

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 103**

Introduced by Linehan, 39.

Read first time January 10, 2019

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-1601.02, Reissue Revised Statutes of Nebraska; to change
- 3 provisions relating to property tax requests; and to repeal the
- 4 original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-1601.02, Reissue Revised Statutes of Nebraska,  
2 is amended to read:

3 77-1601.02 (1) Except as otherwise provided in this section, the The  
4 property tax request of a county, municipality, school district, learning  
5 community, sanitary and improvement district, natural resources district,  
6 educational service unit, or community college, for the prior year shall  
7 be the property tax request for the current year for purposes of the levy  
8 set by the county board of equalization in section 77-1601, shall be the  
9 amount to be received from property taxes as determined pursuant to the  
10 Nebraska Budget Act and sections 13-518 to 13-522 or 79-1023 to 79-1030,  
11 as applicable. The governing body of the political subdivision shall set  
12 the property tax request at such amount by passing a resolution or  
13 ordinance to that effect unless the governing body of the county,  
14 municipality, school district, learning community, sanitary and  
15 improvement district, natural resources district, educational service  
16 unit, or community college passes by a majority vote a resolution or  
17 ordinance setting the tax request at a different amount. Such resolution  
18 or ordinance shall only be passed after a special public hearing called  
19 for such purpose is held and after notice is published in a newspaper of  
20 general circulation in the area of the political subdivision at least  
21 five days prior to the hearing. The hearing notice shall contain the  
22 following information: The dollar amount of the prior year's tax request  
23 and the property tax rate that was necessary to fund that tax request;  
24 the property tax rate that would be necessary to fund last year's tax  
25 request if applied to the current year's valuation; and the proposed  
26 dollar amount of the tax request for the current year and the property  
27 tax rate that will be necessary to fund that tax request.

28 (2) When the annual assessment of property would result in an  
29 increase in the total property taxes levied by a county, municipality,  
30 school district, learning community, sanitary and improvement district,  
31 natural resources district, educational service unit, or community

1 college, as determined using the previous year's rate of levy, such  
2 political subdivision shall reduce its rate of levy for the current tax  
3 year so as to cause such rate of levy to produce no more than the amount  
4 of property taxes raised in the previous year and shall set its property  
5 tax request at the same amount as in the previous year unless subsection  
6 (3) of this section is complied with.

7 (3)(a) The governing body of a county, municipality, school  
8 district, learning community, sanitary and improvement district, natural  
9 resources district, educational service unit, or community college may  
10 increase the rate of levy and its property tax request above the reduced  
11 amounts required in subsection (2) of this section if such increase is  
12 deemed to be necessary by such governing body after conducting a public  
13 hearing on the issue. Such public hearing shall not be held at the same  
14 time as the annual budget hearing. Notice of the public hearing shall be  
15 given at least thirty days before the date of such hearing by the  
16 publication of a notice in at least one newspaper of general circulation  
17 in such political subdivision and in a prominent public location at which  
18 notices are regularly posted in the building where the governing body of  
19 the political subdivision regularly conducts its business. Any such  
20 notice shall be at least the size of one-eighth page of a standard size  
21 or tabloid size newspaper, and the headline in the advertisement shall be  
22 in a type no smaller than eighteen point. The notice shall be in the  
23 following form and contain the following information, in addition to such  
24 other information as the governing body may elect to include:

25 NOTICE OF PROPOSED PROPERTY TAX INCREASE

26 The (name of political subdivision) proposes to increase property  
27 tax levies.

28 1. Assessment Increase: The total assessed value of property exceeds  
29 last year's total assessed value by ..... percent.

30 2. Lowered Rate Necessary to Offset Increased Assessment: The tax  
31 rate which would levy the same amount of property taxes as last year,

1 when multiplied by the new total assessed value of property, would be  
2 \$. . . . per \$100 of assessed value. This rate will be known as the "lowered  
3 tax rate."

4 3. Effective Rate Increase: The (name of political subdivision)  
5 proposes to adopt a tax rate of \$. . . . per \$100 of assessed value. The  
6 difference between the lowered tax rate and the proposed rate would be  
7 \$. . . . per \$100, or . . . . percent. This difference will be known as the  
8 "effective tax rate increase." Individual property taxes may, however,  
9 increase at a percentage greater than or less than the above percentage.

10 4. Proposed Total Budget Increase: Based on the proposed property  
11 tax rate and changes in other revenue, the total budget of (name of  
12 political subdivision) will exceed last year's by . . . . percent.

13 A public hearing on the increase will be held on (date and time) at  
14 (meeting place).

15 (b) All hearings required under this subsection shall be open to the  
16 public. The governing body of the political subdivision shall permit  
17 persons desiring to be heard an opportunity to present oral testimony  
18 within such reasonable time limits as shall be determined by the  
19 governing body.

20 (c) If the governing body deems it necessary to increase the rate of  
21 levy and the property tax request above the reduced amounts required in  
22 subsection (2) of this section after conducting the public hearing, the  
23 governing body shall pass a resolution or ordinance to that effect and,  
24 as part of such resolution or ordinance, shall set the property tax  
25 request at no more than the amount allowed under subsection (1) of this  
26 section.

27 (4) Any resolution or ordinance setting a property tax request under  
28 this section shall be certified and forwarded to the county clerk on or  
29 before October 13 of the year for which the property tax request is to  
30 apply.

31 (5) {2} Any levy which is not in compliance with this section and

1 section 77-1601 shall be construed as an unauthorized levy under section  
2 77-1606.

3 Sec. 2. Original section 77-1601.02, Reissue Revised Statutes of  
4 Nebraska, is repealed.