

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 441**

Introduced by Heidemann, 1.

Read first time January 14, 2011

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 13-2809, 35-508, 35-509, 35-514.02, 35-517, 77-3443, and  
3 77-3444, Reissue Revised Statutes of Nebraska, and  
4 section 77-3442, Revised Statutes Cumulative Supplement,  
5 2010; to change levy provisions for rural and suburban  
6 fire protection districts; to harmonize provisions; to  
7 provide an operative date; and to repeal the original  
8 sections.

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

1           Section 1. Section 13-2809, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           13-2809 (1) An area within the boundaries of a  
4 municipality which remains within the boundaries of a municipal  
5 county and is not consolidated into the municipal county at the time  
6 of the formation of the municipal county shall not be considered to  
7 be part of the municipal county for any purpose. Such a municipality  
8 shall not be annexed by the municipal county, and such a municipality  
9 shall not annex any territory, for at least four years after the date  
10 of creation of the municipal county. Such a municipality shall  
11 retain:

12           (a) The authority to levy property taxes, not to exceed  
13 ninety cents per one hundred dollars of taxable value except as  
14 provided in sections 77-3442 and 77-3444; and

15           (b) All the other powers and duties applicable to a  
16 municipality of the same population with the same form of government  
17 in effect on the date of creation of the municipal county, including,  
18 but not limited to, its zoning jurisdiction and the authority to  
19 impose a tax as provided in the Local Option Revenue Act.

20           (2) In order to provide economical and efficient  
21 services, a municipality within the boundaries of a municipal county  
22 may annex adjacent territory within the municipal county if the  
23 municipal county consents. Consent shall be granted if the services  
24 will be provided by the municipality within the annexed territory at  
25 less cost than similar services provided by the municipal county.

1                   (3) All fire protection districts ~~subject to municipal~~  
2 ~~county levy authority under section 77-3443~~ which are within the  
3 boundaries of a municipal county shall continue to exist after  
4 formation of the municipal county.

5                   Sec. 2. Section 35-508, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7                   35-508 The board of directors shall have the following  
8 general powers:

9                   (1) To determine a general fire protection and rescue  
10 program for the district;

11                   (2) To make an annual estimate of the probable expense  
12 for carrying out such program;

13                   (3) To annually certify such estimate to the county clerk  
14 in the manner provided by section 35-509;

15                   (4) To manage and conduct the business affairs of the  
16 district;

17                   (5) To make and execute contracts in the name of and on  
18 behalf of the district;

19                   (6) To buy real estate when needed for the district and  
20 to sell real estate of the district when the district has no further  
21 use for it;

22                   (7) To purchase or lease such firefighting and rescue  
23 equipment, supplies, and other real or personal property as necessary  
24 and proper to carry out the general fire protection and rescue  
25 program of the district;

1           (8) To incur indebtedness on behalf of the district;

2           (9) To authorize the issuance of evidences of the  
3 indebtedness permitted under subdivision (8) of this section and to  
4 pledge any real or personal property owned or acquired by the  
5 district as security for the same;

6           (10) To organize, establish, equip, maintain, and  
7 supervise a paid, volunteer, or combination paid and volunteer fire  
8 department or company to serve the district and to establish a  
9 service award benefit program pursuant to the Volunteer Emergency  
10 Responders Recruitment and Retention Act;

11           (11) To employ and compensate such personnel as necessary  
12 to carry out the general fire protection and rescue program of the  
13 district;

14           (12) To authorize the execution of a contract with the  
15 Game and Parks Commission or a public power district for fire  
16 protection of property of the commission or public power district  
17 located in or adjacent to the rural or suburban fire protection  
18 district;

19           ~~(13) To levy a tax not to exceed ten and one half cents~~  
20 ~~on each one hundred dollars in any one year upon the taxable value of~~  
21 ~~all taxable property within such district subject to section 77-3443,~~  
22 ~~in addition to the amount of tax which may be annually levied to~~  
23 ~~defray the general and incidental expenses of such district, for the~~  
24 ~~purpose of establishing a sinking fund for the construction,~~  
25 ~~purchase, improvement, extension, original equipment, or repair, not~~

1 ~~including maintenance, of district buildings to house equipment or~~  
2 ~~personal belongings of a fire department, for the purchase of~~  
3 ~~firefighting and rescue equipment or apparatus, for the acquisition~~  
4 ~~of any land incidental to such purposes, or for payment of principal~~  
5 ~~and interest on any evidence of indebtedness issued pursuant to~~  
6 ~~subdivisions (8) and (9) of this section. For purposes of section~~  
7 ~~77-3443, the county board of the county in which the greatest portion~~  
8 ~~of the valuation of the district is located shall approve the levy;~~

9 (13) To levy a tax not to exceed ten and one-half cents  
10 on each one hundred dollars in any one year upon the taxable  
11 valuation of property subject to the levy for a sinking fund which is  
12 in addition to the amount of tax which may be annually levied to  
13 defray the general and incidental expenses of such district. The  
14 sinking fund shall be for the construction, purchase, improvement,  
15 extension, original equipment, or repair, not including maintenance,  
16 of district buildings to house equipment or personal belongings of a  
17 fire department; for the purchase of firefighting and rescue  
18 equipment or apparatus; for the acquisition of any land incidental to  
19 such purposes; or for payment of principal and interest on any  
20 evidence of indebtedness issued pursuant to subdivisions (8) and (9)  
21 of this section with such levy being subject to subsection (10) of  
22 section 77-3442;

23 (14) To adopt and enforce fire codes and establish  
24 penalties at annual meetings, except that the code must be available  
25 prior to annual meetings and notice shall so provide; and

1                   (15) Generally to perform all acts necessary to fully  
2 carry out the purposes of sections 35-501 to 35-517.

3                   Sec. 3. Section 35-509, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5                   35-509 (1) The board of directors shall have the power  
6 and duty to determine a general fire protection and rescue policy for  
7 the district and shall annually fix the amount of money for the  
8 proposed budget statement as may be deemed sufficient and necessary  
9 in carrying out such contemplated program for the ensuing fiscal  
10 year, including the amount of principal and interest upon the  
11 indebtedness of the district for the ensuing year. After the adoption  
12 of the budget statement, the president and secretary of the district  
13 shall ~~request~~ certify the amount of tax to be levied which the  
14 district requires for the adopted budget statement for the ensuing  
15 year to the proper county ~~board clerk or county clerks~~ on or before  
16 August 1 of each year. Such board shall levy a tax not to exceed ten  
17 and one-half cents on each one hundred dollars upon the taxable value  
18 of all the taxable property in such district when the district is a  
19 rural or suburban fire protection district, for the maintenance of  
20 the fire protection district for the fiscal year, ~~as provided by law,~~  
21 plus such levy as is authorized to be made under subdivision (13) of  
22 section 35-508, all such levies being subject to ~~section 77-3443.~~  
23 subsection (10) of section 77-3442. The tax shall be collected as  
24 other taxes are collected in the county, deposited with the county  
25 treasurer, and placed to the credit of the rural or suburban fire

1 protection district so authorizing the same on or before the  
2 fifteenth day of each month or more frequently as provided in section  
3 77-1759 or be remitted to the county treasurer of the county in which  
4 the greatest portion of the valuation of the district is located as  
5 is provided for by subsection (2) of this section. ~~For purposes of~~  
6 ~~section 77-3443, the county board of the county in which the greatest~~  
7 ~~portion of the valuation of the district is located shall approve the~~  
8 ~~levy.~~

9 (2) All such taxes collected or received for the district  
10 by the treasurer of any other county than the one in which the  
11 greatest portion of the valuation of the district is located shall be  
12 remitted to the treasurer of the county in which the greatest portion  
13 of the valuation of the district is located at least quarterly. All  
14 such taxes collected or received shall be placed to the credit of  
15 such district in the treasury of the county in which the greatest  
16 portion of the valuation of the district is located.

17 (3) In no case shall the amount of tax levy exceed the  
18 amount of funds to be received from taxation according to the adopted  
19 budget statement of the district.

20 Sec. 4. Section 35-514.02, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22 35-514.02 A rural or suburban fire protection district  
23 may establish an emergency medical service, including the provision  
24 of scheduled or unscheduled ambulance service, or provide fire  
25 protection service either within or without the district, may enter

1 into agreements under the Interlocal Cooperation Act and the Joint  
2 Public Agency Act for the purpose of establishing an emergency  
3 medical service or providing fire protection service, may contract  
4 with any city, person, firm, corporation, or other fire protection  
5 district to provide such services, may expend funds of the district,  
6 and may charge a reasonable fee to the user. Before any such services  
7 are established under the authority of this section, the rural or  
8 suburban fire protection district shall hold a public hearing after  
9 giving at least ten days' notice, which notice shall include a brief  
10 summary of the general plan for establishing the emergency medical  
11 service or providing fire protection service, including an estimate  
12 of the initial cost and the possible continuing cost of operating the  
13 emergency medical service or fire protection service. If the board  
14 after such hearing determines that an emergency medical service or  
15 fire protection service is needed, it may proceed as authorized in  
16 this section. The authority granted in this section shall be  
17 cumulative and supplementary to any existing powers heretofore  
18 granted. Any fire protection district providing any service under  
19 this section may pay the cost for the service out of available funds  
20 or may levy a tax for the purpose of supporting an emergency medical  
21 service or providing fire protection service, which levy shall be in  
22 addition to any other tax for such fire protection district and shall  
23 be subject to ~~section 77-3443.~~ subsection (10) of section 77-3442.  
24 When a fire protection district levies a tax for the purpose of  
25 supporting an emergency medical service, the taxpayers of such



1 district shall be exempt from any tax levied under section 13-303.  
2 The board of a fire protection district which provides fire  
3 protection service outside of the district may charge a political  
4 subdivision with which the district has entered into an agreement for  
5 such service on a per-call basis for such service.

6 Sec. 5. Section 35-517, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 35-517 (1) ~~By July 1, 1999, the~~ The county board shall  
9 set the boundaries of all rural or suburban fire protection districts  
10 in the county so that all areas within the county which are not  
11 within the incorporated areas of cities and villages are included  
12 within a rural or suburban fire protection district.

13 (2) By July 1 of the year following the dissolution of  
14 any rural or suburban fire protection district, the county board  
15 shall set the boundaries of all remaining rural and suburban fire  
16 protection districts so that all areas within the county which are  
17 not within the incorporated areas of cities and villages are included  
18 within a rural or suburban fire protection district.

19 (3) Any county may set the boundaries of all rural and  
20 suburban fire protection districts ~~for which the county is~~  
21 ~~responsible for allocating levy authority under section 77-3443 so~~  
22 that the highest levy of a rural or suburban fire protection district  
23 is no more than two times the average levy of all rural and suburban  
24 fire protection districts ~~for which the county is responsible for~~  
25 ~~allocating levy authority under section 77-3443 based on the property~~

1 tax ~~request~~-levy and associated valuation for the current fiscal  
2 year. For purposes of this subsection, each county shall examine the  
3 property tax ~~request~~-levy of each rural or suburban fire protection  
4 district in the county for all purposes except bonded indebtedness  
5 for the current fiscal year and lease-purchase contracts in existence  
6 on July 1, 1998, as compared to the valuation for the tax year  
7 against which the levy was imposed. If one or more fire protection  
8 districts do not meet the standard required by this subsection for  
9 the current year, boundaries may be relocated to place more valuation  
10 in the high levy districts and less in the low levy districts so that  
11 the standard is met. If any district is to be eliminated by the  
12 county to meet the standard, the property tax ~~request~~-levy for the  
13 current fiscal year will be assumed to be transferred to the other  
14 districts which are to be in the territory of the eliminated district  
15 in proportion to the valuation transferred to such districts for  
16 purposes of compliance with the standard, the district shall be  
17 deemed to be dissolved, and the obligations and assets of the  
18 district shall be disposed of as provided in section 35-521. For  
19 purposes of this subsection, the average levy of all rural and  
20 suburban fire protection districts means the total taxes levied by  
21 all rural and suburban fire protection districts ~~for which the county~~  
22 ~~is responsible for allocating levy authority~~ divided by the total  
23 taxable valuation of all such districts.

24 (4) Before May 1 of the year in which any change in  
25 boundaries allowed or required under this section is to be effective,

1 the county board shall forthwith designate a time and place for a  
2 hearing before the county board of such county and shall give due  
3 notice thereof in the manner prescribed by section 35-514. The  
4 hearing shall be prior to June 1. At the time and place so fixed the  
5 county board shall meet and all persons interested shall have  
6 opportunity to be heard. Thereupon, the county board shall consider  
7 the general rural fire protection policy for the county as a whole  
8 and shall determine the boundaries of the district or districts,  
9 whether as existing prior to such determination or otherwise, and  
10 shall make a written order of such determination which shall be filed  
11 in the office of the county clerk by July 1 of the year in which any  
12 change in boundaries under this section is to be effective. If all  
13 rural and suburban fire protection districts ~~for which the county is~~  
14 ~~responsible for allocating levy authority under section 77-3443~~ agree  
15 to a change in boundaries and submit a proposal to change boundaries  
16 to the county board prior to the hearing, the county shall adopt the  
17 proposal unless it finds that the proposal is not consistent with the  
18 fire protection policy in the county as a whole or does not result in  
19 levies which comply with the standard described in this section.  
20 Thereafter, such reorganized district or districts shall be deemed to  
21 be organized and operating under sections 35-501 to 35-517. Nothing  
22 herein contained shall impair, affect, or discharge any previously  
23 existing contract, obligation, lien, or charge of the district or  
24 districts.

25 Sec. 6. Section 77-3442, Revised Statutes Cumulative

1 Supplement, 2010, is amended to read:

2           77-3442 (1) Property tax levies for the support of local  
3 governments for fiscal years beginning on or after July 1, 1998,  
4 shall be limited to the amounts set forth in this section except as  
5 provided in section 77-3444.

6           (2)(a) Except as provided in subdivision (2)(e) of this  
7 section, school districts and multiple-district school systems,  
8 except learning communities and school districts that are members of  
9 learning communities, may levy a maximum levy of one dollar and five  
10 cents per one hundred dollars of taxable valuation of property  
11 subject to the levy.

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

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

25           (d) Excluded from the limitations in subdivisions (2)(a)

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

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

19 (f) For school fiscal year 2002-03 through school fiscal  
20 year 2007-08, school districts and multiple-district school systems  
21 may, upon a three-fourths majority vote of the school board of the  
22 school district, the board of the unified system, or the school board  
23 of the high school district of the multiple-district school system  
24 that is not a unified system, exceed the maximum levy prescribed by  
25 subdivision (2)(a) of this section in an amount equal to the net

1 difference between the amount of state aid that would have been  
2 provided under the Tax Equity and Educational Opportunities Support  
3 Act without the temporary aid adjustment factor as defined in section  
4 79-1003 for the ensuing school fiscal year for the school district or  
5 multiple-district school system and the amount provided with the  
6 temporary aid adjustment factor. The State Department of Education  
7 shall certify to the school districts and multiple-district school  
8 systems the amount by which the maximum levy may be exceeded for the  
9 next school fiscal year pursuant to this subdivision (f) of this  
10 subsection on or before February 15 for school fiscal years 2004-05  
11 through 2007-08.

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

17 (h) For each fiscal year, learning communities may levy a  
18 maximum levy of two cents on each one hundred dollars of taxable  
19 property subject to the levy for elementary learning center facility  
20 leases, for remodeling of leased elementary learning center  
21 facilities, and for up to fifty percent of the estimated cost for  
22 focus school or program capital projects approved by the learning  
23 community coordinating council pursuant to section 79-2111.

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

1 property subject to the levy for elementary learning center  
2 employees, for contracts with other entities or individuals who are  
3 not employees of the learning community for elementary learning  
4 center programs and services, and for pilot projects, except that no  
5 more than ten percent of such levy may be used for elementary  
6 learning center employees.

7 (3)(a) For fiscal years prior to fiscal year 2010-11,  
8 community colleges may levy a maximum levy calculated pursuant to the  
9 Community College Foundation and Equalization Aid Act on each one  
10 hundred dollars of taxable property subject to the levy.

11 (b) For fiscal year 2010-11 and each fiscal year  
12 thereafter, in lieu of the calculation of a maximum levy for  
13 operating expenditures pursuant to the Community College Foundation  
14 and Equalization Aid Act, community colleges may levy a maximum of  
15 ten and one-quarter cents per one hundred dollars of taxable  
16 valuation of property subject to the levy for operating expenditures  
17 and may also levy the additional levies provided in subsection (2) of  
18 section 85-1517.

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

22 (b) Natural resources districts shall also have the power  
23 and authority to levy a tax equal to the dollar amount by which their  
24 restricted funds budgeted to administer and implement ground water  
25 management activities and integrated management activities under the

1 Nebraska Ground Water Management and Protection Act exceed their  
2 restricted funds budgeted to administer and implement ground water  
3 management activities and integrated management activities for  
4 FY2003-04, not to exceed one cent on each one hundred dollars of  
5 taxable valuation annually on all of the taxable property within the  
6 district.

7 (c) In addition, natural resources districts located in a  
8 river basin, subbasin, or reach that has been determined to be fully  
9 appropriated pursuant to section 46-714 or designated as  
10 overappropriated pursuant to section 46-713 by the Department of  
11 Natural Resources shall also have the power and authority to levy a  
12 tax equal to the dollar amount by which their restricted funds  
13 budgeted to administer and implement ground water management  
14 activities and integrated management activities under the Nebraska  
15 Ground Water Management and Protection Act exceed their restricted  
16 funds budgeted to administer and implement ground water management  
17 activities and integrated management activities for FY2005-06, not to  
18 exceed three cents on each one hundred dollars of taxable valuation  
19 on all of the taxable property within the district for fiscal year  
20 2006-07 and each fiscal year thereafter through fiscal year 2011-12.

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

25 (6)(a) Incorporated cities and villages which are not



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

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

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

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

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

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

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

15 (10) Rural and suburban fire protection districts may  
16 levy a maximum of ten and one-half cents per one hundred dollars of  
17 taxable valuation of property subject to the levy.

18 ~~(10)~~—(11) Property tax levies for judgments, except  
19 judgments or orders from the Commission of Industrial Relations,  
20 obtained against a political subdivision which require or obligate a  
21 political subdivision to pay such judgment, to the extent such  
22 judgment is not paid by liability insurance coverage of a political  
23 subdivision, for preexisting lease-purchase contracts approved prior  
24 to July 1, 1998, for bonded indebtedness approved according to law  
25 and secured by a levy on property except as provided in section

1 44-4317 for bonded indebtedness issued by educational service units  
2 and school districts, and for payments by a public airport to retire  
3 interest-free loans from the Department of Aeronautics in lieu of  
4 bonded indebtedness at a lower cost to the public airport are not  
5 included in the levy limits established by this section.

6 ~~(11)~~(12) The limitations on tax levies provided in this  
7 section are to include all other general or special levies provided  
8 by law. Notwithstanding other provisions of law, the only exceptions  
9 to the limits in this section are those provided by or authorized by  
10 sections 77-3442 to 77-3444.

11 ~~(12)~~(13) Tax levies in excess of the limitations in this  
12 section shall be considered unauthorized levies under section 77-1606  
13 unless approved under section 77-3444.

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

17 ~~(14)~~(15) For school districts that file a binding  
18 resolution on or before May 9, 2008, with the county assessors,  
19 county clerks, and county treasurers for all counties in which the  
20 school district has territory pursuant to subsection (7) of section  
21 79-458, if the combined levies, except levies for bonded indebtedness  
22 approved by the voters of the school district and levies for the  
23 refinancing of such bonded indebtedness, are in excess of the greater  
24 of (a) one dollar and twenty cents per one hundred dollars of taxable  
25 valuation of property subject to the levy or (b) the maximum levy

1 authorized by a vote pursuant to section 77-3444, all school district  
2 levies, except levies for bonded indebtedness approved by the voters  
3 of the school district and levies for the refinancing of such bonded  
4 indebtedness, shall be considered unauthorized levies under section  
5 77-1606.

6 Sec. 7. Section 77-3443, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 77-3443 (1) All political subdivisions, other than (a)  
9 school districts, community colleges, natural resources districts,  
10 educational service units, cities, villages, counties, municipal  
11 counties, rural and suburban fire protection districts, and sanitary  
12 and improvement districts and (b) political subdivisions subject to  
13 municipal allocation under subsection (2) of this section, may levy  
14 taxes as authorized by law which are authorized by the county board  
15 of the county or the council of a municipal county in which the  
16 greatest portion of the valuation is located, which are counted in  
17 the county or municipal county levy limit provided in section  
18 77-3442, and which do not collectively total more than fifteen cents  
19 per one hundred dollars of taxable valuation on any parcel or item of  
20 taxable property for all governments for which allocations are made  
21 by the municipality, county, or municipal county, except that such  
22 limitation shall not apply to property tax levies for preexisting  
23 lease-purchase contracts approved prior to July 1, 1998, for bonded  
24 indebtedness approved according to law and secured by a levy on  
25 property, and for payments by a public airport to retire interest-

1 free loans from the Department of Aeronautics in lieu of bonded  
2 indebtedness at a lower cost to the public airport. The county board  
3 or council shall review and approve or disapprove the levy request of  
4 all political subdivisions subject to this subsection. The county  
5 board or council may approve all or a portion of the levy request and  
6 may approve a levy request that would allow the requesting political  
7 subdivision to levy a tax at a levy greater than that permitted by  
8 law. The county board of a county or the council of a municipal  
9 county which contains a transit authority created pursuant to section  
10 14-1803 shall allocate no less than three cents per one hundred  
11 dollars of taxable property within the city or municipal county  
12 subject to the levy to the transit authority if requested by such  
13 authority. For any political subdivision subject to this subsection  
14 that receives taxes from more than one county or municipal county,  
15 the levy shall be allocated only by the county or municipal county in  
16 which the greatest portion of the valuation is located. The county  
17 board of equalization shall certify all levies by October 15 to  
18 insure that the taxes levied by political subdivisions subject to  
19 this subsection do not exceed the allowable limit for any parcel or  
20 item of taxable property. The levy allocated by the county or  
21 municipal county may be exceeded as provided in section 77-3444.

22 (2) All city airport authorities established under the  
23 Cities Airport Authorities Act, community redevelopment authorities  
24 established under the Community Development Law, transit authorities  
25 established under the Transit Authority Law, and offstreet parking

1 districts established under the Offstreet Parking District Act may be  
2 allocated property taxes as authorized by law which are authorized by  
3 the city, village, or municipal county and are counted in the city or  
4 village levy limit or municipal county levy limit provided by section  
5 77-3442, except that such limitation shall not apply to property tax  
6 levies for preexisting lease-purchase contracts approved prior to  
7 July 1, 1998, for bonded indebtedness approved according to law and  
8 secured by a levy on property, and for payments by a public airport  
9 to retire interest-free loans from the Department of Aeronautics in  
10 lieu of bonded indebtedness at a lower cost to the public airport.  
11 For offstreet parking districts established under the Offstreet  
12 Parking District Act, the tax shall be counted in the allocation by  
13 the city proportionately, by dividing the total taxable valuation of  
14 the taxable property within the district by the total taxable  
15 valuation of the taxable property within the city multiplied by the  
16 levy of the district. The city council of a city which has created a  
17 transit authority pursuant to section 14-1803 or the council of a  
18 municipal county which contains a transit authority shall allocate no  
19 less than three cents per one hundred dollars of taxable property  
20 subject to the levy to the transit authority if requested by such  
21 authority. The city council, village board, or council shall review  
22 and approve or disapprove the levy request of the political  
23 subdivisions subject to this subsection. The city council, village  
24 board, or council may approve all or a portion of the levy request  
25 and may approve a levy request that would allow a levy greater than

1 that permitted by law. The levy allocated by the municipality or  
2 municipal county may be exceeded as provided in section 77-3444.

3 (3) On or before August 1, all political subdivisions  
4 subject to county, municipal, or municipal county levy authority  
5 under this section shall submit a preliminary request for levy  
6 allocation to the county board, city council, village board, or  
7 council that is responsible for levying such taxes. The preliminary  
8 request of the political subdivision shall be in the form of a  
9 resolution adopted by a majority vote of members present of the  
10 political subdivision's governing body. The failure of a political  
11 subdivision to make a preliminary request shall preclude such  
12 political subdivision from using procedures set forth in section  
13 77-3444 to exceed the final levy allocation as determined in  
14 subsection (4) of this section.

15 (4) Each county board, city council, village board, or  
16 council shall (a) adopt a resolution by a majority vote of members  
17 present which determines a final allocation of levy authority to its  
18 political subdivisions and (b) forward a copy of such resolution to  
19 the chairperson of the governing body of each of its political  
20 subdivisions. No final levy allocation shall be changed after  
21 September 1 except by agreement between both the county board, city  
22 council, village board, or council which determined the amount of the  
23 final levy allocation and the governing body of the political  
24 subdivision whose final levy allocation is at issue.

25 Sec. 8. Section 77-3444, Reissue Revised Statutes of



1 Nebraska, is amended to read:

2           77-3444 (1) A political subdivision, other than a Class I  
3 school district, may exceed the limits provided in section 77-3442 or  
4 a final levy allocation determination as provided in section 77-3443  
5 by an amount not to exceed a maximum levy approved by a majority of  
6 registered voters voting on the issue in a primary, general, or  
7 special election at which the issue is placed before the registered  
8 voters. A vote to exceed the limits provided in section 77-3442 or a  
9 final levy allocation as provided in section 77-3443 must be approved  
10 prior to October 10 of the fiscal year which is to be the first to  
11 exceed the limits or final levy allocation. The governing body of the  
12 political subdivision may call for the submission of the issue to the  
13 voters (a) by passing a resolution calling for exceeding the limits  
14 or final levy allocation by a vote of at least two-thirds of the  
15 members of the governing body and delivering a copy of the resolution  
16 to the county clerk or election commissioner of every county which  
17 contains all or part of the political subdivision or (b) upon receipt  
18 of a petition by the county clerk or election commissioner of every  
19 county containing all or part of the political subdivision requesting  
20 an election signed by at least five percent of the registered voters  
21 residing in the political subdivision. The resolution or petition  
22 shall include the amount of levy which would be imposed in excess of  
23 the limits provided in section 77-3442 or the final levy allocation  
24 as provided in section 77-3443 and the duration of the excess levy  
25 authority. The excess levy authority shall not have a duration

1 greater than five years. Any resolution or petition calling for a  
2 special election shall be filed with the county clerk or election  
3 commissioner no later than thirty days prior to the date of the  
4 election, and the time of publication and providing a copy of the  
5 notice of election required in section 32-802 shall be no later than  
6 twenty days prior to the election. The county clerk or election  
7 commissioner shall place the issue on the ballot at an election as  
8 called for in the resolution or petition which is at least thirty  
9 days after receipt of the resolution or petition. The election shall  
10 be held pursuant to the Election Act. For petitions filed with the  
11 county clerk or election commissioner on or after May 1, 1998, the  
12 petition shall be in the form as provided in sections 32-628 to  
13 32-631. Any excess levy authority approved under this section shall  
14 terminate pursuant to its terms, on a vote of the governing body of  
15 the political subdivision to terminate the authority to levy more  
16 than the limits, at the end of the fourth fiscal year following the  
17 first year in which the levy exceeded the limit or the final levy  
18 allocation, or as provided in subsection (4) of this section,  
19 whichever is earliest. A governing body may pass no more than one  
20 resolution calling for an election pursuant to this section during  
21 any one calendar year. Only one election may be held in any one  
22 calendar year pursuant to a petition initiated under this section.

23 (2) The ballot question may include any terms and  
24 conditions set forth in the resolution or petition and shall include  
25 the following: "Shall (name of political subdivision) be allowed to

1 levy a property tax not to exceed ..... cents per one hundred  
 2 dollars of taxable valuation in excess of the limits prescribed by  
 3 law until fiscal year ..... for the purposes of (general  
 4 operations; building construction, remodeling, or site acquisition;  
 5 or both general operations and building construction, remodeling, or  
 6 site acquisition)?". If a majority of the votes cast upon the ballot  
 7 question are in favor of such tax, the county board shall authorize a  
 8 tax in excess of the limits in section 77-3442 or the final levy  
 9 allocation in section 77-3443 but such tax shall not exceed the  
 10 amount stated in the ballot question. If a majority of those voting  
 11 on the ballot question are opposed to such tax, the governing body of  
 12 the political subdivision shall not impose such tax.

13 (3) In lieu of the election procedures in subsection (1)  
 14 of this section, any political subdivision subject to section  
 15 77-3443, other than a Class I school district, and villages and rural  
 16 and suburban fire protection districts may approve a levy in excess  
 17 of the limits in section 77-3442 or the final levy allocation  
 18 provided in section 77-3443 for a period of one year at a meeting of  
 19 the residents of the political subdivision, ~~or~~ village, or rural or  
 20 suburban fire protection district, called after notice is published  
 21 in a newspaper of general circulation in the political subdivision,  
 22 ~~or~~ village, or rural or suburban fire protection district, at least  
 23 twenty days prior to the meeting. At least ten percent of the  
 24 registered voters residing in the political subdivision, ~~or~~ village,  
 25 or rural or suburban fire protection district, shall constitute a

1 quorum for purposes of taking action to exceed the limits or final  
2 levy allocation. A record shall be made of the registered voters  
3 residing in the political subdivision or village who are present at  
4 the meeting. The method of voting at the meeting shall protect the  
5 secrecy of the ballot. If a majority of the registered voters present  
6 at the meeting vote in favor of exceeding the limits or final levy  
7 allocation, a copy of the record of that action shall be forwarded to  
8 the county board prior to October 10 and the county board shall  
9 authorize a levy as approved by the residents for the year. If a  
10 majority of the registered voters present at the meeting vote against  
11 exceeding the limits or final allocation, the limit or allocation  
12 shall not be exceeded and the political subdivision shall have no  
13 power to call for an election under subsection (1) of this section.

14 (4) A political subdivision, other than a Class I school  
15 district, may rescind or modify a previously approved excess levy  
16 authority prior to its expiration by a majority of registered voters  
17 voting on the issue in a primary, general, or special election at  
18 which the issue is placed before the registered voters. A vote to  
19 rescind or modify must be approved prior to October 10 of the fiscal  
20 year for which it is to be effective. The governing body of the  
21 political subdivision may call for the submission of the issue to the  
22 voters (a) by passing a resolution calling for the rescission or  
23 modification by a vote of at least two-thirds of the members of the  
24 governing body and delivering a copy of the resolution to the county  
25 clerk or election commissioner of every county which contains all or

1 part of the political subdivision or (b) upon receipt of a petition  
2 by the county clerk or election commissioner of every county  
3 containing all or part of the political subdivision requesting an  
4 election signed by at least five percent of the registered voters  
5 residing in the political subdivision. The resolution or petition  
6 shall include the amount and the duration of the previously approved  
7 excess levy authority and a statement that either such excess levy  
8 authority will be rescinded or such excess levy authority will be  
9 modified. If the excess levy authority will be modified, the amount  
10 and duration of such modification shall be stated. The modification  
11 shall not have a duration greater than five years. The county clerk  
12 or election commissioner shall place the issue on the ballot at an  
13 election as called for in the resolution or petition which is at  
14 least thirty days after receipt of the resolution or petition, and  
15 the time of publication and providing a copy of the notice of  
16 election required in section 32-802 shall be no later than twenty  
17 days prior to the election. The election shall be held pursuant to  
18 the Election Act.

19 (5) For purposes of this section, when the political  
20 subdivision is a sanitary and improvement district, registered voter  
21 means a person qualified to vote as provided in section 31-735. Any  
22 election conducted under this section for a sanitary and improvement  
23 district shall be conducted and counted as provided in sections  
24 31-735 to 31-735.06.

25 (6) For purposes of this section, when the political

1 subdivision is a school district or a multiple-district school  
2 system, registered voter includes both (a) persons qualified to vote  
3 for the members of the school board of the school district which is  
4 voting to exceed the maximum levy limits pursuant to this section and  
5 (b) persons in those portions of any Class I district which are  
6 affiliated with or a part of the school district which is voting  
7 pursuant to this section, if such voter is also qualified to vote for  
8 the school board of the affected Class I school district.

9           Sec. 9. This act becomes operative on July 1, 2012.

10           Sec. 10. Original sections 13-2809, 35-508, 35-509,  
11 35-514.02, 35-517, 77-3443, and 77-3444, Reissue Revised Statutes of  
12 Nebraska, and section 77-3442, Revised Statutes Cumulative  
13 Supplement, 2010, are repealed.