

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 739

Introduced by Smith, 14.

Read first time January 06, 2016

Committee: Education

1 A BILL FOR AN ACT relating to schools; to amend sections 79-528,
2 79-1007.18, 79-1008.02, 79-1022, 79-1036, 79-1041, 79-10,120,
3 79-10,126, 79-2104, 79-2111, and 79-2404, Reissue Revised Statutes
4 of Nebraska, sections 70-651.04 and 77-1736.06, Revised Statutes
5 Cumulative Supplement, 2014, and section 77-3442, Revised Statutes
6 Supplement, 2015; to eliminate certain taxing authority of learning
7 communities; to harmonize provisions; to repeal the original
8 sections; and to outright repeal sections 79-1073, 79-1073.01, and
9 79-10,126.01, Reissue Revised Statutes of Nebraska.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 70-651.04, Revised Statutes Cumulative
2 Supplement, 2014, is amended to read:

3 70-651.04 All payments which are based on retail revenue from each
4 incorporated city or village shall be divided and distributed by the
5 county treasurer to that city or village, to the school districts located
6 in that city or village, ~~to any learning community located in that city~~
7 ~~or village,~~ and to the county in which may be located any such
8 incorporated city or village in the proportion that their respective
9 property tax levies in the preceding year bore to the total of such
10 levies, ~~except that the only learning community levies to be included are~~
11 ~~the common levies for which the proceeds are distributed to member school~~
12 ~~districts pursuant to sections 79-1073 and 79-1073.01.~~

13 Sec. 2. Section 77-1736.06, Revised Statutes Cumulative Supplement,
14 2014, is amended to read:

15 77-1736.06 The following procedure shall apply when making a
16 property tax refund:

17 (1) Within thirty days of the entry of a final nonappealable order,
18 an unprotested determination of a county assessor, an unappealed decision
19 of a county board of equalization, or other final action requiring a
20 refund of real or personal property taxes paid or, for property valued by
21 the state, within thirty days of a recertification of value by the
22 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
23 county assessor shall determine the amount of refund due the person
24 entitled to the refund, certify that amount to the county treasurer, and
25 send a copy of such certification to the person entitled to the refund.
26 Within thirty days from the date the county assessor certifies the amount
27 of the refund, the county treasurer shall notify each political
28 subdivision, including any ~~school district receiving a distribution~~
29 ~~pursuant to section 79-1073 or 79-1073.01 and any land bank receiving~~
30 real property taxes pursuant to subdivision (3)(a) of section 19-5211, of
31 its respective share of the refund, except that for any political

1 subdivision whose share of the refund is two hundred dollars or less, the
2 county board may waive this notice requirement. Notification shall be by
3 first-class mail, postage prepaid, to the last-known address of record of
4 the political subdivision. The county treasurer shall pay the refund from
5 funds in his or her possession belonging to any political subdivision,
6 including any school district receiving a distribution pursuant to
7 ~~section 79-1073 or 79-1073.01~~ and any land bank receiving real property
8 taxes pursuant to subdivision (3)(a) of section 19-5211, which received
9 any part of the tax or penalty being refunded. If sufficient funds are
10 not available or the political subdivision, within thirty days of the
11 mailing of the notice by the county treasurer if applicable, certifies to
12 the county treasurer that a hardship would result and create a serious
13 interference with its governmental functions if the refund of the tax or
14 penalty is paid, the county treasurer shall register the refund or
15 portion thereof which remains unpaid as a claim against such political
16 subdivision and shall issue the person entitled to the refund a receipt
17 for the registration of the claim. The certification by a political
18 subdivision declaring a hardship shall be binding upon the county
19 treasurer;

20 (2) The refund of a tax or penalty or the receipt for the
21 registration of a claim made or issued pursuant to this section shall be
22 satisfied in full as soon as practicable and in no event later than five
23 years from the date the final order or other action approving a refund is
24 entered. The governing body of the political subdivision shall make
25 provisions in its budget for the amount of any refund or claim to be
26 satisfied pursuant to this section. If a receipt for the registration of
27 a claim is given:

28 (a) Such receipt shall be applied to satisfy any tax levied or
29 assessed by that political subdivision next falling due from the person
30 holding the receipt after the sixth next succeeding levy is made on
31 behalf of the political subdivision following the final order or other

1 action approving the refund; and

2 (b) To the extent the amount of such receipt exceeds the amount of
3 such tax liability, the unsatisfied balance of the receipt shall be paid
4 and satisfied within the five-year period prescribed in this subdivision
5 from a combination of a credit against taxes anticipated to be due to the
6 political subdivision during such period and cash payment from any funds
7 expected to accrue to the political subdivision pursuant to a written
8 plan to be filed by the political subdivision with the county treasurer
9 no later than thirty days after the claim against the political
10 subdivision is first reduced by operation of a credit against taxes due
11 to such political subdivision.

12 If a political subdivision fails to fully satisfy the refund or
13 claim prior to the sixth next succeeding levy following the entry of a
14 final nonappealable order or other action approving a refund, interest
15 shall accrue on the unpaid balance commencing on the sixth next
16 succeeding levy following such entry or action at the rate set forth in
17 section 45-103;

18 (3) The county treasurer shall mail the refund or the receipt by
19 first-class mail, postage prepaid, to the last-known address of the
20 person entitled thereto. Multiple refunds to the same person may be
21 combined into one refund or credit. If a refund is not claimed by June 1
22 of the year following the year of mailing, the refund shall be canceled
23 and the resultant amount credited to the various funds originally
24 charged;

25 (4) When the refund involves property valued by the state, the Tax
26 Commissioner shall be authorized to negotiate a settlement of the amount
27 of the refund or claim due pursuant to this section on behalf of the
28 political subdivision from which such refund or claim is due. Any
29 political subdivision which does not agree with the settlement terms as
30 negotiated may reject such terms, and the refund or claim due from the
31 political subdivision then shall be satisfied as set forth in this

1 section as if no such negotiation had occurred;

2 (5) In the event that the Legislature appropriates state funds to be
3 disbursed for the purposes of satisfying all or any portion of any refund
4 or claim, the Tax Commissioner shall order the county treasurer to
5 disburse such refund amounts directly to the persons entitled to the
6 refund in partial or total satisfaction of such persons' claims. The
7 county treasurer shall disburse such amounts within forty-five days after
8 receipt thereof; and

9 (6) If all or any portion of the refund is reduced by way of
10 settlement or forgiveness by the person entitled to the refund, the
11 proportionate amount of the refund that was paid by an appropriation of
12 state funds shall be reimbursed by the county treasurer to the State
13 Treasurer within forty-five days after receipt of the settlement
14 agreement or receipt of the forgiven refund. The amount so reimbursed
15 shall be credited to the General Fund.

16 Sec. 3. Section 77-3442, Revised Statutes Supplement, 2015, is
17 amended to read:

18 77-3442 (1) Property tax levies for the support of local governments
19 for fiscal years beginning on or after July 1, 1998, shall be limited to
20 the amounts set forth in this section except as provided in section
21 77-3444.

22 (2)(a) Except as provided in subdivision (2)(c e) of this section,
23 school districts and multiple-district school systems, ~~except learning~~
24 ~~communities and school districts that are members of learning~~
25 ~~communities,~~ may levy a maximum levy of one dollar and five cents per one
26 hundred dollars of taxable valuation of property subject to the levy.

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

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

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

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

27 ~~(f) For school fiscal year 2002-03 through school fiscal year~~
28 ~~2007-08, school districts and multiple-district school systems may, upon~~
29 ~~a three-fourths majority vote of the school board of the school district,~~
30 ~~the board of the unified system, or the school board of the high school~~
31 ~~district of the multiple-district school system that is not a unified~~

1 ~~system, exceed the maximum levy prescribed by subdivision (2)(a) of this~~
2 ~~section in an amount equal to the net difference between the amount of~~
3 ~~state aid that would have been provided under the Tax Equity and~~
4 ~~Educational Opportunities Support Act without the temporary aid~~
5 ~~adjustment factor as defined in section 79-1003 for the ensuing school~~
6 ~~fiscal year for the school district or multiple-district school system~~
7 ~~and the amount provided with the temporary aid adjustment factor. The~~
8 ~~State Department of Education shall certify to the school districts and~~
9 ~~multiple-district school systems the amount by which the maximum levy may~~
10 ~~be exceeded for the next school fiscal year pursuant to this subdivision~~
11 ~~(f) of this subsection on or before February 15 for school fiscal years~~
12 ~~2004-05 through 2007-08.~~

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

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

25 ~~(e i) For each fiscal year, learning communities may levy a maximum~~
26 ~~levy of one and one-half cents on each one hundred dollars of taxable~~
27 ~~property subject to the levy for early childhood education programs for~~
28 ~~children in poverty, for elementary learning center employees, for~~
29 ~~contracts with other entities or individuals who are not employees of the~~
30 ~~learning community for elementary learning center programs and services,~~
31 ~~and for pilot projects, except that no more than ten percent of such levy~~

1 may be used for elementary learning center employees.

2 (3)(a) For fiscal years 2011-12 and 2012-13, community college areas
3 may levy a maximum of ten and one-quarter cents per one hundred dollars
4 of taxable valuation of property subject to the levy for operating
5 expenditures and may also levy the additional levies provided in
6 subdivisions (1)(b) and (c) of section 85-1517.

7 (b) For fiscal year 2013-14 and each fiscal year thereafter,
8 community college areas may levy the levies provided in subdivisions (2)
9 (a) through (c) of section 85-1517, in accordance with the provisions of
10 such subdivisions. A community college area may exceed the levy provided
11 in subdivision (2)(b) of section 85-1517 by the amount necessary to
12 retire general obligation bonds assumed by the community college area or
13 issued pursuant to section 85-1515 according to the terms of such bonds
14 or for any obligation pursuant to section 85-1535 entered into prior to
15 January 1, 1997.

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

19 (b) Natural resources districts shall also have the power and
20 authority to levy a tax equal to the dollar amount by which their
21 restricted funds budgeted to administer and implement ground water
22 management activities and integrated management activities under the
23 Nebraska Ground Water Management and Protection Act exceed their
24 restricted funds budgeted to administer and implement ground water
25 management activities and integrated management activities for FY2003-04,
26 not to exceed one cent on each one hundred dollars of taxable valuation
27 annually on all of the taxable property within the district.

28 (c) In addition, natural resources districts located in a river
29 basin, subbasin, or reach that has been determined to be fully
30 appropriated pursuant to section 46-714 or designated as overappropriated
31 pursuant to section 46-713 by the Department of Natural Resources shall

1 also have the power and authority to levy a tax equal to the dollar
2 amount by which their restricted funds budgeted to administer and
3 implement ground water management activities and integrated management
4 activities under the Nebraska Ground Water Management and Protection Act
5 exceed their restricted funds budgeted to administer and implement ground
6 water management activities and integrated management activities for
7 FY2005-06, not to exceed three cents on each one hundred dollars of
8 taxable valuation on all of the taxable property within the district for
9 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
10 2017-18.

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

15 (6)(a) Incorporated cities and villages which are not within the
16 boundaries of a municipal county may levy a maximum levy of forty-five
17 cents per one hundred dollars of taxable valuation of property subject to
18 the levy plus an additional five cents per one hundred dollars of taxable
19 valuation to provide financing for the municipality's share of revenue
20 required under an agreement or agreements executed pursuant to the
21 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
22 levy shall include amounts levied to pay for sums to support a library
23 pursuant to section 51-201, museum pursuant to section 51-501, visiting
24 community nurse, home health nurse, or home health agency pursuant to
25 section 71-1637, or statue, memorial, or monument pursuant to section
26 80-202.

27 (b) Incorporated cities and villages which are within the boundaries
28 of a municipal county may levy a maximum levy of ninety cents per one
29 hundred dollars of taxable valuation of property subject to the levy. The
30 maximum levy shall include amounts paid to a municipal county for county
31 services, amounts levied to pay for sums to support a library pursuant to

1 section 51-201, a museum pursuant to section 51-501, a visiting community
2 nurse, home health nurse, or home health agency pursuant to section
3 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

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

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

1 that political subdivision's share of revenue required under an agreement
2 or agreements executed pursuant to the Interlocal Cooperation Act or the
3 Joint Public Agency Act. If an allocation by a county would cause another
4 county to exceed its levy authority under this section, the second county
5 may exceed the levy authority in order to levy the amount allocated.

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

11 (10) Rural and suburban fire protection districts may levy a maximum
12 levy of ten and one-half cents per one hundred dollars of taxable
13 valuation of property subject to the levy if (a) such district is located
14 in a county that had a levy pursuant to subsection (8) of this section in
15 the previous year of at least forty cents per one hundred dollars of
16 taxable valuation of property subject to the levy or (b) for any rural or
17 suburban fire protection district that had a levy request pursuant to
18 section 77-3443 in the previous year, the county board of the county in
19 which the greatest portion of the valuation of such district is located
20 did not authorize any levy authority to such district in the previous
21 year.

22 (11) Property tax levies (a) for judgments, except judgments or
23 orders from the Commission of Industrial Relations, obtained against a
24 political subdivision which require or obligate a political subdivision
25 to pay such judgment, to the extent such judgment is not paid by
26 liability insurance coverage of a political subdivision, (b) for
27 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
28 for bonds as defined in section 10-134 approved according to law and
29 secured by a levy on property except as provided in section 44-4317 for
30 bonded indebtedness issued by educational service units and school
31 districts, and (d) 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 are not included in
3 the levy limits established by this section.

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

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

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

15 (15) For school districts that file a binding resolution on or
16 before May 9, 2008, with the county assessors, county clerks, and county
17 treasurers for all counties in which the school district has territory
18 pursuant to subsection (7) of section 79-458, if the combined levies,
19 except levies for bonded indebtedness approved by the voters of the
20 school district and levies for the refinancing of such bonded
21 indebtedness, are in excess of the greater of (a) one dollar and twenty
22 cents per one hundred dollars of taxable valuation of property subject to
23 the levy or (b) the maximum levy authorized by a vote pursuant to section
24 77-3444, all school district levies, except levies for bonded
25 indebtedness approved by the voters of the school district and levies for
26 the refinancing of such bonded indebtedness, shall be considered
27 unauthorized levies under section 77-1606.

28 Sec. 4. Section 79-528, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-528 (1)(a) On or before July 20 in all school districts, the
31 superintendent shall file with the State Department of Education a report

1 showing the number of children from five through eighteen years of age
2 belonging to the school district according to the census taken as
3 provided in sections 79-524 and 79-578. On or before August 31, the
4 department shall issue to each learning community coordinating council a
5 report showing the number of children from five through eighteen years of
6 age belonging to the learning community based on the member school
7 districts according to the school district reports filed with the
8 department.

9 (b) Each Class I school district which is part of a Class VI school
10 district offering instruction (i) in grades kindergarten through five
11 shall report children from five through ten years of age, (ii) in grades
12 kindergarten through six shall report children from five through eleven
13 years of age, and (iii) in grades kindergarten through eight shall report
14 children from five through thirteen years of age.

15 (c) Each Class VI school district offering instruction (i) in grades
16 six through twelve shall report children who are eleven through eighteen
17 years of age, (ii) in grades seven through twelve shall report children
18 who are twelve through eighteen years of age, and (iii) in grades nine
19 through twelve shall report children who are fourteen through eighteen
20 years of age.

21 (d) Each Class I district which has affiliated in whole or in part
22 shall report children from five through thirteen years of age.

23 (e) Each Class II, III, IV, or V district shall report children who
24 are fourteen through eighteen years of age residing in Class I districts
25 or portions thereof which have affiliated with such district.

26 (f) The board of any district neglecting to take and report the
27 enumeration shall be liable to the school district for all school money
28 which such district may lose by such neglect.

29 (2) On or before June 30 the superintendent of each school district
30 shall file with the Commissioner of Education a report described as an
31 end-of-the-school-year annual statistical summary showing (a) the number

1 of children attending school during the year under five years of age, (b)
2 the length of time the school has been taught during the year by a
3 qualified teacher, (c) the length of time taught by each substitute
4 teacher, and (d) such other information as the Commissioner of Education
5 directs. On or before July 31, the commissioner shall issue to each
6 learning community coordinating council an end-of-the-school-year annual
7 statistical summary for the learning community based on the member school
8 districts according to the school district reports filed with the
9 commissioner.

10 (3)(a) On or before November 1 the superintendent of each school
11 district shall submit to the Commissioner of Education a report described
12 as the annual financial report showing (i) the amount of money received
13 from all sources during the year and the amount of money expended by the
14 school district during the year, (ii) the amount of bonded indebtedness,
15 (iii) such other information as shall be necessary to fulfill the
16 requirements of the Tax Equity and Educational Opportunities Support Act
17 and section 79-1114, and (iv) such other information as the Commissioner
18 of Education directs.

19 (b) On or before December 15, the commissioner shall issue to each
20 learning community coordinating council an annual financial report for
21 the learning community based on the member school districts according to
22 the annual financial reports filed with the commissioner, showing (i) the
23 aggregate amount of money received from all sources during the year for
24 all member school districts and the aggregate amount of money expended by
25 member school districts during the year, (ii) the aggregate amount of
26 bonded indebtedness for all member school districts, (iii) such other
27 aggregate information as shall be necessary to fulfill the requirements
28 of the Tax Equity and Educational Opportunities Support Act and section
29 79-1114 for all member school districts, and (iv) such other aggregate
30 information as the Commissioner of Education directs for all member
31 school districts.

1 (4)(a) On or before October 15 of each year, the superintendent of
2 each school district shall file with the commissioner the fall school
3 district membership report, which report shall include the number of
4 children from birth through twenty years of age enrolled in the district
5 on the last Friday in September of a given school year. The report shall
6 enumerate (i) students by grade level, (ii) school district levies and
7 total assessed valuation for the current fiscal year, and (iii) such
8 other information as the Commissioner of Education directs.

9 ~~(b) On or before October 15 of each year, each learning community~~
10 ~~coordinating council shall issue to the department a report which~~
11 ~~enumerates the learning community levies pursuant to subdivisions (2)(b)~~
12 ~~and (g) of section 77-3442 and total assessed valuation for the current~~
13 ~~fiscal year.~~

14 (b e) On or before November 15 of each year, the department shall
15 issue to each learning community coordinating council the fall learning
16 community membership report, which report shall include the aggregate
17 number of children from birth through twenty years of age enrolled in the
18 member school districts on the last Friday in September of a given school
19 year for all member school districts. The report shall enumerate (i) the
20 aggregate students by grade level for all member school districts, (ii)
21 school district levies and total assessed valuation for the current
22 fiscal year, and (iii) such other information as the Commissioner of
23 Education directs for all member school districts.

24 (c d) When any school district fails to submit its fall membership
25 report by November 1, the commissioner shall, after notice to the
26 district and an opportunity to be heard, direct that any state aid
27 granted pursuant to the Tax Equity and Educational Opportunities Support
28 Act be withheld until such time as the report is received by the
29 department. In addition, the commissioner shall direct the county
30 treasurer to withhold all school money belonging to the school district
31 until such time as the commissioner notifies the county treasurer of

1 receipt of such report. The county treasurer shall withhold such money.

2 Sec. 5. Section 79-1007.18, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-1007.18 (1) The department shall calculate an averaging
5 adjustment for districts if the basic funding per formula student is less
6 than the averaging adjustment threshold and the general fund levy for the
7 school fiscal year immediately preceding the school fiscal year for which
8 aid is being calculated was at least one dollar per one hundred dollars
9 of taxable valuation. ~~For school districts that are members of a learning~~
10 ~~community, the general fund levy for purposes of this section includes~~
11 ~~both the common general fund levy and the school district general fund~~
12 ~~levy authorized pursuant to subdivisions (2)(b) and (2)(c) of section~~
13 ~~77-3442.~~ The averaging adjustment shall equal the district's formula
14 students multiplied by the percentage specified in this section for such
15 district of the difference between the averaging adjustment threshold
16 minus such district's basic funding per formula student.

17 (2)(a) For school fiscal years 2012-13 and 2013-14, the averaging
18 adjustment threshold shall equal the lesser of (i) the averaging
19 adjustment threshold for the school fiscal year immediately preceding the
20 school fiscal year for which aid is being calculated increased by the
21 basic allowable growth rate or (ii) the statewide average basic funding
22 per formula student for the school fiscal year for which aid is being
23 calculated.

24 (b) For school fiscal year 2014-15 and each school fiscal year
25 thereafter, the averaging adjustment threshold shall equal the aggregate
26 basic funding for all districts with nine hundred or more formula
27 students divided by the aggregate formula students for all districts with
28 nine hundred or more formula students for the school fiscal year for
29 which aid is being calculated.

30 (3) The percentage to be used in the calculation of an averaging
31 adjustment shall be based on the general fund levy for the school fiscal

1 year immediately preceding the school fiscal year for which aid is being
2 calculated.

3 (4) The percentages to be used in the calculation of averaging
4 adjustments shall be as follows:

5 (a) If such levy was at least one dollar per one hundred dollars of
6 taxable valuation but less than one dollar and one cent per one hundred
7 dollars of taxable valuation, the percentage shall be fifty percent;

8 (b) If such levy was at least one dollar and one cent per one
9 hundred dollars of taxable valuation but less than one dollar and two
10 cents per one hundred dollars of taxable valuation, the percentage shall
11 be sixty percent;

12 (c) If such levy was at least one dollar and two cents per one
13 hundred dollars of taxable valuation but less than one dollar and three
14 cents per one hundred dollars of taxable valuation, the percentage shall
15 be seventy percent;

16 (d) If such levy was at least one dollar and three cents per one
17 hundred dollars of taxable valuation but less than one dollar and four
18 cents per one hundred dollars of taxable valuation, the percentage shall
19 be eighty percent; and

20 (e) If such levy was at least one dollar and four cents per one
21 hundred dollars of taxable valuation, the percentage shall be ninety
22 percent.

23 Sec. 6. Section 79-1008.02, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 79-1008.02 A minimum levy adjustment shall be calculated and applied
26 to any local system that has a general fund common levy for the fiscal
27 year during which aid is certified that is less than the maximum levy,
28 for such fiscal year for such local system, allowed pursuant to
29 subdivision (2)(a) ~~or (b)~~ of section 77-3442 without a vote pursuant to
30 section 77-3444 ~~less five cents for learning communities and less ten~~
31 ~~cents for all other local systems.~~ To calculate the minimum levy

1 adjustment, the department shall subtract the local system general fund
2 common levy for such fiscal year for such local system from the maximum
3 levy allowed pursuant to subdivision (2)(a) ~~or (b)~~ of section 77-3442
4 without a vote pursuant to section 77-3444 ~~less five cents for learning~~
5 ~~communities and less ten cents for all other local systems~~ and multiply
6 the result by the local system's adjusted valuation divided by one
7 hundred. The minimum levy adjustment shall be added to the formula
8 resources of the local system for the determination of equalization aid
9 pursuant to section 79-1008.01. If the minimum levy adjustment is greater
10 than or equal to the allocated income tax funds calculated pursuant to
11 section 79-1005.01, the local system shall not receive allocated income
12 tax funds. If the minimum levy adjustment is less than the allocated
13 income tax funds calculated pursuant to section 79-1005.01, the local
14 system shall receive allocated income tax funds in the amount of the
15 difference between the allocated income tax funds calculated pursuant to
16 section 79-1005.01 and the minimum levy adjustment. ~~This section does not~~
17 ~~apply to the calculation of aid for a local system containing a learning~~
18 ~~community for the first school fiscal year for which aid is calculated~~
19 ~~for such local system.~~

20 Sec. 7. Section 79-1022, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 79-1022 (1) On or before April 10, 2014, and on or before March 1 of
23 each year thereafter for each ensuing fiscal year, the department shall
24 determine the amounts to be distributed to each local system and each
25 district for the ensuing school fiscal year pursuant to the Tax Equity
26 and Educational Opportunities Support Act and shall certify the amounts
27 to the Director of Administrative Services, the Auditor of Public
28 Accounts, ~~each learning community,~~ and each district. The amount to be
29 distributed to each district ~~that is not a member of a learning community~~
30 from the amount certified for a local system shall be proportional based
31 on the formula students attributed to each district in the local system.

1 ~~The amount to be distributed to each district that is a member of a~~
2 ~~learning community from the amount certified for the local system shall~~
3 ~~be proportional based on the formula needs calculated for each district~~
4 ~~in the local system.~~ On or before April 10, 2014, and on or before March
5 1 of each year thereafter for each ensuing fiscal year, the department
6 shall report the necessary funding level for the ensuing school fiscal
7 year to the Governor, the Appropriations Committee of the Legislature,
8 and the Education Committee of the Legislature. The report submitted to
9 the committees of the Legislature shall be submitted electronically.
10 Except as otherwise provided in this subsection, certified state aid
11 amounts, including adjustments pursuant to section 79-1065.02, shall be
12 shown as budgeted non-property-tax receipts and deducted prior to
13 calculating the property tax request in the district's general fund
14 budget statement as provided to the Auditor of Public Accounts pursuant
15 to section 79-1024.

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

25 Sec. 8. Section 79-1036, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 79-1036 (1) In making the apportionment under section 79-1035, the
28 Commissioner of Education shall distribute from the school fund for
29 school purposes, to any and all school districts ~~learning communities and~~
30 ~~school districts which are not members of a learning community,~~ in which
31 there are situated school lands which have not been sold and transferred

1 by deed or saline lands owned by the state, which lands are being used
2 for a public purpose, an amount in lieu of tax money that would be raised
3 by school district levies ~~and learning community common levies for which~~
4 ~~the proceeds are distributed to member school districts pursuant to~~
5 ~~sections 79-1073 and 79-1073.01~~ if such lands were taxable, to be
6 ascertained in accordance with subsection (2) of this section, except
7 that:

8 (a) For Class I districts or portions thereof which are affiliated
9 and in which there are situated school or saline lands, 38.6207 percent
10 of the in lieu of land tax money calculated pursuant to subsection (2) of
11 this section, based on the affiliated school system tax levy computed
12 pursuant to section 79-1077, shall be distributed to the affiliated high
13 school district and the remainder shall be distributed to the Class I
14 district;

15 (b) For Class I districts or portions thereof which are part of a
16 Class VI district which offers instruction in grades nine through twelve
17 and in which there are situated school or saline lands, 38.6207 percent
18 of the in lieu of land tax money calculated pursuant to subsection (2) of
19 this section, based on the Class VI school system levy computed pursuant
20 to section 79-1078, shall be distributed to the Class VI district and the
21 remainder shall be distributed to the Class I district;

22 (c) For Class I districts or portions thereof which are part of a
23 Class VI district which offers instruction in grades seven through twelve
24 and in which there are situated school or saline lands, 55.1724 percent
25 of the in lieu of land tax money calculated pursuant to subsection (2) of
26 this section, based on the Class VI school system levy computed pursuant
27 to section 79-1078, shall be distributed to the Class VI district and the
28 remainder shall be distributed to the Class I district; and

29 (d) For Class I districts or portions thereof which are part of a
30 Class VI district which offers instruction in grades six through twelve
31 and in which there are situated school or saline lands, 62.0690 percent

1 of the in lieu of land tax money calculated pursuant to subsection (2) of
2 this section, based on the Class VI school system levy computed pursuant
3 to section 79-1078, shall be distributed to the Class VI district and the
4 remainder shall be distributed to the Class I district.

5 (2) The county assessor shall certify to the Commissioner of
6 Education the tax levies of each school district ~~and learning community~~
7 in which school land or saline land is located and the last appraised
8 value of such school land, which value shall be the same percentage of
9 the appraised value as the percentage of the assessed value is of market
10 value in subsection (2) of section 77-201 for the purpose of applying the
11 applicable tax levies for each district ~~and learning community~~ in
12 determining the distribution to the districts of such amounts. The school
13 board of any school district ~~and the learning community coordinating~~
14 ~~council of any learning community~~ in which there is located any leased or
15 undeeded school land or saline land subject to this section may appeal to
16 the Board of Educational Lands and Funds for a reappraisalment of such
17 school land if such school board ~~or learning community coordinating~~
18 ~~council~~ deems the land not appraised in proportion to the value of
19 adjoining land of the same or similar value. The Board of Educational
20 Lands and Funds shall proceed to investigate the facts involved in such
21 appeal and, if the contention of the school board ~~or learning community~~
22 ~~coordinating council~~ is correct, make the proper reappraisalment. The
23 value calculation in this subsection shall be used by the Commissioner of
24 Education for making distributions in each school fiscal year.

25 Sec. 9. Section 79-1041, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 79-1041 ~~Each county treasurer of a county with territory in a~~
28 ~~learning community shall distribute any funds collected by such county~~
29 ~~treasurer from the common general fund levy and the common building fund~~
30 ~~levy of such learning community to each member school district pursuant~~
31 ~~to sections 79-1073 and 79-1073.01 at least once each month.~~

1 Each county treasurer shall, upon request of a majority of the
2 members of the school board or board of education in any school district,
3 at least once each month distribute to the district any funds collected
4 by such county treasurer for school purposes.

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

7 79-10,120 The school board or board of education of a Class II, III,
8 IV, V, or VI school district may establish a special fund for purposes of
9 acquiring sites for school buildings or teacherages, purchasing existing
10 buildings for use as school buildings or teacherages, including the sites
11 upon which such buildings are located, and the erection, alteration,
12 equipping, and furnishing of school buildings or teacherages and
13 additions to school buildings for elementary and high school grades and
14 for no other purpose. ~~The For school districts that are not members of~~
15 ~~learning communities,~~ the fund shall be established from the proceeds of
16 an annual levy, to be determined by the board, of not to exceed fourteen
17 cents on each one hundred dollars upon the taxable value of all taxable
18 property in the district which shall be in addition to any other taxes
19 authorized to be levied for school purposes. Such tax shall be levied and
20 collected as are other taxes for school purposes. ~~For school districts~~
21 ~~that are members of a learning community,~~ such fund shall be established
22 ~~from the proceeds of the learning community special building funds levy~~
23 ~~directed to the school district for such purpose pursuant to subdivision~~
24 ~~(2)(g) of section 77-3442 and the proceeds of any school district special~~
25 ~~building fund levy pursuant to subdivision (2)(c) of section 77-3442.~~

26 Sec. 11. Section 79-10,126, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 79-10,126 A Class V school district ~~that is not a member of a~~
29 ~~learning community~~ shall establish (1) for the general operation of the
30 schools, such fund as will result from an annual levy of such rate of tax
31 upon the taxable value of all the taxable property in such school

1 district as the board of education determines to be necessary for such
2 purpose, (2) a fund resulting from an annual amount of tax to be
3 determined by the board of education of not to exceed fourteen cents on
4 each one hundred dollars upon the taxable value of all the taxable
5 property in the district for the purpose of acquiring sites of school
6 buildings and the erection, alteration, equipping, and furnishing of
7 school buildings and additions to school buildings, which tax levy shall
8 be used for no other purposes, and (3) a further fund resulting from an
9 annual amount of tax to be determined by the board of education to pay
10 interest on and retiring, funding, or servicing of bonded indebtedness of
11 the district.

12 Sec. 12. Section 79-2104, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 79-2104 A learning community coordinating council shall have the
15 authority to:

16 ~~(1) Levy a common levy for the general funds of member school~~
17 ~~districts pursuant to sections 77-3442 and 79-1073;~~

18 ~~(2) Levy a common levy for the special building funds of member~~
19 ~~school districts pursuant to sections 77-3442 and 79-1073.01;~~

20 (1 3) Levy for elementary learning center facility leases, for
21 remodeling of leased elementary learning center facilities, and for up to
22 fifty percent of the estimated cost for focus school or program capital
23 projects approved by the learning community coordinating council pursuant
24 to subdivision (2)(d h) of section 77-3442 and section 79-2111;

25 (2 4) Levy for early childhood education programs for children in
26 poverty, for elementary learning center employees, for contracts with
27 other entities or individuals who are not employees of the learning
28 community for elementary learning center programs and services, and for
29 pilot projects pursuant to subdivision (2)(e i) of section 77-3442,
30 except that not more than ten percent of such levy may be used for
31 elementary learning center employees;

1 (3 ~~5~~) Collect, analyze, and report data and information, including,
2 but not limited to, information provided by a school district pursuant to
3 subsection (5) of section 79-201;

4 (4 ~~6~~) Approve focus schools and focus programs to be operated by
5 member school districts;

6 (5 ~~7~~) Adopt, approve, and implement a diversity plan which shall
7 include open enrollment and may include focus schools, focus programs,
8 magnet schools, and pathways pursuant to section 79-2110;

9 (6 ~~8~~) Administer the open enrollment provisions in section 79-2110
10 for the learning community as part of a diversity plan developed by the
11 council to provide educational opportunities which will result in
12 increased diversity in schools across the learning community;

13 (7 ~~9~~) Annually conduct school fairs to provide students and parents
14 the opportunity to explore the educational opportunities available at
15 each school in the learning community and develop other methods for
16 encouraging access to such information and promotional materials;

17 (8 ~~10~~) Develop and approve reorganization plans for submission
18 pursuant to the Learning Community Reorganization Act;

19 (9 ~~11~~) Establish and administer elementary learning centers through
20 achievement subcouncils pursuant to sections 79-2112 to 79-2114;

21 (10 ~~12~~) Administer the learning community funds distributed to the
22 learning community pursuant to section 79-2111;

23 (11 ~~13~~) Approve or disapprove poverty plans and limited English
24 proficiency plans for member school districts through achievement
25 subcouncils established under section 79-2117;

26 (12 ~~14~~) Establish a procedure for receiving community input and
27 complaints regarding the learning community;

28 (13 ~~15~~) Establish a procedure to assist parents, citizens, and
29 member school districts in accessing an approved center pursuant to the
30 Dispute Resolution Act to resolve disputes involving member school
31 districts or the learning community. Such procedure may include payment

1 by the learning community for some mediation services;

2 (~~14 16~~) Establish and administer pilot projects related to enhancing
3 the academic achievement of elementary students, particularly students
4 who face challenges in the educational environment due to factors such as
5 poverty, limited English skills, and mobility;

6 (~~15 17~~) Provide funding to public or private entities engaged in the
7 juvenile justice system providing profiling and diversion programming
8 designed to reduce excessive absenteeism and unnecessary involvement with
9 the juvenile justice system; and

10 (~~16 18~~) Hold public hearings at its discretion in response to issues
11 raised by residents regarding the learning community, a member school
12 district, and academic achievement.

13 Sec. 13. Section 79-2111, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 79-2111 (1) A learning community may levy a maximum levy pursuant to
16 subdivision (2)(~~d h~~) of section 77-3442 for elementary learning center
17 facility leases, for remodeling of leased elementary learning center
18 facilities, and for up to fifty percent of the estimated costs for focus
19 school or program capital projects approved pursuant to this section. The
20 proceeds from such levy shall be used for elementary learning center
21 facility leases, for remodeling of leased elementary learning center
22 facilities, and to reduce the bonded indebtedness required for approved
23 projects by up to fifty percent of the estimated cost of the approved
24 project. The funds used for reductions of bonded indebtedness shall be
25 transferred to the school district for which the project was approved and
26 shall be deposited in such school district's special building fund for
27 use on such project.

28 (2) The learning community may approve pursuant to this section
29 funding for capital projects which will include the purchase,
30 construction, or remodeling of facilities for a focus school or program
31 designed to meet the requirements of section 79-769. Such approval shall

1 include an estimated cost for the project and shall state the amount that
2 will be provided by the learning community for such project.

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

22 Sec. 14. Section 79-2404, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 79-2404 If the school board of any school district or the board of
25 any educational service unit fails to timely file a copy of an approved
26 contract, or contract amendment, for superintendent services or
27 educational service unit administrator services with the State Department
28 of Education as required in section 79-2403, the Commissioner of
29 Education, after notice to the board president and either the
30 superintendent or educational service unit administrator and an
31 opportunity to be heard, shall direct that any state aid granted pursuant

1 to the Tax Equity and Educational Opportunities Support Act to the school
2 district or core services and technology infrastructure funds granted
3 pursuant to section 79-1241.03 to the educational service unit be
4 withheld until such time as the contract or amendment is received by the
5 department. In addition, the commissioner shall direct each county
6 treasurer of a county with territory in the school district or
7 educational service unit to withhold all money belonging to the school
8 district or educational service unit until such time as the commissioner
9 notifies such county treasurer of receipt of such contract or amendment.
10 Each such county treasurer shall withhold such money. For school
11 districts that are members of learning communities, a determination of
12 school money belonging to the school district shall be based on the
13 ~~proportionate share of property tax receipts allocated to the school~~
14 ~~district pursuant to section 79-1073 in addition to the other property~~
15 tax receipts belonging to the school district. If the board does not
16 comply with this section prior to October 1 following the school fiscal
17 year for which the state aid or core services and technology
18 infrastructure funding was calculated, the funds shall revert to the
19 General Fund. The amount of any reverted funds shall be included in data
20 provided to the Governor, the Appropriations Committee of the
21 Legislature, and the Education Committee of the Legislature in accordance
22 with section 79-1031.

23 Sec. 15. Original sections 79-528, 79-1007.18, 79-1008.02, 79-1022,
24 79-1036, 79-1041, 79-10,120, 79-10,126, 79-2104, 79-2111, and 79-2404,
25 Reissue Revised Statutes of Nebraska, sections 70-651.04 and 77-1736.06,
26 Revised Statutes Cumulative Supplement, 2014, and section 77-3442,
27 Revised Statutes Supplement, 2015, are repealed.

28 Sec. 16. The following sections are outright repealed: Sections
29 79-1073, 79-1073.01, and 79-10,126.01, Reissue Revised Statutes of
30 Nebraska.