

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 96

Introduced by Smith, 14.

Read first time January 08, 2015

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, and sections 70-651.04, 77-1736.06, and 77-3442,
5 Revised Statutes Cumulative Supplement, 2014; to eliminate certain
6 taxing authority of learning communities; to harmonize provisions;
7 to repeal the original sections; and to outright repeal sections
8 79-1073, 79-1073.01, and 79-10,126.01, Reissue Revised Statutes of
9 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 Cumulative Supplement,
17 2014, is 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 ~~subdivisions~~ (2)
10 (a) ~~and (2)(e)~~ of this section are amounts levied to pay for sums agreed
11 to be paid by a school district to certificated employees in exchange for
12 a voluntary termination of employment and amounts levied to pay for
13 special building funds and sinking funds established for projects
14 commenced prior to April 1, 1996, for construction, expansion, or
15 alteration of school district buildings. For purposes of this subsection,
16 commenced means any action taken by the school board on the record which
17 commits the board to expend district funds in planning, constructing, or
18 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 Property tax levies for costs of reassumption of the assessment function
7 pursuant to section 77-1340 or 77-1340.04 are not included in the levy
8 limits established in this subsection for fiscal years 2010-11 through
9 2013-14.

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

15 (10) Property tax levies (a) for judgments, except judgments or
16 orders from the Commission of Industrial Relations, obtained against a
17 political subdivision which require or obligate a political subdivision
18 to pay such judgment, to the extent such judgment is not paid by
19 liability insurance coverage of a political subdivision, (b) for
20 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
21 for bonds as defined in section 10-134 approved according to law and
22 secured by a levy on property except as provided in section 44-4317 for
23 bonded indebtedness issued by educational service units and school
24 districts, and (d) for payments by a public airport to retire interest-
25 free loans from the Department of Aeronautics in lieu of bonded
26 indebtedness at a lower cost to the public airport are not included in
27 the levy limits established by this section.

28 (11) The limitations on tax levies provided in this section are to
29 include all other general or special levies provided by law.
30 Notwithstanding other provisions of law, the only exceptions to the
31 limits in this section are those provided by or authorized by sections

1 77-3442 to 77-3444.

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

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

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

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

23 79-528 (1)(a) On or before July 20 in all school districts, the
24 superintendent shall file with the State Department of Education a report
25 showing the number of children from five through eighteen years of age
26 belonging to the school district according to the census taken as
27 provided in sections 79-524 and 79-578. On or before August 31, the
28 department shall issue to each learning community coordinating council a
29 report showing the number of children from five through eighteen years of
30 age belonging to the learning community based on the member school
31 districts according to the school district reports filed with the

1 department.

2 (b) Each Class I school district which is part of a Class VI school
3 district offering instruction (i) in grades kindergarten through five
4 shall report children from five through ten years of age, (ii) in grades
5 kindergarten through six shall report children from five through eleven
6 years of age, and (iii) in grades kindergarten through eight shall report
7 children from five through thirteen years of age.

8 (c) Each Class VI school district offering instruction (i) in grades
9 six through twelve shall report children who are eleven through eighteen
10 years of age, (ii) in grades seven through twelve shall report children
11 who are twelve through eighteen years of age, and (iii) in grades nine
12 through twelve shall report children who are fourteen through eighteen
13 years of age.

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

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

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

22 (2) On or before June 30 the superintendent of each school district
23 shall file with the Commissioner of Education a report described as an
24 end-of-the-school-year annual statistical summary showing (a) the number
25 of children attending school during the year under five years of age, (b)
26 the length of time the school has been taught during the year by a
27 qualified teacher, (c) the length of time taught by each substitute
28 teacher, and (d) such other information as the Commissioner of Education
29 directs. On or before July 31, the commissioner shall issue to each
30 learning community coordinating council an end-of-the-school-year annual
31 statistical summary for the learning community based on the member school

1 districts according to the school district reports filed with the
2 commissioner.

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

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

25 (4)(a) On or before October 15 of each year, the superintendent of
26 each school district shall file with the commissioner the fall school
27 district membership report, which report shall include the number of
28 children from birth through twenty years of age enrolled in the district
29 on the last Friday in September of a given school year. The report shall
30 enumerate (i) students by grade level, (ii) school district levies and
31 total assessed valuation for the current fiscal year, and (iii) such

1 other information as the Commissioner of Education directs.

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

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

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

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

28 79-1007.18 (1) The department shall calculate an averaging
29 adjustment for districts if the basic funding per formula student is less
30 than the averaging adjustment threshold and the general fund levy for the
31 school fiscal year immediately preceding the school fiscal year for which

1 aid is being calculated was at least one dollar per one hundred dollars
2 of taxable valuation. ~~For school districts that are members of a learning~~
3 ~~community, the general fund levy for purposes of this section includes~~
4 ~~both the common general fund levy and the school district general fund~~
5 ~~levy authorized pursuant to subdivisions (2)(b) and (2)(c) of section~~
6 ~~77-3442.~~ The averaging adjustment shall equal the district's formula
7 students multiplied by the percentage specified in this section for such
8 district of the difference between the averaging adjustment threshold
9 minus such district's basic funding per formula student.

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

17 (b) For school fiscal year 2014-15 and each school fiscal year
18 thereafter, the averaging adjustment threshold shall equal the aggregate
19 basic funding for all districts with nine hundred or more formula
20 students divided by the aggregate formula students for all districts with
21 nine hundred or more formula students for the school fiscal year for
22 which aid is being calculated.

23 (3) The percentage to be used in the calculation of an averaging
24 adjustment shall be based on the general fund levy for the school fiscal
25 year immediately preceding the school fiscal year for which aid is being
26 calculated.

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

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

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

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

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

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

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

18 79-1008.02 A minimum levy adjustment shall be calculated and applied
19 to any local system that has a general fund common levy for the fiscal
20 year during which aid is certified that is less than the maximum levy,
21 for such fiscal year for such local system, allowed pursuant to
22 subdivision (2)(a) ~~or (b)~~ of section 77-3442 without a vote pursuant to
23 section 77-3444 ~~less five cents for learning communities and less ten~~
24 ~~cents for all other local systems.~~ To calculate the minimum levy
25 adjustment, the department shall subtract the local system general fund
26 common levy for such fiscal year for such local system from the maximum
27 levy allowed pursuant to subdivision (2)(a) ~~or (b)~~ of section 77-3442
28 without a vote pursuant to section 77-3444 ~~less five cents for learning~~
29 ~~communities and less ten cents for all other local systems~~ and multiply
30 the result by the local system's adjusted valuation divided by one
31 hundred. The minimum levy adjustment shall be added to the formula

1 resources of the local system for the determination of equalization aid
2 pursuant to section 79-1008.01. If the minimum levy adjustment is greater
3 than or equal to the allocated income tax funds calculated pursuant to
4 section 79-1005.01, the local system shall not receive allocated income
5 tax funds. If the minimum levy adjustment is less than the allocated
6 income tax funds calculated pursuant to section 79-1005.01, the local
7 system shall receive allocated income tax funds in the amount of the
8 difference between the allocated income tax funds calculated pursuant to
9 section 79-1005.01 and the minimum levy adjustment. ~~This section does not
10 apply to the calculation of aid for a local system containing a learning
11 community for the first school fiscal year for which aid is calculated
12 for such local system.~~

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

15 79-1022 (1) On or before April 10, 2014, and on or before March 1 of
16 each year thereafter for each ensuing fiscal year, the department shall
17 determine the amounts to be distributed to each local system and each
18 district for the ensuing school fiscal year pursuant to the Tax Equity
19 and Educational Opportunities Support Act and shall certify the amounts
20 to the Director of Administrative Services, the Auditor of Public
21 Accounts, ~~each learning community,~~ and each district. The amount to be
22 distributed to each district ~~that is not a member of a learning community~~
23 from the amount certified for a local system shall be proportional based
24 on the formula students attributed to each district in the local system.
25 ~~The amount to be distributed to each district that is a member of a~~
26 ~~learning community from the amount certified for the local system shall~~
27 ~~be proportional based on the formula needs calculated for each district~~
28 ~~in the local system.~~ On or before April 10, 2014, and on or before March
29 1 of each year thereafter for each ensuing fiscal year, the department
30 shall report the necessary funding level for the ensuing school fiscal
31 year to the Governor, the Appropriations Committee of the Legislature,

1 and the Education Committee of the Legislature. The report submitted to
2 the committees of the Legislature shall be submitted electronically.
3 Except as otherwise provided in this subsection, certified state aid
4 amounts, including adjustments pursuant to section 79-1065.02, shall be
5 shown as budgeted non-property-tax receipts and deducted prior to
6 calculating the property tax request in the district's general fund
7 budget statement as provided to the Auditor of Public Accounts pursuant
8 to section 79-1024.

9 (2) Except as provided in this subsection, subsection (8) of section
10 79-1016, and sections 79-1033 and 79-1065.02, the amounts certified
11 pursuant to subsection (1) of this section shall be distributed in ten as
12 nearly as possible equal payments on the last business day of each month
13 beginning in September of each ensuing school fiscal year and ending in
14 June of the following year, except that when a school district is to
15 receive a monthly payment of less than one thousand dollars, such payment
16 shall be one lump-sum payment on the last business day of December during
17 the ensuing school fiscal year.

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

20 79-1036 (1) In making the apportionment under section 79-1035, the
21 Commissioner of Education shall distribute from the school fund for
22 school purposes, to any and all school districts ~~learning communities and~~
23 ~~school districts which are not members of a learning community,~~ in which
24 there are situated school lands which have not been sold and transferred
25 by deed or saline lands owned by the state, which lands are being used
26 for a public purpose, an amount in lieu of tax money that would be raised
27 by school district levies ~~and learning community common levies for which~~
28 ~~the proceeds are distributed to member school districts pursuant to~~
29 ~~sections 79-1073 and 79-1073.01~~ if such lands were taxable, to be
30 ascertained in accordance with subsection (2) of this section, except
31 that:

1 (a) For Class I districts or portions thereof which are affiliated
2 and in which there are situated school or saline lands, 38.6207 percent
3 of the in lieu of land tax money calculated pursuant to subsection (2) of
4 this section, based on the affiliated school system tax levy computed
5 pursuant to section 79-1077, shall be distributed to the affiliated high
6 school district and the remainder shall be distributed to the Class I
7 district;

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

15 (c) For Class I districts or portions thereof which are part of a
16 Class VI district which offers instruction in grades seven through twelve
17 and in which there are situated school or saline lands, 55.1724 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; and

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

29 (2) The county assessor shall certify to the Commissioner of
30 Education the tax levies of each school district ~~and learning community~~
31 in which school land or saline land is located and the last appraised

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

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

20 79-1041 ~~Each county treasurer of a county with territory in a~~
21 ~~learning community shall distribute any funds collected by such county~~
22 ~~treasurer from the common general fund levy and the common building fund~~
23 ~~levy of such learning community to each member school district pursuant~~
24 ~~to sections 79-1073 and 79-1073.01 at least once each month.~~

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

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

31 79-10,120 The school board or board of education of a Class II, III,

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

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

21 79-10,126 A Class V school district ~~that is not a member of a~~
22 ~~learning community~~ shall establish (1) for the general operation of the
23 schools, such fund as will result from an annual levy of such rate of tax
24 upon the taxable value of all the taxable property in such school
25 district as the board of education determines to be necessary for such
26 purpose, (2) a fund resulting from an annual amount of tax to be
27 determined by the board of education of not to exceed fourteen cents on
28 each one hundred dollars upon the taxable value of all the taxable
29 property in the district for the purpose of acquiring sites of school
30 buildings and the erection, alteration, equipping, and furnishing of
31 school buildings and additions to school buildings, which tax levy shall

1 be used for no other purposes, and (3) a further fund resulting from an
2 annual amount of tax to be determined by the board of education to pay
3 interest on and retiring, funding, or servicing of bonded indebtedness of
4 the district.

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

7 79-2104 A learning community coordinating council shall have the
8 authority to:

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

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

13 (1 3) Levy for elementary learning center facility leases, for
14 remodeling of leased elementary learning center facilities, and for up to
15 fifty percent of the estimated cost for focus school or program capital
16 projects approved by the learning community coordinating council pursuant
17 to subdivision (2)(~~d h~~) of section 77-3442 and section 79-2111;

18 (2 4) Levy for early childhood education programs for children in
19 poverty, for elementary learning center employees, for contracts with
20 other entities or individuals who are not employees of the learning
21 community for elementary learning center programs and services, and for
22 pilot projects pursuant to subdivision (2)(~~e i~~) of section 77-3442,
23 except that not more than ten percent of such levy may be used for
24 elementary learning center employees;

25 (3 5) Collect, analyze, and report data and information, including,
26 but not limited to, information provided by a school district pursuant to
27 subsection (5) of section 79-201;

28 (4 6) Approve focus schools and focus programs to be operated by
29 member school districts;

30 (5 7) Adopt, approve, and implement a diversity plan which shall
31 include open enrollment and may include focus schools, focus programs,

1 magnet schools, and pathways pursuant to section 79-2110;

2 (6 8) Administer the open enrollment provisions in section 79-2110
3 for the learning community as part of a diversity plan developed by the
4 council to provide educational opportunities which will result in
5 increased diversity in schools across the learning community;

6 (7 9) Annually conduct school fairs to provide students and parents
7 the opportunity to explore the educational opportunities available at
8 each school in the learning community and develop other methods for
9 encouraging access to such information and promotional materials;

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

12 (9 11) Establish and administer elementary learning centers through
13 achievement subcouncils pursuant to sections 79-2112 to 79-2114;

14 (10 12) Administer the learning community funds distributed to the
15 learning community pursuant to section 79-2111;

16 (11 13) Approve or disapprove poverty plans and limited English
17 proficiency plans for member school districts through achievement
18 subcouncils established under section 79-2117;

19 (12 14) Establish a procedure for receiving community input and
20 complaints regarding the learning community;

21 (13 15) Establish a procedure to assist parents, citizens, and
22 member school districts in accessing an approved center pursuant to the
23 Dispute Resolution Act to resolve disputes involving member school
24 districts or the learning community. Such procedure may include payment
25 by the learning community for some mediation services;

26 (14 16) Establish and administer pilot projects related to enhancing
27 the academic achievement of elementary students, particularly students
28 who face challenges in the educational environment due to factors such as
29 poverty, limited English skills, and mobility;

30 (15 17) Provide funding to public or private entities engaged in the
31 juvenile justice system providing prefilng and diversion programming

1 designed to reduce excessive absenteeism and unnecessary involvement with
2 the juvenile justice system; and

3 (~~16 18~~) Hold public hearings at its discretion in response to issues
4 raised by residents regarding the learning community, a member school
5 district, and academic achievement.

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

8 79-2111 (1) A learning community may levy a maximum levy pursuant to
9 subdivision (2)(~~d h~~) of section 77-3442 for elementary learning center
10 facility leases, for remodeling of leased elementary learning center
11 facilities, and for up to fifty percent of the estimated costs for focus
12 school or program capital projects approved pursuant to this section. The
13 proceeds from such levy shall be used for elementary learning center
14 facility leases, for remodeling of leased elementary learning center
15 facilities, and to reduce the bonded indebtedness required for approved
16 projects by up to fifty percent of the estimated cost of the approved
17 project. The funds used for reductions of bonded indebtedness shall be
18 transferred to the school district for which the project was approved and
19 shall be deposited in such school district's special building fund for
20 use on such project.

21 (2) The learning community may approve pursuant to this section
22 funding for capital projects which will include the purchase,
23 construction, or remodeling of facilities for a focus school or program
24 designed to meet the requirements of section 79-769. Such approval shall
25 include an estimated cost for the project and shall state the amount that
26 will be provided by the learning community for such project.

27 (3) If, within the ten years following receipt of the funding for a
28 capital project pursuant to this section, a school district receiving
29 such funding uses the facility purchased, constructed, or remodeled with
30 such funding for purposes other than those stated to qualify for the
31 funds, the school district shall repay such funds to the learning

1 community with interest at the rate prescribed in section 45-104.02
2 accruing from the date the funds were transferred to the school
3 district's building fund as of the last date the facility was used for
4 such purpose as determined by the learning community coordinating council
5 or the date that the learning community coordinating council determines
6 that the facility will not be used for such purpose or that such facility
7 will not be purchased, constructed, or remodeled for such purpose.
8 Interest shall continue to accrue on outstanding balances until the
9 repayment has been completed. The remaining terms of repayment shall be
10 determined by the learning community coordinating council. The learning
11 community coordinating council may waive such repayment if the facility
12 is used for a different focus school or program for a period of time that
13 will result in the use of the facility for qualifying purposes for a
14 total of at least ten years.

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

17 79-2404 If the school board of any school district or the board of
18 any educational service unit fails to timely file a copy of an approved
19 contract, or contract amendment, for superintendent services or
20 educational service unit administrator services with the State Department
21 of Education as required in section 79-2403, the Commissioner of
22 Education, after notice to the board president and either the
23 superintendent or educational service unit administrator and an
24 opportunity to be heard, shall direct that any state aid granted pursuant
25 to the Tax Equity and Educational Opportunities Support Act to the school
26 district or core services and technology infrastructure funds granted
27 pursuant to section 79-1241.03 to the educational service unit be
28 withheld until such time as the contract or amendment is received by the
29 department. In addition, the commissioner shall direct each county
30 treasurer of a county with territory in the school district or
31 educational service unit to withhold all money belonging to the school

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

16 Sec. 15. Original sections 79-528, 79-1007.18, 79-1008.02, 79-1022,
17 79-1036, 79-1041, 79-10,120, 79-10,126, 79-2104, 79-2111, and 79-2404,
18 Reissue Revised Statutes of Nebraska, and sections 70-651.04, 77-1736.06,
19 and 77-3442, Revised Statutes Cumulative Supplement, 2014, are repealed.

20 Sec. 16. The following sections are outright repealed: Sections
21 79-1073, 79-1073.01, and 79-10,126.01, Reissue Revised Statutes of
22 Nebraska.