19 local system;

20 (37) Special education means specially designed  
21 kindergarten through grade twelve instruction pursuant to section  
22 79-1125, and includes special education transportation;

23 (38) Special grant funds means the budgeted receipts for  
24 grants, including, but not limited to, Title I funds, Title VI  
25 funds, funds from the Education Innovation Fund, reimbursements

1 for wards of the court, short-term borrowings including, but  
2 not limited to, registered warrants and tax anticipation notes,  
3 interfund loans, insurance settlements, and reimbursements to  
4 county government for previous overpayment. The state board shall  
5 approve a listing of grants that qualify as special grant funds;

6 (39) State aid means the amount of assistance paid to a  
7 district pursuant to the Tax Equity and Educational Opportunities  
8 Support Act;

9 (40) State board means the State Board of Education;

10 (41) State support means all funds provided to districts  
11 by the State of Nebraska for the general fund support of elementary  
12 and secondary education;

13 (42) Statewide average basic funding per formula student  
14 means the statewide total basic funding for all districts divided  
15 by the statewide total formula students for all districts;

16 (43) Statewide average general fund operating  
17 expenditures per formula student means the statewide total  
18 general fund operating expenditures for all districts divided by  
19 the statewide total formula students for all districts;

20 (44) Teacher has the definition found in section 79-101;

21 (45) Temporary aid adjustment factor means (a) for school  
22 fiscal years before school fiscal year 2007-08, one and one-fourth  
23 percent of the sum of the local system's transportation allowance,  
24 the local system's special receipts allowance, and the product  
25 of the local system's adjusted formula students multiplied by

1 the average formula cost per student in the local system's  
2 cost grouping and (b) for school fiscal year 2007-08, one and  
3 one-fourth percent of the sum of the local system's transportation  
4 allowance, special receipts allowance, and distance education and  
5 telecommunications allowance and the product of the local system's  
6 adjusted formula students multiplied by the average formula cost  
7 per student in the local system's cost grouping;

8 (46) Tuitioned students means students in kindergarten  
9 through grade twelve of the district whose tuition is paid by the  
10 district to some other district or education agency; and

11 (47) Very sparse local system means a local system that  
12 has:

13 (a) (i) Less than one-half student per square mile in  
14 each county in which each high school attendance center is located  
15 based on the school district census, (ii) less than one formula  
16 student per square mile in the local system, and (iii) more than  
17 fifteen miles between the high school attendance center and the  
18 next closest high school attendance center on paved roads; or

19 (b) (i) More than four hundred fifty square miles in the  
20 local system, (ii) less than one-half student per square mile in  
21 the local system, and (iii) more than fifteen miles between each  
22 high school attendance center and the next closest high school  
23 attendance center on paved roads.

24 Sec. 12. Section 79-1007.13, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1           79-1007.13 The department shall calculate a special  
2 receipts allowance for each district equal to the amount of  
3 Nebraska elementary attendance region aid calculated pursuant  
4 to section 13 of this act for the same aid certification  
5 or recertification and the amount of special education, state  
6 ward, and accelerated or differentiated curriculum program receipts  
7 included in local system formula resources under subdivisions (7),  
8 (8), (16), and (17) of section 79-1018.01 attributable to the  
9 school district.

10           Sec. 13. Each Nebraska elementary attendance region shall  
11 receive Nebraska elementary attendance region aid as calculated  
12 pursuant to this section. Such payments shall go directly to  
13 the region but shall count as formula resources for the local  
14 system. Nebraska elementary attendance region aid for each Nebraska  
15 elementary attendance region shall equal five hundred percent  
16 of the statewide average general fund operating expenditures per  
17 formula student multiplied by the result of rounding the ratio  
18 of the fall membership attributed to the Nebraska elementary  
19 attendance region divided by eight up to the next whole number if  
20 the result was not a whole number, except that if the resulting  
21 whole number is greater than the number of elementary grades  
22 offered in the Nebraska elementary attendance region, the whole  
23 number shall be reduced to equal the number of grades offered in  
24 the Nebraska elementary attendance region.

25           Sec. 14. Section 79-1073.01, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           79-1073.01 Amounts levied by learning communities for  
3 special building funds for member school districts pursuant to  
4 subdivision ~~(2)(g)~~ (2)(i) of section 77-3442 shall be distributed  
5 to all member school districts proportionally based on the formula  
6 students used in the most recent certification of state aid  
7 pursuant to section 79-1022.

8           Any amounts distributed pursuant to this section shall be  
9 used by the member school districts for special building funds.

10           Sec. 15. Section 79-10,120, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           79-10,120 The school board or board of education of a  
13 Class II, III, IV, V, or VI school district may establish a  
14 special fund for purposes of acquiring sites for school buildings  
15 or teacherages, purchasing existing buildings for use as school  
16 buildings or teacherages, including the sites upon which such  
17 buildings are located, and the erection, alteration, equipping,  
18 and furnishing of school buildings or teacherages and additions  
19 to school buildings for elementary and high school grades and  
20 for no other purpose. For school districts that are not members  
21 of learning communities, the fund shall be established from the  
22 proceeds of an annual levy, to be determined by the board, of  
23 not to exceed fourteen cents on each one hundred dollars upon  
24 the taxable value of all taxable property in the district which  
25 shall be in addition to any other taxes authorized to be levied

1 for school purposes. Such tax shall be levied and collected as  
2 are other taxes for school purposes. For school districts that are  
3 members of a learning community, such fund shall be established  
4 from the proceeds of the learning community special building funds  
5 levy directed to the school district for such purpose pursuant  
6 to subdivision ~~(2)(g)~~ (2)(i) of section 77-3442 and the proceeds  
7 of any school district special building fund levy pursuant to  
8 subdivision (2)(c) of section 77-3442.

9           Sec. 16. Section 79-2111, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11           79-2111 (1) A learning community may levy a maximum levy  
12 pursuant to subdivision ~~(2)(h)~~ (2)(j) of section 77-3442 for the  
13 purchase, construction, or remodeling of elementary learning center  
14 facilities and up to fifty percent of the estimated costs for  
15 capital projects approved pursuant to this section. The proceeds  
16 from such levy shall be used for elementary learning center  
17 facilities and for one-time reductions of the bonded indebtedness  
18 required for approved projects up to fifty percent of the estimated  
19 cost of the approved project. The funds used for reductions of  
20 bonded indebtedness shall be transferred to the school district  
21 for which the project was approved and shall be deposited in such  
22 school district's special building fund for use on such project.

23           (2) The learning community may approve pursuant to this  
24 section funding for capital projects which will include the  
25 purchase, construction, or remodeling of facilities for a focus

1 school or program designed to meet the requirements of section  
2 79-769. Such approval shall include an estimated cost for the  
3 project and shall state the amount that will be provided by the  
4 learning community for such project.

5 (3) If, within the ten years following receipt of the  
6 funding for a capital project pursuant to this section, a school  
7 district receiving such funding uses the facility purchased,  
8 constructed, or remodeled with such funding for purposes other  
9 than those stated to qualify for the funds, the school district  
10 shall repay such funds to the learning community with interest at  
11 the rate prescribed in section 45-104.02 accruing from the date  
12 the funds were transferred to the school district's building fund  
13 as of the last date the facility was used for such purpose as  
14 determined by the learning community coordinating council or the  
15 date that the learning community coordinating council determines  
16 that the facility will not be used for such purpose or that  
17 such facility will not be purchased, constructed, or remodeled  
18 for such purpose. Interest shall continue to accrue on outstanding  
19 balances until the repayment has been completed. The remaining  
20 terms of repayment shall be determined by the learning community  
21 coordinating council. The learning community coordinating council  
22 may waive such repayment if the facility is used for a different  
23 focus school or program for a period of time that will result in  
24 the use of the facility for qualifying purposes for a total of at  
25 least ten years.



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1                   Sec. 17. Original sections 77-3443, 79-1001, 79-1003,  
2 79-1007.13, 79-1073.01, 79-10,120, and 79-2111, Reissue Revised  
3 Statutes of Nebraska, and sections 77-3442 and 77-3444, Revised  
4 Statutes Cumulative Supplement, 2008, are repealed.