

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1114

Final Reading

Introduced by Flood, 19.

Read first time January 19, 2012

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-27,139.03, Revised Statutes Supplement, 2011; to
3 change state aid distribution from the Municipal
4 Equalization Fund; to provide an operative date; to
5 repeal the original section; and to declare an emergency.

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

1 Section 1. Section 77-27,139.03, Revised Statutes
2 Supplement, 2011, is amended to read:

3 77-27,139.03 (1) State aid provided to municipalities
4 pursuant to sections 77-27,139.01 to 77-27,139.04 shall be calculated
5 by determining the average property tax levy for operational purposes
6 other than for principal and interest payments on the indebtedness of
7 all incorporated municipalities. The Auditor of Public Accounts shall
8 provide to the Department of Revenue a list of the bond and nonbond
9 tax request amounts from the most recent budgets filed by
10 incorporated municipalities. The information shall be used to
11 calculate the bond and nonbond tax levies for aid purposes under this
12 section. The auditor shall provide the information to the department
13 by February 1 each year.

14 (2) Each municipality shall receive state aid from the
15 Municipal Equalization Fund equal to (a) the product of the average
16 per capita property tax of the appropriate population group
17 multiplied by the current population of the municipality minus (b)
18 the product of the average property tax levy multiplied by the
19 certified valuation within the incorporated municipality, except that
20 a municipality shall not receive any aid under this section if the
21 calculation results in a negative number.

22 (3) If a municipal tax levy for operational purposes was
23 less than the average property tax levy in the immediately preceding
24 fiscal year, the state aid provided to such municipality shall be
25 reduced by twenty percent for each one-cent increment the levy was

1 below the average property tax levy but the reduction shall not
2 exceed eighty percent.

3 (4) If the amount of money in the Municipal Equalization
4 Fund is less than the total amount of state aid for all
5 municipalities as required by the allocation formula in subsection
6 (2) of this section, the money in the fund shall be allocated on a
7 prorated basis to such municipalities. If the amount of money in the
8 fund is more than the total amount of state aid for municipalities as
9 required by the allocation formula, the excess money in the fund
10 shall be credited to the General Fund.

11 Sec. 2. This act becomes operative on July 1, 2012.

12 Sec. 3. Original section 77-27,139.03, Revised Statutes
13 Supplement, 2011, is repealed.

14 Sec. 4. Since an emergency exists, this act takes effect
15 when passed and approved according to law.