

LEGISLATURE OF NEBRASKA  
 ONE HUNDRED SECOND LEGISLATURE  
 SECOND SESSION  
**LEGISLATIVE BILL 633**

Final Reading

Introduced by Adams, 24.

Read first time January 19, 2011

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend section 79-10,110, Revised  
 2 Statutes Cumulative Supplement, 2010, and sections  
 3 79-1022, 79-1022.02, 79-1023, 79-1027, and 79-1031.01,  
 4 Revised Statutes Supplement, 2011; to change  
 5 determination and certification dates under the Tax  
 6 Equity and Educational Opportunities Support Act; to  
 7 change tax levy and bonding authority for certain  
 8 improvement projects; to authorize issuance of refunding  
 9 bonds; to harmonize provisions; to repeal the original  
 10 sections; and to declare an emergency.  
 11 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 79-1022, Revised Statutes Supplement,  
2 2011, is amended to read:

3           79-1022 (1) On or before March 10, 2010, and March 1,  
4 2011, for school fiscal year 2010-11, on or before July 1, 2011, for  
5 school fiscal year 2011-12, on or before May 1, 2012, for school  
6 fiscal year 2012-13, and on or before March 1 of each year thereafter  
7 for each ensuing fiscal year, the department shall determine the  
8 amounts to be distributed to each local system and each district  
9 pursuant to the Tax Equity and Educational Opportunities Support Act  
10 and shall certify the amounts to the Director of Administrative  
11 Services, the Auditor of Public Accounts, each learning community,  
12 and each district. The amount to be distributed to each district that  
13 is not a member of a learning community from the amount certified for  
14 a local system shall be proportional based on the formula students  
15 attributed to each district in the local system. The amount to be  
16 distributed to each district that is a member of a learning community  
17 from the amount certified for the local system shall be proportional  
18 based on the formula needs calculated for each district in the local  
19 system. On or before March 1, 2011, for school fiscal year 2010-11,  
20 on or before July 1, 2011, for school fiscal year 2011-12, on or  
21 before May 1, 2012, for school fiscal year 2012-13, and on or before  
22 March 1 of each year thereafter for each ensuing fiscal year, the  
23 department shall report the necessary funding level to the Governor,  
24 the Appropriations Committee of the Legislature, and the Education  
25 Committee of the Legislature. Except as otherwise provided in this

1 subsection, certified state aid amounts, including adjustments  
2 pursuant to section 79-1065.02, shall be shown as budgeted non-  
3 property-tax receipts and deducted prior to calculating the property  
4 tax request in the district's general fund budget statement as  
5 provided to the Auditor of Public Accounts pursuant to section  
6 79-1024. Increases in state aid for school fiscal year 2010-11 from  
7 the first certification in 2010 to the second certification on or  
8 before March 1, 2011, shall not require a school district to revise  
9 its previously adopted budget statement pursuant to section 13-511  
10 for school fiscal year 2010-11 unless expenditures are increased in  
11 such school fiscal year as a result of such increases in state aid.  
12 The amount of such increased state aid that has not been included in  
13 an amended budget for school fiscal year 2010-11 shall be included in  
14 the unencumbered cash balance pursuant to section 13-504 for the  
15 school fiscal year 2011-12 budget for each school district.

16 (2) Except as provided in this subsection, subsection (8)  
17 of section 79-1016, and sections 79-1033 and 79-1065.02, the amounts  
18 certified pursuant to subsection (1) of this section shall be  
19 distributed in ten as nearly as possible equal payments on the last  
20 business day of each month beginning in September of each ensuing  
21 school fiscal year and ending in June of the following year, except  
22 that when a school district is to receive a monthly payment of less  
23 than one thousand dollars, such payment shall be one lump-sum payment  
24 on the last business day of December during the ensuing school fiscal  
25 year. For school fiscal year 2010-11, payments shall be based on the

1 amounts certified pursuant to subsection (1) of this section on March  
2 10, 2010, except that on the last business day of April, the  
3 department shall make federal Education Jobs Fund allocations  
4 available pursuant to section 79-1028.04 equal to any increases in  
5 state aid for school fiscal year 2010-11 from the first certification  
6 in 2010 to the second certification on or before March 1, 2011,  
7 rounded to the nearest whole dollar.

8           Sec. 2. Section 79-1022.02, Revised Statutes Supplement,  
9 2011, is amended to read:

10           79-1022.02 Notwithstanding any other provision of law,  
11 ~~the any certification of state aid pursuant to section 79-1022,~~  
12 ~~certification of budget authority pursuant to section 79-1023, and~~  
13 ~~certification of applicable allowable reserve percentages pursuant to~~  
14 ~~section 79-1027 completed prior to the effective date of this act for~~  
15 ~~school fiscal year 2012-13 is null and void. to be paid to school~~  
16 ~~districts during school fiscal year 2010-11 is null and void with~~  
17 ~~regard to the total state aid to be paid during school fiscal year~~  
18 ~~2010-11. State aid to be paid during such school year and the~~  
19 ~~certifications pursuant to section 79-1022 shall be recertified for~~  
20 ~~the purpose of determining federal Education Jobs Fund allocations~~  
21 ~~and adjusting the total state aid to be paid to include such~~  
22 ~~allocations on or before March 1, 2011, using data sources as they~~  
23 ~~existed on March 10, 2010.~~

24           Sec. 3. Section 79-1023, Revised Statutes Supplement,  
25 2011, is amended to read:

1                   79-1023 (1) On or before March 10, 2010, on or before  
2 July 1, 2011, on or before May 1, 2012, and on or before March 1 of  
3 each year thereafter, the department shall determine and certify to  
4 each school district budget authority for the general fund budget of  
5 expenditures for the immediately following school fiscal year.

6                   (2) For school fiscal years prior to school fiscal year  
7 2011-12, except as provided in section 79-1028.01, no school district  
8 shall have a general fund budget of expenditures minus special grant  
9 funds and the special education budget of expenditures more than the  
10 greater of (a) the product of the difference of the general fund  
11 budget of expenditures minus special grant funds and the special  
12 education budget of expenditures for the immediately preceding school  
13 fiscal year multiplied by (i) except as otherwise provided in  
14 subdivision (a)(ii) of this subsection, the sum of one plus the local  
15 system's applicable allowable growth rate or (ii) for school fiscal  
16 year 2010-11, the sum of one plus seventy-five hundredths of one  
17 percent plus the local system's applicable allowable growth rate or  
18 (b)(i) except as otherwise provided in subdivision (b)(ii) of this  
19 subsection, the difference of one hundred twenty percent of formula  
20 need for such school fiscal year minus the product of the sum of one  
21 plus the basic allowable growth rate for such school fiscal year  
22 multiplied by the special education budget of expenditures as filed  
23 on the school district budget statement on or before September 20 for  
24 the immediately preceding school fiscal year or (ii) for school  
25 fiscal years 2009-10 and 2010-11, the difference of one hundred

1 sixteen and fifteen-hundredths percent of formula need for such  
2 school fiscal year minus the product of the sum of one plus the basic  
3 allowable growth rate for such school fiscal year multiplied by the  
4 special education budget of expenditures as filed on the school  
5 district budget statement on or before September 20 for the  
6 immediately preceding school fiscal year.

7 (3) For school fiscal year 2011-12, except as provided in  
8 sections 79-1028.01, 79-1029, and 79-1030, each school district shall  
9 have budget authority for the general fund budget of expenditures  
10 equal to the greater of (a) the general fund budget of expenditures  
11 for school fiscal year 2010-11 minus exclusions for school fiscal  
12 year 2010-11 that fit within subsection (1) of section 79-1028.01  
13 with the difference increased by an amount equal to one and one  
14 hundred fifteen thousandths percent of the formula need calculated  
15 for school fiscal year 2010-11, (b) the general fund budget of  
16 expenditures for school fiscal year 2010-11 minus exclusions for  
17 school fiscal year 2010-11 that fit within subsection (1) of section  
18 79-1028.01 with the difference increased by an amount equal to any  
19 student growth adjustment calculated for school fiscal year 2011-12,  
20 or (c) one hundred ten percent of formula need for school fiscal year  
21 2011-12 minus the special education budget of expenditures as filed  
22 on the school district budget statement on or before September 20 for  
23 school fiscal year 2010-11, which special education budget of  
24 expenditures is increased by the basic allowable growth rate for  
25 school fiscal year 2011-12.

1                   (4) For school fiscal year 2012-13 and each school fiscal  
2 year thereafter, except as provided in sections 79-1028.01, 79-1029,  
3 and 79-1030, each school district shall have budget authority for the  
4 general fund budget of expenditures equal to the greater of (a) the  
5 general fund budget of expenditures for the immediately preceding  
6 school fiscal year minus exclusions pursuant to subsection (1) of  
7 section 79-1028.01 for such school fiscal year with the difference  
8 increased by the basic allowable growth rate for the school fiscal  
9 year for which budget authority is being calculated, (b) the general  
10 fund budget of expenditures for the immediately preceding school  
11 fiscal year minus exclusions pursuant to subsection (1) of section  
12 79-1028.01 for such school fiscal year with the difference increased  
13 by an amount equal to any student growth adjustment calculated for  
14 the school fiscal year for which budget authority is being  
15 calculated, or (c) one hundred ten percent of formula need for the  
16 school fiscal year for which budget authority is being calculated  
17 minus the special education budget of expenditures as filed on the  
18 school district budget statement on or before September 20 for the  
19 immediately preceding school fiscal year, which special education  
20 budget of expenditures is increased by the basic allowable growth  
21 rate for the school fiscal year for which budget authority is being  
22 calculated.

23                   (5) For any school fiscal year for which the budget  
24 authority for the general fund budget of expenditures for a school  
25 district is based on a student growth adjustment, the budget

1 authority for the general fund budget of expenditures for such school  
 2 district shall be adjusted in future years to reflect any student  
 3 growth adjustment corrections related to such student growth  
 4 adjustment.

5           Sec. 4. Section 79-1027, Revised Statutes Supplement,  
 6 2011, is amended to read:

7           79-1027 No district shall adopt a budget, which includes  
 8 total requirements of depreciation funds, necessary employee benefit  
 9 fund cash reserves, and necessary general fund cash reserves,  
 10 exceeding the applicable allowable reserve percentages of total  
 11 general fund budget of expenditures as specified in the schedule set  
 12 forth in this section.

13	Average daily	Allowable
14	membership of	reserve
15	district	percentage
16	0 - 471	45
17	471.01 - 3,044	35
18	3,044.01 - 10,000	25
19	10,000.01 and over	20

20           On or before March 10, 2010, on or before July 1, 2011,  
 21 on or before May 1, 2012, and on or before March 1 each year  
 22 thereafter, the department shall determine and certify each  
 23 district's applicable allowable reserve percentage.

24           Each district with combined necessary general fund cash



1 reserves, total requirements of depreciation funds, and necessary  
2 employee benefit fund cash reserves less than the applicable  
3 allowable reserve percentage specified in this section may,  
4 notwithstanding the district's applicable allowable growth rate,  
5 increase its necessary general fund cash reserves such that the total  
6 necessary general fund cash reserves, total requirements of  
7 depreciation funds, and necessary employee benefit fund cash reserves  
8 do not exceed such applicable allowable reserve percentage.

9           Sec. 5. Section 79-1031.01, Revised Statutes Supplement,  
10 2011, is amended to read:

11           79-1031.01 The Appropriations Committee of the  
12 Legislature shall annually include the amount necessary to fund the  
13 state aid that will be certified to school districts on or before  
14 March 1, 2011, for school fiscal year 2010-11, on or before July 1,  
15 2011, for school fiscal year 2011-12, on or before May 1, 2012, for  
16 school fiscal year 2012-13, and on or before March 1 for each ensuing  
17 school fiscal year thereafter in its recommendations to the  
18 Legislature to carry out the requirements of the Tax Equity and  
19 Educational Opportunities Support Act.

20           Sec. 6. Section 79-10,110, Revised Statutes Cumulative  
21 Supplement, 2010, is amended to read:

22           79-10,110 (1) After making a determination that an actual  
23 or potential environmental hazard or accessibility barrier exists,  
24 that a life safety code violation exists, or that expenditures are  
25 needed for indoor air quality or mold abatement and prevention within

1 the school buildings or grounds under its control, a school board may  
2 make and deliver to the county clerk of such county in which any part  
3 of the school district is situated, not later than the date provided  
4 in section 13-508, an itemized estimate of the amounts necessary to  
5 be expended for the abatement of such environmental hazard, for  
6 accessibility barrier elimination, or for modifications for life  
7 safety code violations, indoor air quality, or mold abatement and  
8 prevention in such school buildings or grounds. The board shall  
9 designate the particular environmental hazard abatement project,  
10 accessibility barrier elimination project, or modification for life  
11 safety code violations, indoor air quality, or mold abatement and  
12 prevention for which the tax levy provided for by this section will  
13 be expended, the period of years, which shall not exceed ten years,  
14 for which the tax will be levied for such project, and the estimated  
15 amount of the levy for each year of the period based on the taxable  
16 valuation of the district at the time of issuance.

17 (2) After a public hearing, a school board may undertake  
18 any qualified capital purpose in any qualified zone academy under its  
19 control and may levy a tax as provided in this section to repay a  
20 qualified zone academy bond issued for such undertaking. The board  
21 shall designate: (a) The particular qualified capital purpose for  
22 which the qualified zone academy bond was issued and for which the  
23 tax levy provided for by this section will be expended; (b) the  
24 period of years for which the tax will be levied to repay such  
25 qualified zone academy bond, not exceeding the ~~maximum~~ maturity term

1 for such qualified zone academy bond established pursuant to federal  
2 law or, for any such bond issued prior to May 20, 2009, fifteen  
3 years; and (c) the estimated amount of the levy for each year of the  
4 period based on the taxable valuation of the district at the time of  
5 issuance. The hearing required by this subsection shall be held only  
6 after notice of such hearing has been published for three consecutive  
7 weeks prior to the hearing in a legal newspaper published or of  
8 general circulation in the school district.

9 (3) After a public hearing, a school board may undertake  
10 ~~construction of a new public school facility or the acquisition of~~  
11 ~~land on which such a facility is to be constructed or any expansion,~~  
12 ~~rehabilitation, modernization, renovation, or repair of any existing~~  
13 ~~school facilities under its control~~ any American Recovery and  
14 Reinvestment Act of 2009 purpose and may levy a tax to repay any  
15 American Recovery and Reinvestment Act of 2009 bond issued for such  
16 undertaking. The board shall designate: (a) The ~~particular project or~~  
17 ~~projects~~ American Recovery and Reinvestment Act of 2009 purpose for  
18 which the American Recovery and Reinvestment Act of 2009 bond will be  
19 issued and for which the tax levy provided by this section will be  
20 expended; (b) the period of years for which the tax will be levied to  
21 repay such American Recovery and Reinvestment Act of 2009 bond, not  
22 exceeding the ~~maximum maturity term~~ for the type of American Recovery  
23 and Reinvestment Act of 2009 bond established pursuant to federal law  
24 ~~for the type of bond as permitted by the federal American Recovery~~  
25 ~~and Reinvestment Act of 2009 or, if no such term is established,~~

1 thirty years; and (c) the estimated amount of the levy for each year  
2 of such period based on the taxable valuation of the district at the  
3 time of issuance. Prior to the public hearing, the school board shall  
4 prepare an itemized estimate of the amounts necessary to be expended  
5 for the ~~project or projects.~~ American Recovery and Reinvestment Act  
6 of 2009 purpose. The hearing required by this subsection shall be  
7 held only after notice of such hearing has been published for three  
8 consecutive weeks prior to the hearing in a legal newspaper published  
9 or of general circulation in the school district. ~~The bond to be~~  
10 ~~issued under this subsection may consist of any type or form of bond~~  
11 ~~permitted by the federal American Recovery and Reinvestment Act of~~  
12 ~~2009 except qualified zone academy bonds, the use of which is~~  
13 ~~authorized pursuant to subsection (2) of this section.~~

14 (4) The board may designate more than one project under  
15 subsection (1) of this section, more than one qualified capital  
16 purpose under subsection (2) of this section, or more than one  
17 American Recovery and Reinvestment Act of 2009 purpose under  
18 subsection (3) of this section and levy a tax pursuant to this  
19 section for each such project, qualified capital purpose, or American  
20 Recovery and Reinvestment Act of 2009 purpose, concurrently or  
21 consecutively, as the case may be, if the aggregate levy in each year  
22 and the duration of each such levy will not exceed the limitations  
23 specified in this section. Each levy for a project, a qualified  
24 capital purpose, or an American Recovery and Reinvestment Act of 2009  
25 purpose which is authorized by this section may be imposed for such

1 duration as the board specifies, notwithstanding the contemporaneous  
2 existence or subsequent imposition of any other levy for another  
3 project, qualified capital purpose, or American Recovery and  
4 Reinvestment Act of 2009 purpose imposed pursuant to this section and  
5 notwithstanding the subsequent issuance by the district of bonded  
6 indebtedness payable from its general fund levy.

7 (5) The county clerk shall levy such taxes, not to exceed  
8 five and one-fifth cents per one hundred dollars of taxable valuation  
9 for Class II, III, IV, V, and VI districts, and not to exceed the  
10 limits set for Class I districts in section 79-10,124, on the taxable  
11 property of the district necessary to (a) cover the environmental  
12 hazard abatement or accessibility barrier elimination project costs  
13 or costs for modification for life safety code violations, indoor air  
14 quality, or mold abatement and prevention itemized by the board  
15 pursuant to subsection (1) of this section and (b) repay any  
16 qualified zone academy bonds or American Recovery and Reinvestment  
17 Act of 2009 bonds pursuant to subsection (2) or (3) of this section.  
18 Such taxes shall be collected by the county treasurer at the same  
19 time and in the same manner as county taxes are collected and when  
20 collected shall be paid to the treasurer of the district and used to  
21 cover the project costs.

22 (6) If such board operates grades nine through twelve as  
23 part of an affiliated school system, it shall designate the fraction  
24 of the project or undertaking to be conducted for the benefit of  
25 grades nine through twelve. Such fraction shall be raised by a levy

1 placed upon all of the taxable value of all taxable property in the  
2 affiliated school system pursuant to subsection (2) of section  
3 79-1075. The balance of the project or undertaking to be conducted  
4 for the benefit of grades kindergarten through eight shall be raised  
5 by a levy placed upon all of the taxable value of all taxable  
6 property in the district which is governed by such board. The  
7 combined rate for both levies in the high school district, to be  
8 determined by such board, shall not exceed five and one-fifth cents  
9 on each one hundred dollars of taxable value.

10 (7) Each board which submits an itemized estimate shall  
11 establish an environmental hazard abatement and accessibility barrier  
12 elimination project account, a life safety code modification project  
13 account, an indoor air quality project account, or a mold abatement  
14 and prevention project account, each board which undertakes a  
15 qualified capital purpose shall establish a qualified capital purpose  
16 undertaking account, within the qualified capital purpose undertaking  
17 fund, and each board which undertakes an American Recovery and  
18 Reinvestment Act of 2009 purpose shall establish an American Recovery  
19 and Reinvestment Act of 2009 purpose undertaking account. Taxes  
20 collected pursuant to this section shall be credited to the  
21 appropriate account to cover the project or undertaking costs. Such  
22 estimates may be presented to the county clerk and taxes levied  
23 accordingly.

24 (8) For purposes of this section:

25 (a) Abatement includes, but is not limited to, any

1 inspection and testing regarding environmental hazards, any  
2 maintenance to reduce, lessen, put an end to, diminish, moderate,  
3 decrease, control, dispose of, or eliminate environmental hazards,  
4 any removal or encapsulation of environmentally hazardous material or  
5 property, any related restoration or replacement of material or  
6 property, any related architectural and engineering services, and any  
7 other action to reduce or eliminate environmental hazards in the  
8 school buildings or on the school grounds under the board's control,  
9 except that abatement does not include the encapsulation of any  
10 material containing more than one percent friable asbestos;

11 (b) Accessibility barrier means anything which impedes  
12 entry into, exit from, or use of any building or facility by all  
13 people;

14 (c) Accessibility barrier elimination includes, but is  
15 not limited to, inspection for and removal of accessibility barriers,  
16 maintenance to reduce, lessen, put an end to, diminish, control,  
17 dispose of, or eliminate accessibility barriers, related restoration  
18 or replacement of facilities or property, any related architectural  
19 and engineering services, and any other action to eliminate  
20 accessibility barriers in the school buildings or grounds under the  
21 board's control;

22 (d) American Recovery and Reinvestment Act of 2009 bond  
23 means any type or form of bond permitted by the federal American  
24 Recovery and Reinvestment Act of 2009, as such act or bond may be  
25 amended and supplemented, including the federal Hiring Incentives to

1 Restore Employment Act, as amended and supplemented, for use by  
2 schools, except qualified zone academy bonds;

3 (e) American Recovery and Reinvestment Act of 2009  
4 purpose means any construction of a new public school facility or the  
5 acquisition of land on which such a facility is to be constructed or  
6 any expansion, rehabilitation, modernization, renovation, or repair  
7 of any existing school facilities financed in whole or in part with  
8 an American Recovery and Reinvestment Act of 2009 bond;

9 (f) Environmental hazard means any contamination of the  
10 air, water, or land surface or subsurface caused by any substance  
11 adversely affecting human health or safety if such substance has been  
12 declared hazardous by a federal or state statute, rule, or  
13 regulation;

14 (g) Modification for indoor air quality includes, but is  
15 not limited to, any inspection and testing regarding indoor air  
16 quality, any maintenance to reduce, lessen, put an end to, diminish,  
17 moderate, decrease, control, dispose of, or eliminate indoor air  
18 quality problems, any related restoration or replacement of material  
19 or related architectural and engineering services, and any other  
20 action to reduce or eliminate indoor air quality problems or to  
21 enhance air quality conditions in new or existing school buildings or  
22 on school grounds under the control of a school board;

23 (h) Modification for life safety code violation includes,  
24 but is not limited to, any inspection and testing regarding life  
25 safety codes, any maintenance to reduce, lessen, put an end to,



1 diminish, moderate, decrease, control, dispose of, or eliminate life  
2 safety hazards, any related restoration or replacement of material or  
3 property, any related architectural and engineering services, and any  
4 other action to reduce or eliminate life safety hazards in new or  
5 existing school buildings or on school grounds under the control of a  
6 school board;

7 (i) Modification for mold abatement and prevention  
8 includes, but is not limited to, any inspection and testing regarding  
9 mold abatement and prevention, any maintenance to reduce, lessen, put  
10 an end to, diminish, moderate, decrease, control, dispose of, or  
11 eliminate mold problems, any related restoration or replacement of  
12 material or related architectural and engineering services, and any  
13 other action to reduce or eliminate mold problems or to enhance air  
14 quality conditions in new or existing school buildings or on school  
15 grounds under the control of a school board;

16 (j) Qualified capital purpose means (i) rehabilitating or  
17 repairing the public school facility in which the qualified zone  
18 academy is established or (ii) providing equipment for use at such  
19 qualified zone academy;

20 (k) Qualified zone academy has the meaning found in (i)  
21 26 U.S.C. 1397E(d)(4), as such section existed on October 3, 2008,  
22 for qualified zone academy bonds issued on or before such date, and  
23 (ii) 26 U.S.C. 54E(d)(1), as such section existed on October 4, 2008,  
24 for qualified zone academy bonds issued on or after such date;

25 (l) Qualified zone academy allocation means the

1 allocation of the qualified zone academy bond limitation by the State  
2 Department of Education to the qualified zone academies pursuant to  
3 (i) 26 U.S.C. 1397E(e)(2), as such section existed on October 3,  
4 2008, for allocations relating to qualified zone academy bonds issued  
5 on or before such date, and (ii) 26 U.S.C. 54E(c)(2), as such section  
6 existed on October 4, 2008, for allocations relating to qualified  
7 zone academy bonds issued on or after such date; and

8 (m) Qualified zone academy bond has the meaning found in  
9 (i) 26 U.S.C. 1397E(d)(1), as such section existed on October 3,  
10 2008, for such bonds issued on or before such date, and (ii) 26  
11 U.S.C. 54E(a), as such section existed on and after October 4, 2008,  
12 for such bonds issued on or after such date, as such section or bonds  
13 may be amended or supplemented.

14 (9) Accessibility barrier elimination project costs  
15 includes, but is not limited to, inspection, maintenance, accounting,  
16 emergency services, consultation, or any other action to reduce or  
17 eliminate accessibility barriers.

18 (10)(a) For the purpose of paying amounts necessary for  
19 the abatement of environmental hazards, for accessibility barrier  
20 elimination, ~~or~~ for modifications for life safety code violations,  
21 indoor air quality, or mold abatement and prevention, for a qualified  
22 capital purpose, or for an American Recovery and Reinvestment Act of  
23 2009 purpose, the board may borrow money, establish a sinking fund,  
24 and issue bonds and other evidences of indebtedness of the district,  
25 which bonds and other evidences of indebtedness shall be secured by

1 and payable from an irrevocable pledge by the district of amounts  
2 received in respect of the tax levy provided for by this section and  
3 any other funds of the district available therefor. Bonds issued for  
4 a qualified capital purpose or an American Recovery and Reinvestment  
5 Act of 2009 purpose shall be limited to the type or types of bonds  
6 authorized for each purpose in subsections (2) and (3) of this  
7 section, respectively. Bonds and other evidences of indebtedness  
8 issued by a district pursuant to this subsection shall not constitute  
9 a general obligation of the district or be payable from any portion  
10 of its general fund levy.

11 (b) A district may exceed the maximum levy of five and  
12 one-fifth cents per one hundred dollars of taxable valuation  
13 authorized by subsections (5) and (6) of this section in any year in  
14 which (i) the taxable valuation of the district is lower than the  
15 taxable valuation in the year in which the district last issued bonds  
16 pursuant to this section and (ii) such maximum levy is insufficient  
17 to meet the combined annual principal and interest obligations for  
18 all bonds issued pursuant to this section. The amount generated from  
19 a district's levy in excess of the maximum levy upon the taxable  
20 valuation of the district shall not exceed the combined annual  
21 principal and interest obligations for such bonds minus the amount  
22 generated by levying the maximum levy upon the taxable valuation of  
23 the district and minus any federal payments or subsidies associated  
24 with such bonds.

25 (11) The total principal amount of bonds for

1 modifications to correct life safety code violations, for indoor air  
2 quality problems, for mold abatement and prevention, or for an  
3 American Recovery and Reinvestment Act of 2009 purpose which may be  
4 issued pursuant to this section shall not exceed the total amount  
5 specified in the itemized estimate described in subsections (1) and  
6 (3) of this section.

7 (12) The total principal amount of qualified zone academy  
8 bonds which may be issued pursuant to this section for qualified  
9 capital purposes with respect to a qualified zone academy shall not  
10 exceed the qualified zone academy allocation granted to the board by  
11 the department. The total amount that may be financed by qualified  
12 zone academy bonds pursuant to this section for qualified purposes  
13 with respect to a qualified zone academy shall not exceed seven and  
14 one-half million dollars statewide in a single year. In any year that  
15 the Nebraska qualified zone academy allocations exceed seven and one-  
16 half million dollars for qualified capital purposes to be financed  
17 with qualified zone academy bonds issued pursuant to this section,  
18 (a) the department shall reduce such allocations proportionally such  
19 that the statewide total for such allocations equals seven and one-  
20 half million dollars and (b) the difference between the Nebraska  
21 allocation and seven and one-half million dollars shall be available  
22 to qualified zone academies for requests that will be financed with  
23 qualified zone academy bonds issued without the benefit of this  
24 section.

25 Nothing in this section directs the State Department of

1 Education to give any preference to allocation requests that will be  
2 financed with qualified zone academy bonds issued pursuant to this  
3 section.

4 (13) The State Department of Education shall establish  
5 procedures for allocating bond authority to school boards as may be  
6 necessary pursuant to an American Recovery and Reinvestment Act of  
7 2009 bond.

8 Sec. 7. (1) If a school board has issued or shall issue  
9 bonds pursuant to section 79-10,110 and such bonds or any part of  
10 such bonds are unpaid, are a legal liability against the school  
11 district governed by such school board, and are bearing interest, the  
12 school board may issue refunding bonds with which to call and redeem  
13 all or any part of such outstanding bonds at or before the date of  
14 maturity or the redemption date of such bonds. Such school board may  
15 include various series and issues of the outstanding bonds in a  
16 single issue of refunding bonds and may issue refunding bonds to pay  
17 any redemption premium and interest to accrue and become payable on  
18 the outstanding bonds being refunded. The refunding bonds may be  
19 issued and delivered at any time prior to the date of maturity or the  
20 redemption date of the bonds to be refunded that the school board  
21 determines to be in the best interests of the school district. The  
22 proceeds derived from the sale of the refunding bonds issued pursuant  
23 to this section may be invested in obligations of or guaranteed by  
24 the United States Government pending the time the proceeds are  
25 required for the purposes for which such refunding bonds were issued.

1 To further secure the refunding bonds, the school board may enter  
2 into a contract with any bank or trust company within or without the  
3 state with respect to the safekeeping and application of the proceeds  
4 of the refunding bonds and the safekeeping and application of the  
5 earnings on the investment. All bonds issued under this section shall  
6 be redeemable at such times and under such conditions as the school  
7 board shall determine at the time of issuance.

8 (2) Any outstanding bonds or other evidences of  
9 indebtedness issued by a school board for which sufficient funds or  
10 obligations of or guaranteed by the United States Government have  
11 been pledged and set aside in safekeeping to be applied for the  
12 complete payment of such bonds or other evidences of indebtedness at  
13 maturity or upon redemption prior to maturity, interest thereon, and  
14 redemption premium, if any, shall not be considered as outstanding  
15 and unpaid.

16 (3) Each refunding bond issued under this section shall  
17 state on the bond (a) the object of its issue, (b) this section or  
18 the sections of the law under which such issue was made, including a  
19 statement that the issue is made in pursuance of such section or  
20 sections, and (c) the date and principal amount of the bond or bonds  
21 for which the refunding bonds are being issued.

22 (4) The refunding bonds shall be paid, and the levy made  
23 and the tax collected for their payment in the same manner and under  
24 the same authorization for levy of taxes as applied for the bonds  
25 being refunded, in accordance with section 79-10,110.

1                   Sec. 8. Original section 79-10,110, Revised Statutes  
2 Cumulative Supplement, 2010, and sections 79-1022, 79-1022.02,  
3 79-1023, 79-1027, and 79-1031.01, Revised Statutes Supplement, 2011,  
4 are repealed.

5                   Sec. 9. Since an emergency exists, this act takes effect  
6 when passed and approved according to law.