

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SPECIAL SESSION

LEGISLATIVE BILL 67

Introduced by Wayne, 13.

Read first time July 29, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to natural resources districts; to amend
2 section 2-3225, Reissue Revised Statutes of Nebraska, and section
3 77-3442, Revised Statutes Supplement, 2023; to change provisions
4 relating to levy authority of natural resources districts; to
5 provide a funding mechanism for natural resources districts; and to
6 repeal the original sections.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-3225, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 2-3225 (1)(a) Each district shall have the power and authority to
4 levy a tax of not to exceed four and one-half cents on each one hundred
5 dollars of taxable valuation annually on all of the taxable property
6 within such district unless a higher levy is authorized pursuant to
7 section 77-3444.

8 (b) Each district shall also have the power and authority to levy a
9 tax equal to the dollar amount by which its restricted funds budgeted to
10 administer and implement ground water management activities and
11 integrated management activities under the Nebraska Ground Water
12 Management and Protection Act exceed its restricted funds budgeted to
13 administer and implement ground water management activities and
14 integrated management activities for FY2003-04, not to exceed one cent on
15 each one hundred dollars of taxable valuation annually on all of the
16 taxable property within the district.

17 (c) In addition to the power and authority granted in subdivisions
18 (1)(a) and (b) of this section, each district located in a river basin,
19 subbasin, or reach that has been determined to be fully appropriated
20 pursuant to section 46-714 or designated overappropriated pursuant to
21 section 46-713 by the Department of Natural Resources shall also have the
22 power and authority to levy a tax equal to the dollar amount by which its
23 restricted funds budgeted to administer and implement ground water
24 management activities and integrated management activities under the
25 Nebraska Ground Water Management and Protection Act exceed its restricted
26 funds budgeted to administer and implement ground water management
27 activities and integrated management activities for FY2005-06, not to
28 exceed three cents on each one hundred dollars of taxable valuation on
29 all of the taxable property within the district for fiscal year 2006-07
30 and each fiscal year thereafter through fiscal year 2017-18.

31 (d) In addition to the power and authority granted in subdivisions

1 (a) through (c) of this subsection, a district with jurisdiction that
2 includes a river subject to an interstate compact among three or more
3 states and that also includes one or more irrigation districts within the
4 compact river basin may annually levy a tax not to exceed ten cents per
5 one hundred dollars of taxable valuation of all taxable property in the
6 district. The proceeds of such tax may be used for the payment of
7 principal and interest on bonds and refunding bonds issued pursuant to
8 section 2-3226.01. Such levy is not includable in the computation of
9 other limitations upon the district's tax levy.

10 (2) The proceeds of the tax levies authorized in subdivisions (1)(a)
11 through (c) of this section shall be used, together with any other funds
12 which the district may receive from any source, for the operation of the
13 district. When adopted by the board, the tax levies authorized in
14 subdivisions (1)(a) through (d) of this section shall be certified by the
15 secretary to the county clerk of each county which in whole or in part is
16 included within the district. Such levy shall be handled by the counties
17 in the same manner as other levies, and proceeds shall be remitted to the
18 district treasurer. Such levy shall not be considered a part of the
19 general county levy and shall not be considered in connection with any
20 limitation on levies of such counties.

21 (3) Beginning in fiscal year 2025-26, a district may certify a levy
22 under this section only if such levy is authorized under section 2 of
23 this act.

24 Sec. 2. (1) Beginning in fiscal year 2025-26, funds shall be
25 distributed to natural resources districts to offset the funds lost by
26 natural resources districts due to the elimination of their levy
27 authority under section 2-3225.

28 (2) The amount to be distributed to each natural resources district
29 under this section shall be equal to:

30 (a) For fiscal year 2025-26, the amount of property taxes levied by
31 such natural resources district for fiscal year 2024-25 pursuant to

1 section 2-3225, with such amount then increased by three and one-half
2 percent. Such amount shall be calculated by the Department of Natural
3 Resources and certified to the natural resources district and to the
4 budget administrator of the budget division of the Department of
5 Administrative Services by August 15, 2025; and

6 (b) For fiscal year 2026-27 and each fiscal year thereafter, the
7 amount distributed under this section to such natural resources district
8 in the prior fiscal year increased by three and one-half percent. Such
9 amount shall be calculated by the Department of Natural Resources and
10 certified to the natural resources district and to the budget
11 administrator of the budget division of the Department of Administrative
12 Services by August 15 of each year.

13 (3) The Department of Natural Resources shall annually certify the
14 total amount to be distributed to all natural resources districts under
15 subsection (2) of this section to the State Treasurer.

16 (4) The Department of Natural Resources shall annually make
17 distributions to the natural resources districts in the amounts
18 determined pursuant to subsection (2) of this section. The distributions
19 shall be made in twelve equal payments distributed monthly.

20 (5) Beginning in fiscal year 2025-26, if the state fails to provide
21 full funding of the amounts described in subsection (2) of this section
22 for any fiscal year, each natural resources district may, if approved by
23 a majority vote of the board of directors of the natural resources
24 district, levy an amount for such fiscal year under section 2-3225
25 sufficient to generate revenue equal to the amount that would have been
26 provided to the natural resources district under subsection (2) of this
27 section if fully funded minus the amount that was actually provided to
28 the natural resources district.

29 Sec. 3. Section 77-3442, Revised Statutes Supplement, 2023, is
30 amended to read:

31 77-3442 (1) Property tax levies for the support of local governments

1 for fiscal years beginning on or after July 1, 1998, shall be limited to
2 the amounts set forth in this section except as provided in section
3 77-3444.

4 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
5 section, school districts and multiple-district school systems may levy a
6 maximum levy of one dollar and five cents per one hundred dollars of
7 taxable valuation of property subject to the levy.

8 (b) For each fiscal year prior to fiscal year 2017-18, learning
9 communities may levy a maximum levy for the general fund budgets of
10 member school districts of ninety-five cents per one hundred dollars of
11 taxable valuation of property subject to the levy. The proceeds from the
12 levy pursuant to this subdivision shall be distributed pursuant to
13 section 79-1073.

14 (c) Except as provided in subdivision (2)(e) of this section, for
15 each fiscal year prior to fiscal year 2017-18, school districts that are
16 members of learning communities may levy for purposes of such districts'
17 general fund budget and special building funds a maximum combined levy of
18 the difference of one dollar and five cents on each one hundred dollars
19 of taxable property subject to the levy minus the learning community levy
20 pursuant to subdivision (2)(b) of this section for such learning
21 community.

22 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
23 of this section are (i) amounts levied to pay for current and future sums
24 agreed to be paid by a school district to certificated employees in
25 exchange for a voluntary termination of employment occurring prior to
26 September 1, 2017, (ii) amounts levied by a school district otherwise at
27 the maximum levy pursuant to subdivision (2)(a) of this section to pay
28 for current and future qualified voluntary termination incentives for
29 certificated teachers pursuant to subsection (3) of section 79-8,142 that
30 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
31 of this section, (iii) amounts levied by a school district otherwise at

1 the maximum levy pursuant to subdivision (2)(a) of this section to pay
2 for seventy-five percent of the current and future sums agreed to be paid
3 to certificated employees in exchange for a voluntary termination of
4 employment occurring between September 1, 2017, and August 31, 2018, as a
5 result of a collective-bargaining agreement in force and effect on
6 September 1, 2017, that are not otherwise included in an exclusion
7 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
8 school district otherwise at the maximum levy pursuant to subdivision (2)
9 (a) of this section to pay for fifty percent of the current and future
10 sums agreed to be paid to certificated employees in exchange for a
11 voluntary termination of employment occurring between September 1, 2018,
12 and August 31, 2019, as a result of a collective-bargaining agreement in
13 force and effect on September 1, 2017, that are not otherwise included in
14 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
15 levied by a school district otherwise at the maximum levy pursuant to
16 subdivision (2)(a) of this section to pay for twenty-five percent of the
17 current and future sums agreed to be paid to certificated employees in
18 exchange for a voluntary termination of employment occurring between
19 September 1, 2019, and August 31, 2020, as a result of a collective-
20 bargaining agreement in force and effect on September 1, 2017, that are
21 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
22 this section, (vi) amounts levied in compliance with sections 79-10,110
23 and 79-10,110.02, and (vii) amounts levied to pay for special building
24 funds and sinking funds established for projects commenced prior to April
25 1, 1996, for construction, expansion, or alteration of school district
26 buildings. For purposes of this subsection, commenced means any action
27 taken by the school board on the record which commits the board to expend
28 district funds in planning, constructing, or carrying out the project.

29 (e) Federal aid school districts may exceed the maximum levy
30 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
31 extent necessary to qualify to receive federal aid pursuant to Title VIII

1 of Public Law 103-382, as such title existed on September 1, 2001. For
2 purposes of this subdivision, federal aid school district means any
3 school district which receives ten percent or more of the revenue for its
4 general fund budget from federal government sources pursuant to Title
5 VIII of Public Law 103-382, as such title existed on September 1, 2001.

6 (f) For each fiscal year, learning communities may levy a maximum
7 levy of one-half cent on each one hundred dollars of taxable property
8 subject to the levy for elementary learning center facility leases, for
9 remodeling of leased elementary learning center facilities, and for up to
10 fifty percent of the estimated cost for focus school or program capital
11 projects approved by the learning community coordinating council pursuant
12 to section 79-2111.

13 (g) For each fiscal year, learning communities may levy a maximum
14 levy of one and one-half cents on each one hundred dollars of taxable
15 property subject to the levy for early childhood education programs for
16 children in poverty, for elementary learning center employees, for
17 contracts with other entities or individuals who are not employees of the
18 learning community for elementary learning center programs and services,
19 and for pilot projects, except that no more than ten percent of such levy
20 may be used for elementary learning center employees.

21 (3) For each fiscal year through fiscal year 2023-24, community
22 college areas may levy the levies provided in subdivisions (2)(a) through
23 (c) of section 85-1517, in accordance with the provisions of such
24 subdivisions. For fiscal year 2024-25 and each fiscal year thereafter,
25 community college areas may levy the levies provided in subdivisions (2)
26 (a) and (b) of section 85-1517, in accordance with the provisions of such
27 subdivisions. A community college area may exceed the levy provided in
28 subdivision (2)(a) of section 85-1517 by the amount necessary to generate
29 sufficient revenue as described in section 85-1543 or 85-2238. A
30 community college area may exceed the levy provided in subdivision (2)(b)
31 of section 85-1517 by the amount necessary to retire general obligation

1 bonds assumed by the community college area or issued pursuant to section
2 85-1515 according to the terms of such bonds or for any obligation
3 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

7 (b) Natural resources districts shall also have the power and
8 authority to levy a tax equal to the dollar amount by which their
9 restricted funds budgeted to administer and implement ground water
10 management activities and integrated management activities under the
11 Nebraska Ground Water Management and Protection Act exceed their
12 restricted funds budgeted to administer and implement ground water
13 management activities and integrated management activities for FY2003-04,
14 not to exceed one cent on each one hundred dollars of taxable valuation
15 annually on all of the taxable property within the district.

16 (c) In addition, natural resources districts located in a river
17 basin, subbasin, or reach that has been determined to be fully
18 appropriated pursuant to section 46-714 or designated as overappropriated
19 pursuant to section 46-713 by the Department of Natural Resources shall
20 also have the power and authority to levy a tax equal to the dollar
21 amount by which their restricted funds budgeted to administer and
22 implement ground water management activities and integrated management
23 activities under the Nebraska Ground Water Management and Protection Act
24 exceed their restricted funds budgeted to administer and implement ground
25 water management activities and integrated management activities for
26 FY2005-06, not to exceed three cents on each one hundred dollars of
27 taxable valuation on all of the taxable property within the district for
28 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
29 2017-18.

30 (d) Beginning in fiscal year 2025-26, a natural resources district
31 may certify a levy under this section only if such levy is authorized

1 under section 2 of this act.

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

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

18 (b) Incorporated cities and villages which are within the boundaries
19 of a municipal county may levy a maximum levy of ninety cents per one
20 hundred dollars of taxable valuation of property subject to the levy. The
21 maximum levy shall include amounts paid to a municipal county for county
22 services, amounts levied to pay for sums to support a library pursuant to
23 section 51-201, a museum pursuant to section 51-501, a visiting community
24 nurse, home health nurse, or home health agency pursuant to section
25 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

26 (7) Sanitary and improvement districts which have been in existence
27 for more than five years may levy a maximum levy of forty cents per one
28 hundred dollars of taxable valuation of property subject to the levy, and
29 sanitary and improvement districts which have been in existence for five
30 years or less shall not have a maximum levy. Unconsolidated sanitary and
31 improvement districts which have been in existence for more than five

1 years and are located in a municipal county may levy a maximum of eighty-
2 five cents per hundred dollars of taxable valuation of property subject
3 to the levy.

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

28 (9) Municipal counties may levy or authorize a maximum levy of one
29 dollar per one hundred dollars of taxable valuation of property subject
30 to the levy. The municipal county may allocate levy authority to any
31 political subdivision or entity subject to allocation under section

1 77-3443.

2 (10) Beginning July 1, 2016, rural and suburban fire protection
3 districts may levy a maximum levy of ten and one-half cents per one
4 hundred dollars of taxable valuation of property subject to the levy if
5 (a) such district is located in a county that had a levy pursuant to
6 subsection (8) of this section in the previous year of at least forty
7 cents per one hundred dollars of taxable valuation of property subject to
8 the levy or (b) such district had a levy request pursuant to section
9 77-3443 in any of the three previous years and the county board of the
10 county in which the greatest portion of the valuation of such district is
11 located did not authorize any levy authority to such district in such
12 year.

13 (11) A regional metropolitan transit authority may levy a maximum
14 levy of ten cents per one hundred dollars of taxable valuation of
15 property subject to the levy for each fiscal year that commences on the
16 January 1 that follows the effective date of the conversion of the
17 transit authority established under the Transit Authority Law into the
18 regional metropolitan transit authority.

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

1 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not
2 included in the levy limits established by this section.

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

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

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

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

27 Sec. 4. Original section 2-3225, Reissue Revised Statutes of
28 Nebraska, and section 77-3442, Revised Statutes Supplement, 2023, are
29 repealed.