

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 958

Introduced by Gloor, 35; at the request of the Governor.

Read first time January 14, 2016

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 13-521, 77-201, 77-3444, 77-5023, and 79-1016, Reissue Revised
3 Statutes of Nebraska, sections 77-1315 and 77-5027, Revised Statutes
4 Cumulative Supplement, 2014, and sections 13-519, 13-520, and
5 77-3442, Revised Statutes Supplement, 2015; to change provisions
6 relating to budgets, the valuation of agricultural land and
7 horticultural land, and levy limitations; to harmonize provisions;
8 to repeal the original sections; and to declare an emergency.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-519, Revised Statutes Supplement, 2015, is
2 amended to read:

3 13-519 (1)(a) Subject to subdivision (1)(b) of this section, for all
4 fiscal years beginning on or after July 1, 1998, no governmental unit
5 shall adopt a budget containing a total of budgeted restricted funds more
6 than the last prior year's total of budgeted restricted funds plus
7 allowable growth plus the basic allowable growth percentage of the base
8 limitation established under section 77-3446. For the second fiscal year
9 in which a county will receive a full year of receipts from the tax
10 imposed in sections 77-27,223 to 77-27,227, the prior year's total of
11 restricted funds shall be the prior year's total of restricted funds plus
12 the total receipts from the tax imposed in sections 77-27,223 to
13 77-27,227 in the prior year. If a governmental unit transfers the
14 financial responsibility of providing a service financed in whole or in
15 part with restricted funds to another governmental unit or the state, the
16 amount of restricted funds associated with providing the service shall be
17 subtracted from the last prior year's total of budgeted restricted funds
18 for the previous provider and may be added to the last prior year's total
19 of restricted funds for the new provider. For governmental units that
20 have consolidated, the calculations made under this section for
21 consolidating units shall be made based on the combined total of
22 restricted funds, population, or full-time equivalent students of each
23 governmental unit.

24 (b) For all fiscal years beginning on or after July 1, 2008,
25 educational service units may exceed the limitations of subdivision (1)
26 (a) of this section to the extent that one hundred ten percent of the
27 needs for the educational service unit calculated pursuant to section
28 79-1241.03 exceeds the budgeted restricted funds allowed pursuant to
29 subdivision (1)(a) of this section.

30 (2) A governmental unit may exceed the limit provided in subdivision
31 (1)(a) of this section for a fiscal year by up to an additional one

1 percent upon the affirmative vote of at least seventy-five percent of the
2 governing body.

3 (3) A governmental unit may exceed the applicable allowable growth
4 percentage otherwise prescribed in this section by an amount approved by
5 a majority of legal voters voting on the issue at a special election
6 called for such purpose upon the recommendation of the governing body or
7 upon the receipt by the county clerk or election commissioner of a
8 petition requesting an election signed by at least five percent of the
9 legal voters of the governmental unit. The recommendation of the
10 governing body or the petition of the legal voters shall include the
11 amount and percentage by which the governing body would increase its
12 budgeted restricted funds for the ensuing year over and above the current
13 year's budgeted restricted funds. The county clerk or election
14 commissioner shall call for a special election on the issue within thirty
15 days after the receipt of such governing body recommendation or legal
16 voter petition. The election shall be held pursuant to the Election Act,
17 and all costs shall be paid by the governing body. The issue may be
18 approved on the same question as a vote to exceed the levy limits
19 provided in section 77-3444.

20 (4) In lieu of the election procedures in subsection (3) of this
21 section, any governmental unit may exceed the allowable growth percentage
22 otherwise prescribed in this section by an amount approved by a majority
23 of legal voters voting at a meeting of the residents of the governmental
24 unit, called after notice is published in a newspaper of general
25 circulation in the governmental unit at least twenty days prior to the
26 meeting. At least ten percent of the registered voters residing in the
27 governmental unit shall constitute a quorum for purposes of taking action
28 to exceed the allowable growth percentage. If a majority of the
29 registered voters present at the meeting vote in favor of exceeding the
30 allowable growth percentage, a copy of the record of that action shall be
31 forwarded to the Auditor of Public Accounts along with the budget

1 documents. ~~The issue to exceed the allowable growth percentage may be~~
2 ~~approved at the same meeting as a vote to exceed the limits or final levy~~
3 ~~allocation provided in section 77-3444.~~

4 Sec. 2. Section 13-520, Revised Statutes Supplement, 2015, is
5 amended to read:

6 13-520 The limitations in section 13-519 shall not apply to (1)
7 ~~restricted funds budgeted for capital improvements, (2) restricted funds~~
8 ~~expended from a qualified sinking fund for acquisition or replacement of~~
9 ~~tangible personal property with a useful life of five years or more, (3)~~
10 restricted funds pledged to retire bonded indebtedness, used by a public
11 airport to retire interest-free loans from the Department of Aeronautics
12 in lieu of bonded indebtedness at a lower cost to the public airport, or
13 used to pay other financial instruments that are approved and agreed to
14 before July 1, 1999, in the same manner as bonds by a governing body
15 created under section 35-501, ~~(4) restricted funds budgeted in support of~~
16 ~~a service which is the subject of an agreement or a modification of an~~
17 ~~existing agreement whether operated by one of the parties to the~~
18 ~~agreement or by an independent joint entity or joint public agency, (2 5)~~
19 restricted funds budgeted to pay for repairs to infrastructure damaged by
20 a natural disaster which is declared a disaster emergency pursuant to the
21 Emergency Management Act, (3 6) restricted funds budgeted to pay for
22 judgments, except judgments or orders from the Commission of Industrial
23 Relations, obtained against a governmental unit which require or obligate
24 a governmental unit to pay such judgment, to the extent such judgment is
25 not paid by liability insurance coverage of a governmental unit or a pool
26 of funds maintained by the governmental unit to self-insure against such
27 liabilities, or (4 7) the dollar amount by which restricted funds
28 budgeted by a natural resources district to administer and implement
29 ground water management activities and integrated management activities
30 under the Nebraska Ground Water Management and Protection Act exceed its
31 restricted funds budgeted to administer and implement ground water

1 management activities and integrated management activities for FY2003-04.

2 Sec. 3. Section 13-521, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 13-521 (1) A governmental unit may choose not to increase its total
5 of restricted funds by the full amount allowed by law in a particular
6 year. In such cases, the governmental unit may carry forward to future
7 budget years the amount of unused restricted funds authority as limited
8 by subsection (3) of this section. The governmental unit shall calculate
9 its unused restricted funds authority and submit an accounting of such
10 amount with the budget documents for that year. Such unused restricted
11 funds authority may then be used in later years for increases in the
12 total of restricted funds allowed by law. ~~Any unused budget authority~~
13 ~~existing on April 8, 1998, by reason of any prior law may be used for~~
14 ~~increases in restricted funds authority.~~

15 (2) For any budget adopted by a governmental unit for a fiscal year
16 beginning on or after July 1, 2016, and before June 30, 2017, the total
17 amount of unused restricted funds authority shall be increased by an
18 amount equal to (a) the restricted funds budgeted for the immediately
19 prior fiscal year for capital improvements, (b) the restricted funds
20 budgeted for the immediately prior fiscal year in support of a service
21 which is the subject of an agreement or a modification of an existing
22 agreement whether operated by one of the parties to the agreement or by
23 an independent joint entity or joint public agency, (c) the restricted
24 funds expended in the immediately prior fiscal year from a qualified
25 sinking fund for acquisition or replacement of tangible personal property
26 with a useful life of five years or more, and (d) the restricted funds
27 budgeted for the immediately prior fiscal year in support of a service
28 which is the subject of an interlocal agreement or a modification of an
29 existing agreement.

30 (3) For any budget adopted by a governmental unit for a fiscal year
31 beginning on or after July 1, 2017, the total amount of unused restricted

1 funds authority carried forward cannot exceed three percent of the
2 budgeted restricted funds for the governmental unit for such fiscal year.

3 Sec. 4. Section 77-201, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-201 (1) Except as provided in subsections (2) through (4) of this
6 section, all real property in this state, not expressly exempt therefrom,
7 shall be subject to taxation and shall be valued at its actual value.

8 (2)(a) Agricultural land and horticultural land as defined in
9 section 77-1359 shall constitute a separate and distinct class of
10 property for purposes of property taxation, shall be subject to taxation,
11 unless expressly exempt from taxation, and shall be valued at seventy-
12 five percent of its actual value except as provided in subdivision (2)(b)
13 of this section.

14 (b) For tax year 2016 and each tax year thereafter, if the resulting
15 aggregate taxable value of all agricultural and horticultural land in the
16 state for the current tax year exceeds the aggregate taxable value of all
17 agricultural and horticultural land in the state for the prior tax year
18 by three percent or more, the assessed values for agricultural and
19 horticultural land shall be reduced uniformly and proportionately until
20 the current year's aggregate taxable value equals one hundred three
21 percent of the prior year's aggregate taxable value. The Tax Equalization
22 and Review Commission, as part of its annual meeting pursuant to section
23 77-5022, and based on information provided by the Property Tax
24 Administrator pursuant to section 77-5027, shall determine the adjustment
25 necessary to achieve the aggregate taxable value required by this
26 subdivision by May 20 of each year.

27 (3)(a) Agricultural land and horticultural land actively devoted to
28 agricultural or horticultural purposes which has value for purposes other
29 than agricultural or horticultural uses and which meets the
30 qualifications for special valuation under section 77-1344 shall
31 constitute a separate and distinct class of property for purposes of

1 property taxation, shall be subject to taxation, and shall be valued for
2 taxation at seventy-five percent of its special value as defined in
3 section 77-1343 except as provided in subdivision (3)(b) of this section.

4 (b) For tax year 2016 and each tax year thereafter, if the resulting
5 aggregate taxable value of all agricultural and horticultural land
6 receiving special valuation in the state for the current tax year exceeds
7 the aggregate taxable value of all agricultural and horticultural land
8 receiving special valuation in the state for the prior tax year by three
9 percent or more, the assessed values for agricultural and horticultural
10 land receiving special valuation shall be reduced uniformly and
11 proportionately until the current year's aggregate taxable value equals
12 one hundred three percent of the prior year's aggregate taxable value.
13 The Tax Equalization and Review Commission, as part of its annual meeting
14 pursuant to section 77-5022, and based on information provided by the
15 Property Tax Administrator pursuant to section 77-5027, shall determine
16 the adjustment necessary to achieve the aggregate taxable value required
17 by this subdivision by May 20 of each year.

18 (4) Historically significant real property which meets the
19 qualifications for historic rehabilitation valuation under sections
20 77-1385 to 77-1394 shall be valued for taxation as provided in such
21 sections.

22 (5) Tangible personal property, not including motor vehicles
23 registered for operation on the highways of this state, shall constitute
24 a separate and distinct class of property for purposes of property
25 taxation, shall be subject to taxation, unless expressly exempt from
26 taxation, and shall be valued at its net book value. Tangible personal
27 property transferred as a gift or devise or as part of a transaction
28 which is not a purchase shall be subject to taxation based upon the date
29 the property was acquired by the previous owner and at the previous
30 owner's Nebraska adjusted basis. Tangible personal property acquired as
31 replacement property for converted property shall be subject to taxation

1 based upon the date the converted property was acquired and at the
2 Nebraska adjusted basis of the converted property unless insurance
3 proceeds are payable by reason of the conversion. For purposes of this
4 subsection, (a) converted property means tangible personal property which
5 is compulsorily or involuntarily converted as a result of its destruction
6 in whole or in part, theft, seizure, requisition, or condemnation, or the
7 threat or imminence thereof, and no gain or loss is recognized for
8 federal or state income tax purposes by the holder of the property as a
9 result of the conversion and (b) replacement property means tangible
10 personal property acquired within two years after the close of the
11 calendar year in which tangible personal property was converted and which
12 is, except for date of construction or manufacture, substantially the
13 same as the converted property.

14 Sec. 5. Section 77-1315, Revised Statutes Cumulative Supplement,
15 2014, is amended to read:

16 77-1315 (1) The county assessor shall, after March 19 and on or
17 before June 1, implement adjustments to the real property assessment roll
18 for actions of the Tax Equalization and Review Commission, except
19 beginning January 1, 2014, in any county with a population of at least
20 one hundred fifty thousand inhabitants according to the most recent
21 federal decennial census, the adjustments shall be implemented after
22 March 25 and on or before June 1.

23 (2) On or before June 1, in addition to the notice of preliminary
24 valuation sent pursuant to section 77-1301, the county assessor shall
25 notify the owner of record as of May 20 of every item of real property
26 which has been assessed at a value different than in the previous year.
27 Such notice shall be given by first-class mail addressed to such owner's
28 last-known address. It shall identify the item of real property and state
29 the old and new valuation, the date of convening of the county board of
30 equalization, and the dates for filing a protest. For any notice sent
31 after January 1, 2016, the notice shall also show the value of the real

1 property before and after any adjustment required by subdivision (2)(b)
2 or (3)(b) of section 77-201.

3 (3) Immediately upon completion of the assessment roll, the county
4 assessor shall cause to be published in a newspaper of general
5 circulation in the county a certification that the assessment roll is
6 complete and notices of valuation changes have been mailed and provide
7 the final date for filing valuation protests with the county board of
8 equalization.

9 (4) The county assessor shall annually, on or before June 6, post in
10 his or her office and, as designated by the county board, mail to a
11 newspaper of general circulation and to licensed broadcast media in the
12 county the assessment ratios as found in his or her county as determined
13 by the Tax Equalization and Review Commission and any other statistical
14 measures, including, but not limited to, the assessment-to-sales ratio,
15 the coefficient of dispersion, and the price-related differential.

16 Sec. 6. 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)(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 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
10 of this section are amounts levied to pay for sums agreed to be paid by a
11 school district to certificated employees in exchange for a voluntary
12 termination of employment and amounts levied to pay for special building
13 funds and sinking funds established for projects commenced prior to April
14 1, 1996, for construction, expansion, or alteration of school district
15 buildings. For purposes of this subsection, commenced means any action
16 taken by the school board on the record which commits the board to expend
17 district funds in planning, constructing, or carrying out the project.

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

26 (f) For school fiscal year 2002-03 through school fiscal year
27 2007-08, school districts and multiple-district school systems may, upon
28 a three-fourths majority vote of the school board of the school district,
29 the board of the unified system, or the school board of the high school
30 district of the multiple-district school system that is not a unified
31 system, exceed the maximum levy prescribed by subdivision (2)(a) of this

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

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

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

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

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

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

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

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

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

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

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

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

26 (b) Incorporated cities and villages which are within the boundaries
27 of a municipal county may levy a maximum levy of ninety cents per one
28 hundred dollars of taxable valuation of property subject to the levy. The
29 maximum levy shall include amounts paid to a municipal county for county
30 services, amounts levied to pay for sums to support a library pursuant to
31 section 51-201, a museum pursuant to section 51-501, a visiting community

1 nurse, home health nurse, or home health agency pursuant to section
2 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

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

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

1 or agreements executed pursuant to the Interlocal Cooperation Act or the
2 Joint Public Agency Act. If an allocation by a county would cause another
3 county to exceed its levy authority under this section, the second county
4 may exceed the levy authority in order to levy the amount allocated.

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

10 (10) Beginning July 1, 2016, rural ~~Rural~~ and suburban fire
11 protection districts may levy a maximum levy of ten and one-half cents
12 per one hundred dollars of taxable valuation of property subject to the
13 levy if (a) such district is located in a county that had a levy pursuant
14 to subsection (8) of this section in the previous year of at least forty
15 cents per one hundred dollars of taxable valuation of property subject to
16 the levy or (b) for any rural or suburban fire protection district that
17 had a levy request pursuant to section 77-3443 in the previous year, the
18 county board of the county in which the greatest portion of the valuation
19 of such district is located did not authorize any levy authority to such
20 district in the previous year.

21 (11) Property tax levies ~~(a) for judgments, except judgments or~~
22 ~~orders from the Commission of Industrial Relations, obtained against a~~
23 ~~political subdivision which require or obligate a political subdivision~~
24 ~~to pay such judgment, to the extent such judgment is not paid by~~
25 ~~liability insurance coverage of a political subdivision, (b) for~~
26 ~~preexisting lease purchase contracts approved prior to July 1, 1998, (c)~~
27 ~~for bonds as defined in section 10-134 which are (a) approved according~~
28 ~~to law, (b) and secured by a levy on property, and (c) for bonds issued~~
29 after July 1, 2016, approved by a majority of the voters voting on the
30 issuance of such bonds at a general, special, or primary election except
31 ~~as provided in section 44-4317 for bonded indebtedness issued by~~

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

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

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

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

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

29 Sec. 7. Section 77-3444, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-3444 (1) A political subdivision, other than a Class I school

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

1 with the county clerk or election commissioner on or after May 1, 1998,
 2 the petition shall be in the form as provided in sections 32-628 to
 3 32-631. Any excess levy authority approved under this section shall
 4 terminate pursuant to its terms, on a vote of the governing body of the
 5 political subdivision to terminate the authority to levy more than the
 6 limits, at the end of the fourth fiscal year following the first year in
 7 which the levy exceeded the limit or the final levy allocation, or as
 8 provided in subsection (3 4) of this section, whichever is earliest. A
 9 governing body may pass no more than one resolution calling for an
 10 election pursuant to this section during any one calendar year. Only one
 11 election may be held in any one calendar year pursuant to a petition
 12 initiated under this section.

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

28 ~~(3) In lieu of the election procedures in subsection (1) of this~~
 29 ~~section, any political subdivision subject to section 77-3443, other than~~
 30 ~~a Class I school district, and villages may approve a levy in excess of~~
 31 ~~the limits in section 77-3442 or the final levy allocation provided in~~

1 ~~section 77-3443 for a period of one year at a meeting of the residents of~~
2 ~~the political subdivision or village, called after notice is published in~~
3 ~~a newspaper of general circulation in the political subdivision or~~
4 ~~village at least twenty days prior to the meeting. At least ten percent~~
5 ~~of the registered voters residing in the political subdivision or village~~
6 ~~shall constitute a quorum for purposes of taking action to exceed the~~
7 ~~limits or final levy allocation. A record shall be made of the registered~~
8 ~~voters residing in the political subdivision or village who are present~~
9 ~~at the meeting. The method of voting at the meeting shall protect the~~
10 ~~secrecy of the ballot. If a majority of the registered voters present at~~
11 ~~the meeting vote in favor of exceeding the limits or final levy~~
12 ~~allocation, a copy of the record of that action shall be forwarded to the~~
13 ~~county board prior to October 10 and the county board shall authorize a~~
14 ~~levy as approved by the residents for the year. If a majority of the~~
15 ~~registered voters present at the meeting vote against exceeding the~~
16 ~~limits or final allocation, the limit or allocation shall not be exceeded~~
17 ~~and the political subdivision shall have no power to call for an election~~
18 ~~under subsection (1) of this section.~~

19 (3 4) A political subdivision, other than a Class I school district,
20 may rescind or modify a previously approved excess levy authority prior
21 to its expiration by a majority of registered voters voting on the issue
22 in a primary, general, or special election at which the issue is placed
23 before the registered voters. A vote to rescind or modify must be
24 approved prior to October 10 of the fiscal year for which it is to be
25 effective. The governing body of the political subdivision may call for
26 the submission of the issue to the voters (a) by passing a resolution
27 calling for the rescission or modification by a vote of at least two-
28 thirds of the members of the governing body and delivering a copy of the
29 resolution to the county clerk or election commissioner of every county
30 which contains all or part of the political subdivision or (b) upon
31 receipt of a petition by the county clerk or election commissioner of

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

16 (4 5) For purposes of this section, when the political subdivision
17 is a sanitary and improvement district, registered voter means a person
18 qualified to vote as provided in section 31-735. Any election conducted
19 under this section for a sanitary and improvement district shall be
20 conducted and counted as provided in sections 31-735 to 31-735.06.

21 (5 6) For purposes of this section, when the political subdivision
22 is a school district or a multiple-district school system, registered
23 voter includes both (a) persons qualified to vote for the members of the
24 school board of the school district which is voting to exceed the maximum
25 levy limits pursuant to this section and (b) persons in those portions of
26 any Class I district which are affiliated with or a part of the school
27 district which is voting pursuant to this section, if such voter is also
28 qualified to vote for the school board of the affected Class I school
29 district.

30 Sec. 8. Section 77-5023, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 77-5023 (1) Pursuant to section 77-5022, the commission shall have
2 the power to increase or decrease the value of a class or subclass of
3 real property in any county or taxing authority or of real property
4 valued by the state so that all classes or subclasses of real property in
5 all counties fall within an acceptable range.

6 (2) An acceptable range is the percentage of variation from a
7 standard for valuation as measured by an established indicator of central
8 tendency of assessment. Acceptable ranges are: (a) For agricultural land
9 and horticultural land as defined in section 77-1359, sixty-nine to
10 seventy-five percent of actual value; (b) for lands receiving special
11 valuation, sixty-nine to seventy-five percent of special valuation as
12 defined in section 77-1343; and (c) for all other real property, ninety-
13 two to one hundred percent of actual value.

14 (3) Any increase or decrease shall cause the level of value
15 determined by the commission to be at the midpoint of the applicable
16 acceptable range.

17 (4) Any decrease or increase to a subclass of property shall also
18 cause the level of value determined by the commission for the class from
19 which the subclass is drawn to be within the applicable acceptable range.

20 (5) Whether or not the level of value determined by the commission
21 falls within an acceptable range or at the midpoint of an acceptable
22 range may be determined to a reasonable degree of certainty relying upon
23 generally accepted mass appraisal techniques.

24 (6) The commission shall also determine the adjustments required by
25 subdivisions (2)(b) and (3)(b) of section 77-201, if any, by May 20 of
26 each year.

27 Sec. 9. Section 77-5027, Revised Statutes Cumulative Supplement,
28 2014, is amended to read:

29 77-5027 (1) The commission shall, pursuant to section 77-5026, raise
30 or lower the valuation of any class or subclass of real property in a
31 county when it is necessary to achieve equalization.

1 (2) On or before nineteen days following the final filing due date
2 for the abstract of assessment for real property pursuant to section
3 77-1514, the Property Tax Administrator shall prepare and deliver to the
4 commission and to each county assessor his or her annual reports and
5 opinions. Beginning January 1, 2014, for any county with a population of
6 at least one hundred fifty thousand inhabitants according to the most
7 recent federal decennial census, the reports or opinions shall be
8 prepared and delivered on or before fifteen days following such final
9 filing due date.

10 (3) The annual reports and opinions of the Property Tax
11 Administrator shall contain statistical and narrative reports informing
12 the commission of the level of value and the quality of assessment of the
13 classes and subclasses of real property within the county and a
14 certification of the opinion of the Property Tax Administrator regarding
15 the level of value and quality of assessment of the classes and
16 subclasses of real property in the county.

17 (4) In addition to an opinion of level of value and quality of
18 assessment in the county, the Property Tax Administrator may make
19 nonbinding recommendations for consideration by the commission.

20 (5) The Property Tax Administrator shall employ the methods
21 specified in section 77-112, the comprehensive assessment ratio study
22 specified in section 77-1327, other statistical studies, and an analysis
23 of the assessment practices employed by the county assessor. If necessary
24 to determine the level of value and quality of assessment in a county,
25 the Property Tax Administrator may use sales of comparable real property
26 in market areas similar to the county or area in question or from another
27 county as indicators of the level of value and the quality of assessment
28 in a county. The Property Tax Administrator may use any other relevant
29 information in providing the annual reports and opinions to the
30 commission.

31 (6) On or before May 15 of each year, the Property Tax Administrator

1 shall provide information to the commission necessary to determine the
2 adjustments for agricultural land and horticultural land required by
3 subdivisions (2)(b) and (3)(b) of section 77-201.

4 Sec. 10. Section 79-1016, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-1016 (1) On or before August 25, the county assessor shall
7 certify to the Property Tax Administrator the total taxable value by
8 school district in the county for the current assessment year on forms
9 prescribed by the Tax Commissioner. The county assessor may amend the
10 filing for changes made to the taxable valuation of the school district
11 in the county if corrections or errors on the original certification are
12 discovered. Amendments shall be certified to the Property Tax
13 Administrator on or before September 30.

14 (2) On or before October 10, the Property Tax Administrator shall
15 compute and certify to the State Department of Education the adjusted
16 valuation for the current assessment year for each class of property in
17 each school district and each local system. The adjusted valuation of
18 property for each school district and each local system, for purposes of
19 determining state aid pursuant to the Tax Equity and Educational
20 Opportunities Support Act, shall reflect as nearly as possible state aid
21 value as defined in subsection (3) of this section. The Property Tax
22 Administrator shall notify each school district and each local system of
23 its adjusted valuation for the current assessment year by class of
24 property on or before October 10. Establishment of the adjusted valuation
25 shall be based on the taxable value certified by the county assessor for
26 each school district in the county adjusted by the determination of the
27 level of value for each school district from an analysis of the
28 comprehensive assessment ratio study or other studies developed by the
29 Property Tax Administrator, in compliance with professionally accepted
30 mass appraisal techniques, as required by section 77-1327. The Tax
31 Commissioner shall adopt and promulgate rules and regulations setting

1 forth standards for the determination of level of value for state aid
2 purposes.

3 (3) For purposes of this section, state aid value means:

4 (a) For real property other than agricultural and horticultural
5 land, ninety-six percent of actual value;

6 (b) For agricultural and horticultural land, seventy-two percent of
7 actual value as provided in sections 77-1359 to 77-1363 multiplied by the
8 adjustment factor determined under subdivision (2)(b) of section 77-201,
9 if any. For agricultural and horticultural land that receives special
10 valuation pursuant to section 77-1344, seventy-two percent of special
11 valuation as defined in section 77-1343 multiplied by the adjustment
12 factor determined under subdivision (3)(b) of section 77-201, if any; and

13 (c) For personal property, the net book value as defined in section
14 77-120.

15 (4) On or before November 10, any local system may file with the Tax
16 Commissioner written objections to the adjusted valuations prepared by
17 the Property Tax Administrator, stating the reasons why such adjusted
18 valuations are not the valuations required by subsection (3) of this
19 section. The Tax Commissioner shall fix a time for a hearing. Either
20 party shall be permitted to introduce any evidence in reference thereto.
21 On or before January 1, the Tax Commissioner shall enter a written order
22 modifying or declining to modify, in whole or in part, the adjusted
23 valuations and shall certify the order to the State Department of
24 Education. Modification by the Tax Commissioner shall be based upon the
25 evidence introduced at hearing and shall not be limited to the
26 modification requested in the written objections or at hearing. A copy of
27 the written order shall be mailed to the local system within seven days
28 after the date of the order. The written order of the Tax Commissioner
29 may be appealed within thirty days after the date of the order to the Tax
30 Equalization and Review Commission in accordance with section 77-5013.

31 (5) On or before November 10, any local system or county official

1 may file with the Tax Commissioner a written request for a nonappealable
2 correction of the adjusted valuation due to clerical error as defined in
3 section 77-128 or, for agricultural and horticultural land, assessed
4 value changes by reason of land qualified or disqualified for special use
5 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the
6 following January 1, the Tax Commissioner shall approve or deny the
7 request and, if approved, certify the corrected adjusted valuations
8 resulting from such action to the State Department of Education.

9 (6) On or before May 31 of the year following the certification of
10 adjusted valuation pursuant to subsection (2) of this section, any local
11 system or county official may file with the Tax Commissioner a written
12 request for a nonappealable correction of the adjusted valuation due to
13 changes to the tax list that change the assessed value of taxable
14 property. Upon the filing of the written request, the Tax Commissioner
15 shall require the county assessor to recertify the taxable valuation by
16 school district in the county on forms prescribed by the Tax
17 Commissioner. The recertified valuation shall be the valuation that was
18 certified on the tax list, pursuant to section 77-1613, increased or
19 decreased by changes to the tax list that change the assessed value of
20 taxable property in the school district in the county in the prior
21 assessment year. On or before the following July 31, the Tax Commissioner
22 shall approve or deny the request and, if approved, certify the corrected
23 adjusted valuations resulting from such action to the State Department of
24 Education.

25 (7) No injunction shall be granted restraining the distribution of
26 state aid based upon the adjusted valuations pursuant to this section.

27 (8) A school district whose state aid is to be calculated pursuant
28 to subsection (5) of this section and whose state aid payment is
29 postponed as a result of failure to calculate state aid pursuant to such
30 subsection may apply to the state board for lump-sum payment of such
31 postponed state aid. Such application may be for any amount up to one

1 hundred percent of the postponed state aid. The state board may grant the
2 entire amount applied for or any portion of such amount. The state board
3 shall notify the Director of Administrative Services of the amount of
4 funds to be paid in a lump sum and the reduced amount of the monthly
5 payments. The Director of Administrative Services shall, at the time of
6 the next state aid payment made pursuant to section 79-1022, draw a
7 warrant for the lump-sum amount from appropriated funds and forward such
8 warrant to the district.

9 Sec. 11. Original sections 13-521, 77-201, 77-3444, 77-5023, and
10 79-1016, Reissue Revised Statutes of Nebraska, sections 77-1315 and
11 77-5027, Revised Statutes Cumulative Supplement, 2014, and sections
12 13-519, 13-520, and 77-3442, Revised Statutes Supplement, 2015, are
13 repealed.

14 Sec. 12. Since an emergency exists, this act takes effect when
15 passed and approved according to law.