

AMENDMENTS TO LB589

Introduced by Briese, 41.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Sections 1 to 8 of this act shall be known and may be
4 cited as the School District Property Tax Limitation Act.

5 Sec. 2. For purposes of the School District Property Tax Limitation
6 Act, unless the context otherwise requires:

7 (1) Approved bonds means (a) bonds that are issued by a school
8 district after the question of issuing such bonds has been approved by
9 the voters of such school district and (b) bonds that are issued by a
10 school district pursuant to section 79-10,110.02;

11 (2) Average daily membership has the same meaning as in section
12 79-1003;

13 (3) Base growth percentage means the sum of:

14 (a) Three percent;

15 (b) The annual percentage increase in the student enrollment of the
16 school district multiplied by two-tenths;

17 (c) The percentage obtained by first dividing the annual increase in
18 the total number of limited English proficiency students in the school
19 district by the student enrollment of the school district and then
20 multiplying the quotient by fifteen hundredths; and

21 (d) The percentage obtained by first dividing the annual increase in
22 the total number of poverty students in the school district by the
23 student enrollment of the school district and then multiplying the
24 quotient by fifteen hundredths;

25 (4) Department means the State Department of Education;

26 (5) Non-property-tax revenue means revenue of a school district from
27 all state and local sources other than real and personal property taxes.

1 Non-property-tax revenue does not include reimbursements for special
2 education programs and support services pursuant to sections 79-1129,
3 79-1132, and 79-1144 and does not include grants and donations;

4 (6) Property tax request means the total amount of property taxes
5 requested to be raised for a school district through the levy imposed
6 pursuant to section 77-1601;

7 (7) Property tax request authority means the amount that may be
8 included in a property tax request as determined pursuant to the School
9 District Property Tax Limitation Act;

10 (8) School board has the same meaning as in section 79-101;

11 (9) School district has the same meaning as in section 79-101; and

12 (10) Student enrollment means the total number of students in the
13 school district according to the fall school district membership report
14 described in subsection (4) of section 79-528.

15 Sec. 3. (1) Except as provided in sections 4 and 5 of this act, a
16 school district's property tax request for any year shall not exceed the
17 school district's property tax request authority.

18 (2) The department shall calculate each school district's property
19 tax request authority on an annual basis as follows:

20 (a) The school district's property tax request from the prior year
21 shall be added to the non-property-tax revenue from the prior year, and
22 the total shall be increased by the school district's base growth
23 percentage; and

24 (b) The amount determined under subdivision (2)(a) of this section
25 shall then be decreased by the amount of total non-property-tax revenue
26 for the current year. In determining the total non-property-tax revenue
27 for the current year, any category of non-property-tax revenue for which
28 there is insufficient data as of August 1 to make an accurate
29 determination shall be deemed to be equal to the prior year's amount.

30 (3) The department shall certify the amount determined for each
31 school district under this section to the school board of such school

1 district. Such certified amount shall be the school district's property
2 tax request authority.

3 Sec. 4. The School District Property Tax Limitation Act shall not
4 apply to that portion of a school district's property tax request that is
5 needed to pay the principal and interest on approved bonds.

6 Sec. 5. (1) A school district's property tax request may exceed its
7 property tax request authority by an amount approved by a sixty percent
8 majority of legal voters voting on the issue at a special election called
9 for such purpose upon the recommendation of the school board of such
10 school district or upon the receipt by the county clerk or election
11 commissioner of a petition requesting an election signed by at least five
12 percent of the legal voters of the school district. The recommendation of
13 the school board or the petition of the legal voters shall include the
14 amount by which the school board would increase its property tax request
15 for the year over and above the property tax request authority of such
16 school district. The county clerk or election commissioner shall call for
17 a special election on the issue within thirty days after the receipt of
18 such school board recommendation or legal voter petition. The election
19 shall be held pursuant to the Election Act, and all costs shall be paid
20 by the school district.

21 (2)(a) A school district may increase the base growth percentage
22 used to determine its property tax request authority under section 3 of
23 this act by a percentage approved by an affirmative vote of at least
24 seventy percent of the school board of such school district. The maximum
25 base growth percentage that may be approved under this subsection shall
26 be:

27 (i) The base growth percentage that would otherwise be applicable
28 plus an additional seven percent for school districts with an average
29 daily membership of no more than four hundred seventy-one students;

30 (ii) The base growth percentage that would otherwise be applicable
31 plus an additional six percent for school districts with an average daily

1 membership of more than four hundred seventy-one students but no more
2 than three thousand forty-four students;

3 (iii) The base growth percentage that would otherwise be applicable
4 plus an additional five percent for school districts with an average
5 daily membership of more than three thousand forty-four students but no
6 more than ten thousand students; or

7 (iv) The base growth percentage that would otherwise be applicable
8 plus an additional four percent for school districts with an average
9 daily membership of more than ten thousand students.

10 (b) Before a school board votes to increase a school district's base
11 growth percentage under this subsection, the school board shall publish
12 notice of the upcoming vote in a legal newspaper of general circulation
13 in the school district. Such publication shall occur at least one week
14 prior to the public meeting at which the vote will be taken.

15 (3) A school district's property tax request may exceed its property
16 tax request authority pursuant to any property tax authority approved by
17 the voters at a levy override election under section 77-3444 held prior
18 to January 1, 2024.

19 Sec. 6. A school district may choose not to increase its property
20 tax request by the full amount allowed by the school district's property
21 tax request authority in a particular year. In such cases, the school
22 district may carry forward to future years the amount of unused property
23 tax request authority. The department shall calculate each school
24 district's unused property tax request authority and shall submit an
25 accounting of such amount to the school board of the school district.
26 Such unused property tax request authority may then be used in later
27 years for increases in the school district's property tax request.

28 Sec. 7. The department shall prepare documents to be submitted by
29 school districts to aid the department in calculating each school
30 district's property tax request authority and unused property tax request
31 authority. Each school district shall submit such documents to the

1 department on or before September 20 of each year. If a school district
2 fails to submit such documents to the department or if the department
3 determines from such documents that a school district is not complying
4 with the limits provided in the School District Property Tax Limitation
5 Act, the department shall notify the school district of its
6 determination. The Commissioner of Education shall then direct that any
7 state aid granted pursuant to the Tax Equity and Educational
8 Opportunities Support Act be withheld until such time as the school
9 district submits the required documents or complies with the School
10 District Property Tax Limitation Act. The state aid shall be held for six
11 months. If the school district complies within the six-month period, it
12 shall receive the suspended state aid. If the school district fails to
13 comply within the six-month period, the suspended state aid shall revert
14 to the General Fund.

15 Sec. 8. The department may adopt and promulgate rules and
16 regulations to carry out the School District Property Tax Limitation Act.

17 Sec. 9. Section 77-1632, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 77-1632 (1) If the annual assessment of property would result in an
20 increase in the total property taxes levied by a county, city, village,
21 school district, learning community, sanitary and improvement district,
22 natural resources district, educational service unit, or community
23 college, as determined using the previous year's rate of levy, such
24 political subdivision's property tax request for the current year shall
25 be no more than its property tax request in the prior year, and the
26 political subdivision's rate of levy for the current year shall be
27 decreased accordingly when such rate is set by the county board of
28 equalization pursuant to section 77-1601. The governing body of the
29 political subdivision shall pass a resolution or ordinance to set the
30 amount of its property tax request after holding the public hearing
31 required in subsection (3) of this section. If the governing body of a

1 political subdivision seeks to set its property tax request at an amount
2 that exceeds its property tax request in the prior year, it may do so to
3 the extent allowed by law after holding the public hearing required in
4 subsection (3) of this section and by passing a resolution or ordinance
5 that complies with subsection (4) of this section. If any county, city,
6 school district, or community college seeks to increase its property tax
7 request by more than the allowable growth percentage, such political
8 subdivision shall comply with the requirements of section 77-1633 in lieu
9 of the requirements in subsections (3) and (4) of this section.

10 (2) If the annual assessment of property would result in no change
11 or a decrease in the total property taxes levied by a county, city,
12 village, school district, learning community, sanitary and improvement
13 district, natural resources district, educational service unit, or
14 community college, as determined using the previous year's rate of levy,
15 such political subdivision's property tax request for the current year
16 shall be no more than its property tax request in the prior year, and the
17 political subdivision's rate of levy for the current year shall be
18 adjusted accordingly when such rate is set by the county board of
19 equalization pursuant to section 77-1601. The governing body of the
20 political subdivision shall pass a resolution or ordinance to set the
21 amount of its property tax request after holding the public hearing
22 required in subsection (3) of this section. If the governing body of a
23 political subdivision seeks to set its property tax request at an amount
24 that exceeds its property tax request in the prior year, it may do so to
25 the extent allowed by law after holding the public hearing required in
26 subsection (3) of this section and by passing a resolution or ordinance
27 that complies with subsection (4) of this section. If any county, city,
28 school district, or community college seeks to increase its property tax
29 request by more than the allowable growth percentage, such political
30 subdivision shall comply with the requirements of section 77-1633 in lieu
31 of the requirements in subsections (3) and (4) of this section.

1 (3) The resolution or ordinance required under this section shall
2 only be passed after a special public hearing called for such purpose is
3 held and after notice is published in a newspaper of general circulation
4 in the area of the political subdivision at least four calendar days
5 prior to the hearing. For purposes of such notice, the four calendar days
6 shall include the day of publication but not the day of hearing. If the
7 political subdivision's total operating budget, not including reserves,
8 does not exceed ten thousand dollars per year or twenty thousand dollars
9 per biennial period, the notice may be posted at the governing body's
10 principal headquarters. The hearing notice shall contain the following
11 information: The certified taxable valuation under section 13-509 for the
12 prior year, the certified taxable valuation under section 13-509 for the
13 current year, and the percentage increase or decrease in such valuations
14 from the prior year to the current year; the dollar amount of the prior
15 year's tax request and the property tax rate that was necessary to fund
16 that tax request; the property tax rate that would be necessary to fund
17 last year's tax request if applied to the current year's valuation; the
18 proposed dollar amount of the tax request for the current year and the
19 property tax rate that will be necessary to fund that tax request; the
20 percentage increase or decrease in the property tax rate from the prior
21 year to the current year; and the percentage increase or decrease in the
22 total operating budget from the prior year to the current year.

23 (4) Any resolution or ordinance setting a political subdivision's
24 property tax request under this section at an amount that exceeds the
25 political subdivision's property tax request in the prior year shall
26 include, but not be limited to, the following information:

- 27 (a) The name of the political subdivision;
28 (b) The amount of the property tax request;
29 (c) The following statements:

30 (i) The total assessed value of property differs from last year's
31 total assessed value by percent;

1 (ii) The tax rate which would levy the same amount of property taxes
2 as last year, when multiplied by the new total assessed value of
3 property, would be \$..... per \$100 of assessed value;

4 (iii) The (name of political subdivision) proposes to adopt a
5 property tax request that will cause its tax rate to be \$..... per \$100
6 of assessed value; and

7 (iv) Based on the proposed property tax request and changes in other
8 revenue, the total operating budget of (name of political subdivision)
9 will (increase or decrease) last year's budget by percent; and

10 (d) The record vote of the governing body in passing such resolution
11 or ordinance.

12 (5) Any resolution or ordinance setting a property tax request under
13 this section shall be certified and forwarded to the county clerk on or
14 before October 15 of the year for which the tax request is to apply.

15 Sec. 10. Section 77-1633, Revised Statutes Cumulative Supplement,
16 2022, is amended to read:

17 77-1633 (1) For purposes of this section, political subdivision
18 means any county, city, school district, or community college.

19 (2) If any political subdivision seeks to increase its property tax
20 request by more than the allowable growth percentage, such political
21 subdivision may do so to the extent allowed by law if:

22 (a) A public hearing is held and notice of such hearing is provided
23 in compliance with subsection (3) of this section; and

24 (b) The governing body of such political subdivision passes a
25 resolution or an ordinance that complies with subsection (4) of this
26 section.

27 (3)(a) Each political subdivision within a county that seeks to
28 increase its property tax request by more than the allowable growth
29 percentage shall participate in a joint public hearing. Each such
30 political subdivision shall designate one representative to attend the
31 joint public hearing on behalf of the political subdivision. If a

1 political subdivision includes area in more than one county, the
2 political subdivision shall be deemed to be within the county in which
3 the political subdivision's principal headquarters are located. At such
4 hearing, there shall be no items on the agenda other than discussion on
5 each political subdivision's intent to increase its property tax request
6 by more than the allowable growth percentage.

7 (b) The joint public hearing shall be held on or after September 17
8 and prior to September 29 and before any of the participating political
9 subdivisions file their adopted budget statement pursuant to section
10 13-508.

11 (c) The joint public hearing shall be held after 6 p.m. local time
12 on the relevant date.

13 (d) The joint public hearing shall be organized by the county clerk
14 or his or her designee. At the joint public hearing, the representative
15 of each political subdivision shall give a brief presentation on the
16 political subdivision's intent to increase its property tax request by
17 more than the allowable growth percentage and the effect of such request
18 on the political subdivision's budget. The presentation shall include:

19 (i) The name of the political subdivision;

20 (ii) The amount of the property tax request; and

21 (iii) The following statements:

22 (A) The total assessed value of property differs from last year's
23 total assessed value by percent;

24 (B) The tax rate which would levy the same amount of property taxes
25 as last year, when multiplied by the new total assessed value of
26 property, would be \$..... per \$100 of assessed value;

27 (C) The (name of political subdivision) proposes to adopt a property
28 tax request that will cause its tax rate to be \$..... per \$100 of
29 assessed value;

30 (D) Based on the proposed property tax request and changes in other
31 revenue, the total operating budget of (name of political subdivision)

1 will exceed last year's by percent; and

2 (E) To obtain more information regarding the increase in the
3 property tax request, citizens may contact the (name of political
4 subdivision) at (telephone number and email address of political
5 subdivision).

6 (e) Any member of the public shall be allowed to speak at the joint
7 public hearing and shall be given a reasonable amount of time to do so.

8 (f) Notice of the joint public hearing shall be provided:

9 (i) By sending a postcard to all affected property taxpayers. The
10 postcard shall be sent to the name and address to which the property tax
11 statement is mailed;

12 (ii) By posting notice of the hearing on the home page of the
13 relevant county's website, except that this requirement shall only apply
14 if the county has a population of more than twenty-five thousand
15 inhabitants; and

16 (iii) By publishing notice of the hearing in a legal newspaper in or
17 of general circulation in the relevant county.

18 (g) Each political subdivision that participates in the joint public
19 hearing shall send the information prescribed in subdivision (3)(h) of
20 this section to the county clerk by September 5. The county clerk shall
21 transmit the information to the county assessor no later than September
22 10. The county clerk shall notify each participating political
23 subdivision of the date, time, and location of the joint public hearing.
24 The county assessor shall send the information required to be included on
25 the postcards pursuant to subdivision (3)(h) of this section to a
26 printing service designated by the county board. The initial cost for
27 printing the postcards shall be paid from the county general fund. Such
28 postcards shall be mailed at least seven calendar days before the joint
29 public hearing. The cost of creating and mailing the postcards, including
30 staff time, materials, and postage, shall be charged proportionately to
31 the political subdivisions participating in the joint public hearing

1 based on the total number of parcels in each participating political
2 subdivision.

3 (h) The postcard sent under this subsection and the notice posted on
4 the county's website, if required under subdivision (3)(f)(ii) of this
5 section, and published in the newspaper shall include the date, time, and
6 location for the joint public hearing, a listing of and telephone number
7 for each political subdivision that will be participating in the joint
8 public hearing, and the amount of each participating political
9 subdivision's property tax request. The postcard shall also contain the
10 following information:

11 (i) The following words in capitalized type at the top of the
12 postcard: NOTICE OF PROPOSED TAX INCREASE;

13 (ii) The name of the county that will hold the joint public hearing,
14 which shall appear directly underneath the capitalized words described in
15 subdivision (3)(h)(i) of this section;

16 (iii) The following statement: The following political subdivisions
17 are proposing a revenue increase which would result in an overall
18 increase in property taxes in (insert current tax year). THE ACTUAL TAX
19 ON YOUR PROPERTY MAY INCREASE OR DECREASE. This notice contains estimates
20 of the tax on your property as a result of this revenue increase. These
21 estimates are calculated on the basis of the proposed (insert current tax
22 year) data. The actual tax on your property may vary from these
23 estimates.

24 (iv) The parcel number for the property;

25 (v) The name of the property owner and the address of the property;

26 (vi) The property's assessed value in the previous tax year;

27 (vii) The amount of property taxes due in the previous tax year for
28 each participating political subdivision;

29 (viii) The property's assessed value for the current tax year;

30 (ix) The amount of property taxes due for the current tax year for
31 each participating political subdivision;

1 (x) The change in the amount of property taxes due for each
2 participating political subdivision from the previous tax year to the
3 current tax year; and

4 (xi) The following statement: To obtain more information regarding
5 the tax increase, citizens may contact the political subdivision at the
6 telephone number provided in this notice.

7 (4) After the joint public hearing required in subsection (3) of
8 this section, the governing body of each participating political
9 subdivision shall pass an ordinance or resolution to set such political
10 subdivision's property tax request. If the political subdivision is
11 increasing its property tax request over the amount from the prior year,
12 including any increase in excess of the allowable growth percentage, then
13 such ordinance or resolution shall include, but not be limited to, the
14 following information:

15 (a) The name of the political subdivision;

16 (b) The amount of the property tax request;

17 (c) The following statements:

18 (i) The total assessed value of property differs from last year's
19 total assessed value by percent;

20 (ii) The tax rate which would levy the same amount of property taxes
21 as last year, when multiplied by the new total assessed value of
22 property, would be \$..... per \$100 of assessed value;

23 (iii) The (name of political subdivision) proposes to adopt a
24 property tax request that will cause its tax rate to be \$..... per \$100
25 of assessed value; and

26 (iv) Based on the proposed property tax request and changes in other
27 revenue, the total operating budget of (name of political subdivision)
28 will exceed last year's by percent; and

29 (d) The record vote of the governing body in passing such resolution
30 or ordinance.

31 (5) Any resolution or ordinance setting a property tax request under

1 this section shall be certified and forwarded to the county clerk on or
2 before October 15 of the year for which the tax request is to apply.

3 (6) The county clerk, or his or her designee, shall prepare a report
4 which shall include (a) the names of the representatives of the political
5 subdivisions participating in the joint public hearing and (b) the name
6 and address of each individual who spoke at the joint public hearing,
7 unless the address requirement is waived to protect the security of the
8 individual, and the name of any organization represented by each such
9 individual. Such report shall be delivered to the political subdivisions
10 participating in the joint public hearing within ten days after such
11 hearing.

12 Sec. 11. This act becomes operative on January 1, 2024.

13 Sec. 12. Original sections 77-1632 and 77-1633, Revised Statutes
14 Cumulative Supplement, 2022, are repealed.