

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SPECIAL SESSION

**LEGISLATIVE BILL 80**

Introduced by Raybould, 28.

Read first time July 29, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 13-508, 13-518, 13-2817, 14-109, 15-202, 15-203, 16-205, 17-525,  
3 29-3933, 72-2305, 72-2306, 77-1315, and 77-27,142, Reissue Revised  
4 Statutes of Nebraska; sections 77-1630, 77-1776, and 77-27,144,  
5 Revised Statutes Cumulative Supplement, 2022; section 77-1701,  
6 Revised Statutes Supplement, 2023; and section 18-1208, Reissue  
7 Revised Statutes of Nebraska, as amended by Laws 2024, LB1317,  
8 section 55; to adopt the Property Tax Growth Limitation Act; to  
9 provide for an ad valorem adjustment relating to tax-increment  
10 financing; to change provisions relating to budget limitations,  
11 municipal occupation taxes, property tax notices, and property tax  
12 statements; to terminate the Property Tax Request Act; to harmonize  
13 provisions; and to repeal the original sections.  
14 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 8 of this act shall be known and may be  
2 cited as the Property Tax Growth Limitation Act.

3           Sec. 2. For purposes of the Property Tax Growth Limitation Act:

4           (1) Approved bonds means bonds as defined in subdivision (1) of  
5 section 10-134 that are approved according to law, excluding any bonds  
6 issued to finance a project or projects if the issuance of bonds for such  
7 project or projects was the subject of a general obligation bond election  
8 held at the most recent regularly scheduled election and was not approved  
9 at such election;

10           (2) Auditor means the Auditor of Public Accounts;

11           (3) Consumer price index means the Consumer Price Index for All  
12 Urban Consumers published by the federal Bureau of Labor Statistics;

13           (4) Emergency means an emergency, as defined in section 81-829.39,  
14 for which a state of emergency proclamation or local state of emergency  
15 proclamation has been issued under the Emergency Management Act;

16           (5) Growth percentage means the percentage obtained by dividing (a)  
17 the political subdivision's growth value by (b) the political  
18 subdivision's total property valuation from the prior year;

19           (6) Growth value means the increase in a political subdivision's  
20 total property valuation, including any increase to the valuation of any  
21 tax increment financing project located in the political subdivision,  
22 from the prior year to the current year due to (a) improvements to real  
23 property as a result of new construction and additions to existing  
24 buildings, (b) any other improvements to real property which increase the  
25 value of such property, (c) annexation of real property by the political  
26 subdivision, (d) a change in the use of real property, and (e) any  
27 increase in personal property valuation over the prior year;

28           (7) Political subdivision means any county, city, or village;

29           (8) Property tax request means the total amount of property taxes  
30 requested to be raised for a political subdivision through the levy  
31 imposed pursuant to section 77-1601;

1       (9) Property tax request authority means the amount that may be  
2 included in a political subdivision's property tax request as determined  
3 pursuant to the Property Tax Growth Limitation Act;

4       (10) Public safety expenses means expenses incurred by a political  
5 subdivision for the well-being and protection of the general public;

6       (11) State aid means:

7       (a) For all political subdivisions, state aid paid pursuant to  
8 sections 60-3,202 and 77-3523 and reimbursement provided pursuant to  
9 section 77-1239;

10       (b) For cities and villages, state aid to cities and villages paid  
11 pursuant to sections 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and  
12 insurance premium tax paid to cities and villages; and

13       (c) For counties, state aid to counties paid pursuant to sections  
14 60-3,184 to 60-3,190, insurance premium tax paid to counties, and  
15 reimbursements to counties from funds appropriated pursuant to section  
16 29-3933; and

17       (12) Tax increment financing project means a redevelopment project  
18 as defined in section 18-2103 that is financed through the division of  
19 taxes as provided in section 18-2147.

20       Sec. 3. (1) Except as otherwise provided in the Property Tax Growth  
21 Limitation Act, for fiscal years beginning on or after July 1, 2025, a  
22 political subdivision's property tax request for any year shall not  
23 exceed its property tax request authority as determined under this  
24 section. The preliminary property tax request authority for each  
25 political subdivision shall be the amount of property taxes levied by the  
26 county board of equalization pursuant to section 77-1601 for such  
27 political subdivision in the prior fiscal year.

28       (2) In addition to the preliminary property tax request authority,  
29 the political subdivision's property tax request authority may be  
30 increased by the product of:

31       (a) The amount of property taxes levied in the prior year increased

1 by the political subdivision's growth percentage, less the sum of  
2 exceptions utilized in the prior year pursuant to subdivisions (1), (4),  
3 and (6) of section 4 of this act; and

4 (b) The greater of five percent or the percentage change in the  
5 consumer price index over the most recently completed calendar year.

6 Sec. 4. A political subdivision may increase its property tax  
7 request authority over the amount determined under section 3 of this act  
8 by:

9 (1) The amount of property taxes budgeted for approved bonds;

10 (2) The amount of property taxes budgeted for capital improvements;

11 (3) The amount of property taxes budgeted in support of a service  
12 which is the subject of an agreement or a modification of an existing  
13 agreement whether operated by one of the parties to the agreement or by  
14 an independent joint entity or joint public agency;

15 (4) The amount of property taxes needed to respond to an emergency  
16 declared in the preceding year, as certified to the auditor;

17 (5) The amount of unused property tax request authority determined  
18 in accordance with section 6 of this act;

19 (6) The amount of property taxes budgeted for public safety  
20 expenses;

21 (7) The increase in property tax request authority approved by the  
22 legal voters as provided in section 5 of this act; and

23 (8) The amount of property taxes needed to replace any revenue  
24 stream collected in the prior year that was eliminated or reduced through  
25 legislative action.

26 Sec. 5. (1) A political subdivision may increase its property tax  
27 request authority over the amount determined under section 3 of this act  
28 if such increase is approved by a majority of legal voters voting on the  
29 issue at an election described in subsection (2) of this section. Such  
30 issue shall be placed on the ballot (a) upon the recommendation of the  
31 governing body of such political subdivision or (b) upon the receipt by

1 the county clerk or election commissioner of a petition requesting such  
2 issue to be placed on the ballot which is signed by at least five percent  
3 of the legal voters of the political subdivision. The recommendation of  
4 the governing body or the petition of the legal voters shall include the  
5 amount by which the political subdivision would increase its property tax  
6 request authority over and above the amount determined under section 3 of  
7 this act.

8 (2) Upon receipt of such recommendation or legal voter petition, the  
9 county clerk or election commissioner shall place such issue on the  
10 ballot at the next regularly scheduled election. The election shall be  
11 held pursuant to the Election Act, and all costs shall be paid by the  
12 political subdivision. The issue may be approved on the same question as  
13 a vote to exceed the levy limits provided in section 77-3444. If a  
14 majority of the votes cast on the issue are in favor of increasing the  
15 political subdivision's property tax request authority, the political  
16 subdivision shall be empowered to do so.

17 Sec. 6. A political subdivision may choose not to increase its  
18 total property taxes levied by the full amount of the property tax  
19 request authority allowed in a particular year. In such cases, the  
20 political subdivision may carry forward to future budget years the amount  
21 of unused property tax request authority, but accumulation of unused  
22 property tax request authority shall not exceed an aggregate of five  
23 percent of the total property tax request authority from the prior year.

24 Sec. 7. The auditor shall prepare forms to be used by political  
25 subdivisions for the purpose of calculating property tax request  
26 authority and unused property tax request authority. Each political  
27 subdivision shall calculate such amounts and submit the forms to the  
28 auditor on or before September 30, 2025, and on or before September 30 of  
29 each year thereafter. If a political subdivision fails to submit such  
30 forms to the auditor or if the auditor determines from such forms that a  
31 political subdivision is not complying with the limits provided in the

1 Property Tax Growth Limitation Act, the auditor shall notify the  
2 political subdivision and the State Treasurer of the noncompliance. The  
3 State Treasurer shall then suspend distribution of state aid allocated to  
4 the political subdivision until the political subdivision complies. The  
5 funds shall be held for six months. If the political subdivision complies  
6 within the six-month period, it shall receive the suspended funds. If the  
7 political subdivision fails to comply within the six-month period, the  
8 suspended funds shall be forfeited and shall be redistributed to other  
9 recipients of the state aid or, in the case of homestead exemption  
10 reimbursement, returned to the General Fund.

11 Sec. 8. The auditor may adopt and promulgate rules and regulations  
12 to carry out the Property Tax Growth Limitation Act.

13 Sec. 9. (1) For purposes of this section:

14 (a) Ad valorem adjustment means an amount equal to the portion of  
15 the property taxes that would be produced by the applicable school  
16 district levy rate in 2024 imposed upon the excess valuation, less the  
17 amount of actual property taxes generated by the school district levy  
18 rate in the current year on the excess valuation;

19 (b) Authority has the same meaning as in section 18-2103;

20 (c) Excess valuation means the amount of valuation of the real  
21 property in a redevelopment project in excess of the redevelopment  
22 project valuation for such real property;

23 (d) Redevelopment project has the same meaning as in section  
24 18-2103; and

25 (e) Redevelopment project valuation has the same meaning as in  
26 section 18-2103.

27 (2) Notwithstanding anything to the contrary contained in any  
28 legislation enacted during the One Hundred Eighth Legislature, First  
29 Special Session, that creates, establishes, increases, or otherwise  
30 provides state funding for school districts and which has the effect,  
31 directly or indirectly, of reducing the property tax levy rates of school

1 districts, the amount paid to each such school district from such state  
2 funding source shall be reduced by an amount equal to the ad valorem  
3 adjustment applicable to such school district. The ad valorem adjustment  
4 shall instead be remitted to the authority to which such property taxes  
5 are payable pursuant to section 18-2147.

6       Sec. 10. Section 13-508, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8       13-508 (1) After publication and hearing thereon and within the time  
9 prescribed by law, each governing body shall file with and certify to the  
10 levying board or boards on or before September 30 of each year or  
11 September 30 of the final year of a biennial period and file with the  
12 auditor a copy of the adopted budget statement which complies with  
13 sections 13-518 to 13-522 or 79-1023 to 79-1030, if applicable, together  
14 with the amount of the tax required to fund the adopted budget, setting  
15 out separately (a) the amount to be levied for the payment of principal  
16 or interest on bonds issued or authorized to be issued by the governing  
17 body or the legal voters of the political subdivision and (b) the amount  
18 to be levied for all other purposes. Proof of publication shall be  
19 attached to the statements. For fiscal years prior to fiscal year  
20 2017-18, learning communities shall also file a copy of such adopted  
21 budget statement with member school districts on or before September 1 of  
22 each year. If the prime rate published by the Federal Reserve Board is  
23 ten percent or more at the time of the filing and certification required  
24 under this subsection, the governing body, in certifying the amount  
25 required, may make allowance for delinquent taxes not exceeding five  
26 percent of the amount required plus the actual percentage of delinquent  
27 taxes for the preceding tax year or biennial period and for the amount of  
28 estimated tax loss from any pending or anticipated litigation which  
29 involves taxation and in which tax collections have been or can be  
30 withheld or escrowed by court order. For purposes of this section,  
31 anticipated litigation shall be limited to the anticipation of an action

1 being filed by a taxpayer who or which filed a similar action for the  
2 preceding year or biennial period which is still pending. Except for such  
3 allowances, a governing body shall not certify an amount of tax more than  
4 one percent greater or lesser than the amount determined under section  
5 13-505.

6 (2) Each governing body shall use the certified taxable values as  
7 provided by the county assessor pursuant to section 13-509 for the  
8 current year in setting or certifying the levy. Each governing body may  
9 designate one of its members to perform any duty or responsibility  
10 required of such body by this section.

11 Sec. 11. Section 13-518, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 13-518 For purposes of sections 13-518 to 13-522:

14 (1) Allowable growth means (a) for governmental units other than  
15 community colleges, the percentage increase in taxable valuation in  
16 excess of the base limitation established under section 77-3446, if any,  
17 due to improvements to real property as a result of new construction,  
18 additions to existing buildings, any improvements to real property which  
19 increase the value of such property, and any increase in valuation due to  
20 annexation and any personal property valuation over the prior year and  
21 (b) for community colleges, the percentage increase in excess of the base  
22 limitation, if any, in full-time equivalent students from the second year  
23 to the first year preceding the year for which the budget is being  
24 determined;

25 (2) Capital improvements means (a) acquisition of real property or  
26 (b) acquisition, construction, or extension of any improvements on real  
27 property;

28 (3) Governing body has the same meaning as in section 13-503, except  
29 that for fiscal years beginning on or after July 1, 2025, such term shall  
30 not include the governing body of any county, city, or village;

31 (4) Governmental unit means every political subdivision which has



1 authority to levy a property tax or authority to request levy authority  
2 under section 77-3443, except that such term shall not include (a)  
3 sanitary and improvement districts which have been in existence for five  
4 years or less, (b) and school districts, or (c) for fiscal years  
5 beginning on or after July 1, 2025, counties, cities, or villages;

6 (5) Qualified sinking fund means a fund or funds maintained  
7 separately from the general fund to pay for acquisition or replacement of  
8 tangible personal property with a useful life of five years or more which  
9 is to be undertaken in the future but is to be paid for in part or in  
10 total in advance using periodic payments into the fund. The term includes  
11 sinking funds under subdivision (13) of section 35-508 for firefighting  
12 and rescue equipment or apparatus;

13 (6) Restricted funds means (a) property tax, excluding any amounts  
14 refunded to taxpayers, (b) payments in lieu of property taxes, (c) local  
15 option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers  
16 of surpluses from any user fee, permit fee, or regulatory fee if the fee  
17 surplus is transferred to fund a service or function not directly related  
18 to the fee and the costs of the activity funded from the fee, (g) any  
19 funds excluded from restricted funds for the prior year because they were  
20 budgeted for capital improvements but which were not spent and are not  
21 expected to be spent for capital improvements, (h) the tax provided in  
22 sections 77-27,223 to 77-27,227 beginning in the second fiscal year in  
23 which the county will receive a full year of receipts, and (i) any excess  
24 tax collections returned to the county under section 77-1776. Funds  
25 received pursuant to the nameplate capacity tax levied under section  
26 77-6203 for the first five years after a renewable energy generation  
27 facility has been commissioned are nonrestricted funds; and

28 (7) State aid means:

29 (a) For all governmental units, state aid paid pursuant to sections  
30 60-3,202 and 77-3523 and reimbursement provided pursuant to section  
31 77-1239;

1 (b) For municipalities, state aid to municipalities paid pursuant to  
2 sections 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and insurance  
3 premium tax paid to municipalities;

4 (c) For counties, state aid to counties paid pursuant to sections  
5 60-3,184 to 60-3,190, insurance premium tax paid to counties, and  
6 reimbursements to counties from funds appropriated pursuant to section  
7 29-3933;

8 (d) For community colleges, state aid to community colleges paid  
9 pursuant to the Community College Aid Act;

10 (e) For educational service units, state aid appropriated under  
11 sections 79-1241.01 and 79-1241.03; and

12 (f) For local public health departments as defined in section  
13 71-1626, state aid as distributed under section 71-1628.08.

14 Sec. 12. Section 13-2817, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 13-2817 (1) Any municipality that is within the boundaries of a  
17 municipal county that is not merged into the municipal county shall be  
18 required to pay the municipal county for services that were previously  
19 provided by the county and are not ordinarily provided by a municipality.  
20 Except as provided in subsection (2) of this section, the amount paid  
21 shall be equal to the attributable cost of county services times a ratio,  
22 the numerator of which is the total valuation of all municipalities that  
23 are within the boundaries of the municipal county and the denominator of  
24 which is the total valuation of the municipal county and all  
25 municipalities and unconsolidated sanitary and improvement districts that  
26 are within the boundaries of the municipal county that are not merged  
27 into the municipal county, times a ratio the numerator of which is the  
28 valuation of the particular municipality and the denominator of which is  
29 the total valuation of all municipalities that are within the boundaries  
30 of the municipal county, except that (a) the amount paid shall not exceed  
31 the total taxable valuation of the municipality times forty-five

1 hundredths of one percent and (b) the municipality shall not be required  
2 to pay the municipal county for fire protection or ambulance services.

3 (2) The amount paid for law enforcement by a municipality that is  
4 within the boundaries of a municipal county but is not merged into the  
5 municipal county shall be as follows: (a) If the county did not provide  
6 law enforcement services prior to the formation of the municipal county  
7 or if the municipality continues its own law enforcement services after  
8 formation of the municipal county, the total cost of services budgeted by  
9 the municipal county for law enforcement shall be the net cost of  
10 services that are the express and exclusive duties and responsibilities  
11 of the county sheriff by law times the same ratios calculated in  
12 subsection (1) of this section; (b) if the municipality discontinues  
13 providing law enforcement services after the formation of the municipal  
14 county (i) the municipal county shall provide a level of service in such  
15 municipality that is equal to the level provided in the area or areas of  
16 the municipal county that were municipalities prior to the formation of  
17 the municipal county and (ii) the municipality shall pay the municipal  
18 county for the cost of county services for law enforcement as calculated  
19 in subsection (1) of this section, except that for the first five years,  
20 the amount shall be no more than the amount budgeted by the municipality  
21 for law enforcement services in the last year the municipality provided  
22 the services for itself; and (c) if the municipal county has deputized  
23 the police force of the municipality to perform the express and exclusive  
24 duties and responsibilities of the county sheriff by law, there shall be  
25 no amount paid to the municipal county for law enforcement services.

26 (3) Disputes regarding the amounts any municipality that is within  
27 the boundaries of a municipal county that is not merged into the  
28 municipal county must pay to the municipal county for services that were  
29 previously provided by the county and are not ordinarily provided by a  
30 municipality shall be heard in the district court of such municipal  
31 county.

1           (4) For purposes of this section and section 13-2818, attributable  
2 cost of county services means the total budgeted cost of services that  
3 were previously provided by the county for the immediately prior fiscal  
4 year times a ratio, the numerator of which is the property tax request of  
5 the municipal county or the county and all cities to be consolidated for  
6 the prior fiscal year, not including any tax for bonded indebtedness, and  
7 the denominator of which is the total revenue from all sources that was  
8 ~~of the restricted funds as defined in section 13-518 plus inheritance~~  
9 ~~taxes, fees, and charges and other revenue that were~~ budgeted for the  
10 immediately prior fiscal year by the municipal county or the county and  
11 all cities to be consolidated.

12           Sec. 13. Section 14-109, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14           14-109 (1)(a) The city council of a city of the metropolitan class  
15 shall have power to tax for revenue, license, and regulate any person  
16 within the limits of the city by ordinance except as otherwise provided  
17 in this section. Such tax may include both a tax for revenue and license.  
18 The city council may raise revenue by levying and collecting a tax on any  
19 occupation or business within the limits of the city. After March 27,  
20 2014, any occupation tax imposed pursuant to this section shall make a  
21 reasonable classification of businesses, users of space, or kinds of  
22 transactions for purposes of imposing such tax, except that no occupation  
23 tax shall be imposed on any transaction which is subject to tax under  
24 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,  
25 or 77-4008 or which is exempt from tax under section 77-2704.24. ~~The~~  
26 ~~occupation tax shall be imposed in the manner provided in section~~  
27 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~  
28 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to  
29 the class upon which they are imposed. All scientific and literary  
30 lectures and entertainments shall be exempt from taxation, as well as  
31 concerts and all other musical entertainments given exclusively by the

1 citizens of the city. It shall be the duty of the city clerk to deliver  
2 to the city treasurer a copy of the ordinance levying such tax.

3 (b) For purposes of this subsection, limits of the city does not  
4 include the extraterritorial zoning jurisdiction of such city.

5 (2)(a) Except as otherwise provided in subdivision (c) of this  
6 subsection, the city council shall also have the power to require any  
7 individual whose primary residence or person who owns a place of business  
8 which is within the limits of the city and that owns and operates a motor  
9 vehicle within such limits to annually register such motor vehicle in  
10 such manner as may be provided and to require such person to pay an  
11 annual motor vehicle fee therefor and to require the payment of such fee  
12 upon the change of ownership of such vehicle. All such fees which may be  
13 provided for under this subsection shall be credited to a separate fund  
14 of the city, thereby created, to be used exclusively for constructing,  
15 repairing, maintaining, or improving streets, roads, alleys, public ways,  
16 or parts of such streets, roads, alleys, or ways or for the amortization  
17 of bonded indebtedness when created for such purposes.

18 (b) No motor vehicle fee shall be required under this subsection if  
19 (i) a vehicle is used or stored but temporarily in such city for a period  
20 of six months or less in a twelve-month period, (ii) an individual does  
21 not have a primary residence or a person does not own a place of business  
22 within the limits of the city and does not own and operate a motor  
23 vehicle within the limits of the city, or (iii) an individual is a full-  
24 time student attending a postsecondary institution within the limits of  
25 the city and the motor vehicle's situs under the Motor Vehicle  
26 Certificate of Title Act is different from the place at which he or she  
27 is attending such institution.

28 (c) After December 31, 2012, no motor vehicle fee shall be required  
29 of any individual whose primary residence is within the extraterritorial  
30 zoning jurisdiction of such city or any person who owns a place of  
31 business within such jurisdiction.

1 (d) For purposes of this subsection, limits of the city includes the  
2 extraterritorial zoning jurisdiction of such city.

3 (3) For purposes of this section, person includes bodies corporate,  
4 societies, communities, the public generally, individuals, partnerships,  
5 limited liability companies, joint-stock companies, cooperatives, and  
6 associations. Person does not include any federal, state, or local  
7 government or any political subdivision thereof.

8 Sec. 14. Section 15-202, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 15-202 A city of the primary class shall have the power to levy  
11 taxes for general revenue purposes on all property within the corporate  
12 limits of the city taxable according to the laws of Nebraska and to levy  
13 an occupation tax on public service property or corporations in such  
14 amounts as may be proper and necessary, in the judgment of the mayor and  
15 city council, for purposes of revenue. All such taxes shall be uniform  
16 with respect to the class upon which they are imposed. The occupation tax  
17 may be based upon a certain percentage of the gross receipts of such  
18 public service corporation or upon such other basis as may be determined  
19 upon by the mayor and city council. After March 27, 2014, any occupation  
20 tax imposed pursuant to this section shall make a reasonable  
21 classification of businesses, users of space, or kinds of transactions  
22 for purposes of imposing such tax, except that no occupation tax shall be  
23 imposed on any transaction which is subject to tax under section 53-160,  
24 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or  
25 which is exempt from tax under section 77-2704.24. ~~The occupation tax~~  
26 ~~shall be imposed in the manner provided in section 18-1208, except that~~  
27 ~~section 18-1208 does not apply to an occupation tax subject to section~~  
28 ~~86-704.~~

29 Sec. 15. Section 15-203, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 15-203 A city of the primary class shall have power to raise revenue

1 by levying and collecting a license or occupation tax on any person,  
2 partnership, limited liability company, corporation, or business within  
3 the limits of the city and regulate the same by ordinance except as  
4 otherwise provided in this section and in section 15-212. After March 27,  
5 2014, any occupation tax imposed pursuant to this section shall make a  
6 reasonable classification of businesses, users of space, or kinds of  
7 transactions for purposes of imposing such tax, except that no occupation  
8 tax shall be imposed on any transaction which is subject to tax under  
9 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,  
10 or 77-4008 or which is exempt from tax under section 77-2704.24. The  
11 ~~occupation tax shall be imposed in the manner provided in section~~  
12 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~  
13 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to  
14 the class upon which they are imposed. All scientific and literary  
15 lectures and entertainments shall be exempt from such taxation as well as  
16 concerts and all other musical entertainments given exclusively by the  
17 citizens of the city.

18 Sec. 16. Section 16-205, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 16-205 A city of the first class may raise revenue by levying and  
21 collecting a license or occupation tax on any person, partnership,  
22 limited liability company, corporation, or business within the limits of  
23 the city and may regulate the same by ordinance. After March 27, 2014,  
24 any occupation tax imposed pursuant to this section shall make a  
25 reasonable classification of businesses, users of space, or kinds of  
26 transactions for purposes of imposing such tax, except that no occupation  
27 tax shall be imposed on any transaction which is subject to tax under  
28 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,  
29 or 77-4008 or which is exempt from tax under section 77-2704.24. The  
30 ~~occupation tax shall be imposed in the manner provided in section~~  
31 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~

1 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to  
2 the class upon which they are imposed. All scientific and literary  
3 lectures and entertainments shall be exempt from such taxation as well as  
4 concerts and all other musical entertainments given exclusively by the  
5 citizens of the city.

6 Sec. 17. Section 17-525, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 17-525 Cities of the second class and villages shall have power to  
9 raise revenue by levying and collecting a license tax on any occupation  
10 or business within the limits of the city or village and regulate such  
11 occupation or business by ordinance. After March 27, 2014, any occupation  
12 tax imposed pursuant to this section shall make a reasonable  
13 classification of businesses, users of space, or kinds of transactions  
14 for purposes of imposing such tax, except that no occupation tax shall be  
15 imposed on any transaction which is subject to tax under section 53-160,  
16 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or  
17 which is exempt from tax under section 77-2704.24. ~~The occupation tax~~  
18 ~~shall be imposed in the manner provided in section 18-1208, except that~~  
19 ~~section 18-1208 does not apply to an occupation tax subject to section~~  
20 ~~86-704.~~ All such taxes shall be uniform in respect to the classes upon  
21 which they are imposed. All scientific and literary lectures and  
22 entertainments shall be exempt from such taxation, as well as concerts  
23 and other musical entertainments given exclusively by the citizens of the  
24 city or village.

25 Sec. 18. Section 18-1208, Reissue Revised Statutes of Nebraska, as  
26 amended by Laws 2024, LB1317, section 55, is amended to read:

27 18-1208 (1) ~~Except as otherwise provided in this section, after~~  
28 ~~July 19, 2012, a municipality may impose a new occupation tax or increase~~  
29 ~~the rate of an existing occupation tax, which new occupation tax or~~  
30 ~~increased rate of an existing occupation tax is projected to generate~~  
31 ~~annual occupation tax revenue in excess of the applicable amount listed~~



1 ~~in subsection (2) of this section, pursuant to section 14-109, 15-202,~~  
2 ~~15-203, 16-205, or 17-525 if the question of whether to impose the tax or~~  
3 ~~increase the rate of an existing occupation tax has been submitted at an~~  
4 ~~election held within the municipality and in which all registered voters~~  
5 ~~shall be entitled to vote on the question. The officials of the~~  
6 ~~municipality shall order the submission of the question by submitting a~~  
7 ~~certified copy of the resolution proposing the tax or tax rate increase~~  
8 ~~to the election commissioner or county clerk at least fifty days before~~  
9 ~~the election. The election shall be conducted in accordance with the~~  
10 ~~Election Act. If a majority of the votes cast upon the question are in~~  
11 ~~favor of the new tax or increased rate of an existing occupation tax,~~  
12 ~~then the governing body of such municipality shall be empowered to impose~~  
13 ~~the new tax or to impose the increased tax rate. If a majority of those~~  
14 ~~voting on the question are opposed to the new tax or increased rate, then~~  
15 ~~the governing body of the municipality shall not impose the new tax or~~  
16 ~~increased rate but shall maintain any existing occupation tax at its~~  
17 ~~current rate.~~

18 ~~(2) The applicable amount of annual revenue for each new occupation~~  
19 ~~tax or annual revenue raised by the increased rate for an existing~~  
20 ~~occupation tax for purposes of subsection (1) of this section is:~~

- 21 ~~(a) For cities of the metropolitan class, six million dollars;~~
- 22 ~~(b) For cities of the primary class, three million dollars;~~
- 23 ~~(c) For cities of the first class, seven hundred thousand dollars;~~
- 24 ~~and~~
- 25 ~~(d) For cities of the second class and villages, three hundred~~  
26 ~~thousand dollars.~~

27 ~~(3) After July 19, 2012, a municipality shall not be required to~~  
28 ~~submit the following questions to the registered voters:~~

- 29 ~~(a) Whether to change the rate of an occupation tax imposed for a~~  
30 ~~specific project which does not provide for deposit of the tax proceeds~~  
31 ~~in the municipality's general fund; or~~

1       ~~(b) Whether to terminate an occupation tax earlier than the~~  
2 ~~determinable termination date under the original question submitted to~~  
3 ~~the registered voters.~~

4       ~~This subsection applies to occupation taxes imposed prior to, on, or~~  
5 ~~after July 19, 2012.~~

6       ~~(4) The provisions of this section do not apply to an occupation tax~~  
7 ~~subject to section 86-704.~~

8       ~~(5) No later than ninety days after the end of the fiscal year, each~~  
9 ~~municipality that imposes a new occupation tax or increases the rate of~~  
10 ~~an existing any occupation tax on or after the effective date of this act~~  
11 ~~as provided under this section shall provide an annual report on the~~  
12 ~~collection and use of such occupation tax. The report shall be posted on~~  
13 ~~the municipality's public website or made available for public inspection~~  
14 ~~at a location designated by the municipality. The report shall include,~~  
15 ~~but not be limited to:~~

16       ~~(1) (a) A list of all such occupation taxes collected by the~~  
17 ~~municipality;~~

18       ~~(2) (b) The amount generated annually by each such occupation tax;~~

19       ~~(3) (c) Whether funds generated by each such occupation tax are~~  
20 ~~deposited in the general fund, cash funds, or other funds of the~~  
21 ~~municipality;~~

22       ~~(4) (d) Whether any such occupation tax is dedicated for a specific~~  
23 ~~purpose, and if so, the amount dedicated for such purpose; and~~

24       ~~(5) (e) The scheduled or projected termination date, if any, of each~~  
25 ~~such occupation tax.~~

26       Sec. 19. Section 29-3933, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28       29-3933 (1) Any county which intends to request reimbursement for a  
29 portion of its expenditures for its indigent defense system must comply  
30 with this section.

31       (2) In order to assist the Commission on Public Advocacy in its

1 budgeting process for determining future reimbursement amounts, after  
2 July 1, 2002, and before July 15, 2002, and for each year thereafter in  
3 which the county intends to seek reimbursement for a portion of its  
4 expenditures for indigent defense services in felony cases for the next  
5 fiscal year, the county shall present to the Commission on Public  
6 Advocacy (a) a plan, in a format approved by the commission, describing  
7 how the county intends to provide indigent defense services in felony  
8 cases, (b) a statement of intent declaring that the county intends to  
9 comply with the standards set by the commission for felony cases and that  
10 the county intends to apply for reimbursement, and (c) a projection of  
11 the total dollar amount of expenditures for that county's indigent  
12 defense services in felony cases for the next fiscal year.

13 (3) The commission may conduct whatever investigation is necessary  
14 and may require certifications by key individuals in the criminal justice  
15 system, in order to determine if the county is in compliance with the  
16 standards. If a county is certified by the commission as having met the  
17 standards established by the commission for felony cases, the county  
18 shall be eligible for reimbursement according to the following schedule  
19 and procedures: The county clerk of the county seeking reimbursement may  
20 submit, on a quarterly basis, a certified request to the commission, for  
21 reimbursement from funds appropriated by the Legislature, for an amount  
22 equal to one-fourth of the county's actual expenditures for indigent  
23 defense services in felony cases.

24 (4) Upon certification by the county clerk of the amount of the  
25 expenditures, and a determination by the commission that the request is  
26 in compliance with the standards set by the commission for felony cases,  
27 the commission shall quarterly authorize an amount of reimbursement to  
28 the county as set forth in this section.

29 (5) If the appropriated funds are insufficient in any quarter to  
30 meet the amount needed for full payment of all county reimbursements for  
31 net expenditures that are certified for that quarter, the commission

1 shall pay the counties their pro rata share of the remaining funds based  
2 upon the percentage of the county's certified request in comparison to  
3 the total certified requests for that quarter.

4 (6) For purposes of section 13-519, for any year in which a county  
5 first seeks reimbursement from funds appropriated by the Legislature or  
6 has previously qualified for reimbursement and is seeking additional  
7 reimbursement for improving its indigent criminal defense program, the  
8 last prior year's total of restricted funds shall be the last prior  
9 year's total of restricted funds plus any increased amount budgeted for  
10 indigent defense services that is required to develop a plan and meet the  
11 standards necessary to qualify for reimbursement of expenses from funds  
12 appropriated by the Legislature. This subsection applies to fiscal years  
13 beginning prior to July 1, 2025.

14 Sec. 20. Section 72-2305, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 72-2305 For joint projects described in subdivision (2)(a) of  
17 section 72-2303, the principal amount of bonds which may be issued by a  
18 qualified public agency under the Public Facilities Construction and  
19 Finance Act shall not exceed five million dollars as to the total  
20 principal amount of such bonds which may be outstanding at any time, and  
21 the annual amounts due by reason of such bonds from each qualified public  
22 agency shall not exceed five percent of the total revenue from all  
23 sources ~~restricted funds~~ of the obligated qualified public agency in the  
24 year prior to issuance. The principal amount of bonds of qualified public  
25 agencies in the aggregate issued for any one such joint project shall not  
26 exceed five million dollars.

27 Sec. 21. Section 72-2306, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 72-2306 For joint projects described in subdivision (2)(b) of  
30 section 72-2303, the principal amount of bonds which may be issued by a  
31 qualified public agency under the Public Facilities Construction and

1 Finance Act shall not exceed two hundred fifty thousand dollars for  
2 cities of the metropolitan and primary classes, one hundred thousand  
3 dollars for counties, cities of the first class, school districts,  
4 educational service units, and community colleges, and fifty thousand  
5 dollars for cities of the second class and villages, as to the total  
6 principal amount of such bonds which may be outstanding at any time, and  
7 the annual amounts due by reason of such bonds from each qualified public  
8 agency shall not exceed five percent of the total revenue from all  
9 sources ~~restricted funds~~ of the obligated qualified public agency in the  
10 year prior to issuance. The principal amount of bonds of a qualified  
11 public agency in the aggregate issued for any one such joint project  
12 shall not exceed two hundred and fifty thousand dollars for cities of the  
13 metropolitan and primary classes and one hundred thousand dollars for  
14 counties, cities of the first class, cities of the second class,  
15 villages, school districts, educational service units, and community  
16 colleges.

17 Sec. 22. Section 77-1315, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

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

26 (2)(a) ~~(2)~~ On or before June 1, in addition to the notice of  
27 preliminary valuation sent pursuant to section 77-1301, the county  
28 assessor shall notify the owner of record as of May 20 of every item of  
29 real property which is not exempt from taxation of the assessed value of  
30 such property ~~has been assessed at a value different than in the previous~~  
31 ~~year~~. Such notice shall be given by first-class mail addressed to such

1 owner's last-known address.

2 (b) The notice ~~It~~ shall identify the item of real property and shall  
3 display columns for the prior tax year and the current tax year. Under  
4 the column for the prior tax year, the notice shall display the valuation  
5 of the parcel in the prior tax year and the amount each political  
6 subdivision levied against such parcel in the prior tax year. Under the  
7 column for the current tax year, the notice shall display the valuation  
8 of the parcel in the current tax year and the time and place when each  
9 political subdivision levying a tax against the parcel will convene their  
10 budget hearing.

11 (c) The notice shall state the following, in a font size larger than  
12 any other font size appearing on the notice: KNOW YOUR RIGHTS. If you  
13 believe the valuation of the parcel described in this notice to be in  
14 error, you may file a protest of this valuation with the county clerk on  
15 or before June 30, and your protest shall be heard and decided by the  
16 county board of equalization. If you are concerned about the effect your  
17 valuation may have on how much tax will be levied against your parcel,  
18 you are encouraged to attend any and all of the budget hearings for the  
19 above listed political subdivisions. Please be advised that the same levy  
20 rate from the prior year applied to an increased valuation in the current  
21 year will result in a higher levy of taxes. A levy rate higher than the  
22 prior year applied to the same valuation in the current year will also  
23 result in a higher levy of taxes.

24 (d) The notice shall also state ~~state the old and new valuation,~~ the  
25 date of convening of the county board of equalization, and the dates for  
26 filing a protest.

27 (e) The notice shall also state the following: The time and place of  
28 the budget hearings have been reported to the county assessor by the  
29 political subdivisions. Such time and place can change based on  
30 unforeseen circumstances. You are encouraged to verify with the political  
31 subdivision that the time and place of the budget hearing has not

1 changed.

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

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

15 (5) On or before May 15, each political subdivision levying a tax  
16 against property shall inform the county assessor of every county in  
17 which the political subdivision has the authority to levy a tax against  
18 property of the time and place such political subdivision's budget  
19 hearing will convene.

20 Sec. 23. Section 77-1630, Revised Statutes Cumulative Supplement,  
21 2022, is amended to read:

22 77-1630 (1) Sections 77-1630 to 77-1634 shall be known and may be  
23 cited as the Property Tax Request Act.

24 (2) The Property Tax Request Act terminates on July 1, 2025.

25 Sec. 24. Section 77-1701, Revised Statutes Supplement, 2023, is  
26 amended to read:

27 77-1701 (1) The county treasurer shall be ex officio county  
28 collector of all taxes levied within the county. The county board shall  
29 designate a county official to mail or otherwise deliver a statement of  
30 the amount of taxes due and a notice that special assessments are due, to  
31 the last-known address of the person, firm, association, or corporation

1 against whom such taxes or special assessments are assessed or to the  
2 lending institution or other party responsible for paying such taxes or  
3 special assessments. Such statement shall clearly indicate, for each  
4 political subdivision, (a) the levy rate and the amount of taxes due as  
5 the result of principal or interest payments on bonds issued by the  
6 political subdivision and shall show such rate and amount separate from  
7 any other levy and (b) the percentage of the levy allocated to public  
8 safety expenses pursuant to subdivision (6) of section 4 of this act.

9 When taxes on real property are delinquent for a prior year, the county  
10 treasurer shall indicate this information on the current year tax  
11 statement in bold letters. The information provided shall inform the  
12 taxpayer that delinquent taxes and interest are due for the prior year or  
13 years and shall indicate the specific year or years for which such taxes  
14 and interest remain unpaid. The language shall read "Back Taxes and  
15 Interest Due For", followed by numbers to indicate each year for which  
16 back taxes and interest are due and a statement indicating that failure  
17 to pay the back taxes and interest may result in the loss of the real  
18 property. Failure to receive such statement or notice shall not relieve  
19 the taxpayer from any liability to pay such taxes or special assessments  
20 and any interest or penalties accrued thereon. In any county in which a  
21 city of the metropolitan class is located, all statements of taxes shall  
22 also include notice that special assessments for cutting weeds, removing  
23 litter, and demolishing buildings are due.

24 (2) Notice that special assessments are due shall not be required  
25 for special assessments levied by sanitary and improvement districts  
26 organized under Chapter 31, article 7, except that such notice may be  
27 provided by the county at the discretion of the county board or by the  
28 sanitary and improvement district with the approval of the county board.

29 (3) A statement of the amount of taxes due and a notice that special  
30 assessments are due shall not be required to be mailed or otherwise  
31 delivered pursuant to subsection (1) of this section if the total amount



1 of the taxes and special assessments due is less than two dollars.  
2 Failure to receive the statement or notice shall not relieve the taxpayer  
3 from any liability to pay the taxes or special assessments but shall  
4 relieve the taxpayer from any liability for interest or penalties. Taxes  
5 and special assessments of less than two dollars shall be added to the  
6 amount of taxes and special assessments due in subsequent years and shall  
7 not be considered delinquent until the total amount is two dollars or  
8 more.

9 Sec. 25. Section 77-1776, Revised Statutes Cumulative Supplement,  
10 2022, is amended to read:

11 77-1776 Any political subdivision which has received proceeds from a  
12 levy imposed on all taxable property within an entire county which is in  
13 excess of the property tax request of that requested by the political  
14 subdivision ~~under the Property Tax Request Act~~ as a result of a clerical  
15 error or mistake shall, in the fiscal year following receipt, return the  
16 excess tax collections, net of the collection fee, to the county. By July  
17 31 of the fiscal year following the receipt of any excess tax  
18 collections, the county treasurer shall certify to the political  
19 subdivision the amount to be returned. For fiscal years beginning prior  
20 to July 1, 2025, such Such excess tax collections shall be restricted  
21 funds in the budget of the county that receives the funds under section  
22 13-518.

23 Sec. 26. Section 77-27,142, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 77-27,142 (1) Any incorporated municipality other than a city of the  
26 metropolitan class by ordinance of its governing body is hereby  
27 authorized to impose a sales and use tax of one-half percent, one  
28 percent, one and one-half percent, one and three-quarters percent, or two  
29 percent upon the same transactions that are sourced under the provisions  
30 of sections 77-2703.01 to 77-2703.04 within such incorporated  
31 municipality on which the State of Nebraska is authorized to impose a tax

1 pursuant to the Nebraska Revenue Act of 1967, as amended from time to  
2 time. Any city of the metropolitan class by ordinance of its governing  
3 body is hereby authorized to impose a sales and use tax of one-half  
4 percent, one percent, or one and one-half percent upon the same  
5 transactions that are sourced under the provisions of sections 77-2703.01  
6 to 77-2703.04 within such city of the metropolitan class on which the  
7 State of Nebraska is authorized to impose a tax pursuant to the Nebraska  
8 Revenue Act of 1967, as amended from time to time. No sales and use tax  
9 shall be imposed pursuant to this section until an election has been held  
10 and a majority of the qualified electors have approved such tax pursuant  
11 to sections 77-27,142.01 and 77-27,142.02.

12 (2)(a) Any incorporated municipality that proposes to impose a  
13 municipal sales and use tax at a rate greater than one and one-half  
14 percent or increase a municipal sales and use tax to a rate greater than  
15 one and one-half percent shall submit the question of such tax or  
16 increase at a primary or general election held within the incorporated  
17 municipality. The question shall be submitted upon an affirmative vote by  
18 at least seventy percent of all of the members of the governing body of  
19 the incorporated municipality.

20 (b) Any rate greater than one and one-half percent shall be used as  
21 follows:

22 (i) In a city of the primary class, up to fifteen percent of the  
23 proceeds from the rate in excess of one and one-half percent may be used  
24 for non-public infrastructure projects of an interlocal agreement or  
25 joint public agency agreement with another political subdivision within  
26 the municipality or the county in which the municipality is located, and  
27 the remaining proceeds shall be used for public infrastructure projects  
28 or voter-approved infrastructure related to an economic development  
29 program as defined in section 18-2705; and

30 (ii) In any incorporated municipality other than a city of the  
31 primary class, the proceeds from the rate in excess of one and one-half

1 percent shall be used for public infrastructure projects or voter-  
2 approved infrastructure related to an economic development program as  
3 defined in section 18-2705.

4 For purposes of this section, public infrastructure project means  
5 and includes, but is not limited to, any of the following projects, or  
6 any combination thereof: Public highways and bridges and municipal roads,  
7 streets, bridges, and sidewalks; solid waste management facilities;  
8 wastewater, storm water, and water treatment works and systems, water  
9 distribution facilities, and water resources projects, including, but not  
10 limited to, pumping stations, transmission lines, and mains and their  
11 appurtenances; hazardous waste disposal systems; resource recovery  
12 systems; airports; port facilities; buildings and capital equipment used  
13 in the operation of municipal government; convention and tourism  
14 facilities; redevelopment projects as defined in section 18-2103; mass  
15 transit and other transportation systems, including parking facilities;  
16 and equipment necessary for the provision of municipal services.

17 (c) Any rate greater than one and one-half percent shall terminate  
18 no more than ten years after its effective date or, if bonds are issued  
19 and the local option sales and use tax revenue is pledged for payment of  
20 such bonds, upon payment of such bonds and any refunding bonds, whichever  
21 date is later, except as provided in subdivision (2)(d) of this section.

22 (d) If a portion of the rate greater than one and one-half percent  
23 is stated in the ballot question as being imposed for the purpose of the  
24 interlocal agreement or joint public agency agreement described in  
25 subdivision (2)(b)(i) or subsection (3) of this section, and such portion  
26 is at least one-eighth percent, there shall be no termination date for  
27 the rate representing such portion rounded to the next higher one-quarter  
28 or one-half percent.

29 (e) For fiscal years beginning prior to July 1, 2025, sections  
30 ~~Sections~~ 13-518 to 13-522 apply to the revenue from any such tax or  
31 increase.

1           (3)(a) No municipal sales and use tax shall be imposed at a rate  
2 greater than one and one-half percent or increased to a rate greater than  
3 one and one-half percent unless the municipality is a party to an  
4 interlocal agreement pursuant to the Interlocal Cooperation Act or a  
5 joint public agency agreement pursuant to the Joint Public Agency Act  
6 with a political subdivision within the municipality or the county in  
7 which the municipality is located creating a separate legal or  
8 administrative entity relating to a public infrastructure project.

9           (b) Except as provided in subdivision (2)(b)(i) of this section,  
10 such interlocal agreement or joint public agency agreement shall contain  
11 provisions, including benchmarks, relating to the long-term development  
12 of unified governance of public infrastructure projects with respect to  
13 the parties. The Legislature may provide additional requirements for such  
14 agreements, including benchmarks, but such additional requirements shall  
15 not apply to any debt outstanding at the time the Legislature enacts such  
16 additional requirements. The separate legal or administrative entity  
17 created shall not be one that was in existence for one calendar year  
18 preceding the submission of the question of such tax or increase at a  
19 primary or general election held within the incorporated municipality.

20           (c) Any other public agency as defined in section 13-803 may be a  
21 party to such interlocal cooperation agreement or joint public agency  
22 agreement.

23           (d) A municipality is not required to use all of the additional  
24 revenue generated by a sales and use tax imposed at a rate greater than  
25 one and one-half percent or increased to a rate greater than one and one-  
26 half percent under this subsection for the purposes of the interlocal  
27 cooperation agreement or joint public agency agreement set forth in this  
28 subsection.

29           (4) The provisions of subsections (2) and (3) of this section do not  
30 apply to the first one and one-half percent of a sales and use tax  
31 imposed by a municipality.

1 (5) Notwithstanding any provision of any municipal charter, any  
2 incorporated municipality or interlocal agency or joint public agency  
3 pursuant to an agreement as provided in subsection (3) of this section  
4 may issue bonds in one or more series for any municipal purpose and pay  
5 the principal of and interest on any such bonds by pledging receipts from  
6 the increase in the municipal sales and use taxes authorized by such  
7 municipality. Any municipality which has or may issue bonds under this  
8 section may dedicate a portion of its property tax levy authority as  
9 provided in section 77-3442 to meet debt service obligations under the  
10 bonds. For purposes of this subsection, bond means any evidence of  
11 indebtedness, including, but not limited to, bonds, notes including notes  
12 issued pending long-term financing arrangements, warrants, debentures,  
13 obligations under a loan agreement or a lease-purchase agreement, or any  
14 similar instrument or obligation.

15 Sec. 27. Section 77-27,144, Revised Statutes Cumulative Supplement,  
16 2022, is amended to read:

17 77-27,144 (1) The Tax Commissioner shall collect the tax imposed by  
18 any incorporated municipality concurrently with collection of a state tax  
19 in the same manner as the state tax is collected. The Tax Commissioner  
20 shall remit monthly the proceeds of the tax to the incorporated  
21 municipalities levying the tax, after deducting the amount of refunds  
22 made and three percent of the remainder to be credited to the Municipal  
23 Equalization Fund.

24 (2)(a) Deductions for a refund made pursuant to section 77-4105,  
25 77-4106, 77-5725, or 77-5726 and owed by a city of the first class, city  
26 of the second class, or village shall be delayed for one year after the  
27 refund has been made to the taxpayer. The Department of Revenue shall  
28 notify the municipality liable for a refund exceeding one thousand five  
29 hundred dollars of the pending refund, the amount of the refund, and the  
30 month in which the deduction will be made or begin, except that if the  
31 amount of a refund claimed under section 77-4105, 77-4106, 77-5725, or

1 77-5726 exceeds twenty-five percent of the municipality's total sales and  
2 use tax receipts, net of any refunds or sales tax collection fees, for  
3 the municipality's prior fiscal year, the department shall deduct the  
4 refund over the period of one year in equal monthly amounts beginning  
5 after the one-year notification period required by this subdivision.

6 (b) Deductions for a refund made pursuant to section 77-4105,  
7 77-4106, 77-5725, or 77-5726 and owed by a city of the metropolitan class  
8 or city of the primary class shall be made as follows:

9 (i) During calendar year 2023, such deductions shall be made in  
10 accordance with subsection (1) of this section; and

11 (ii) During calendar year 2024 and each calendar year thereafter,  
12 such deductions shall be made based on estimated amounts as described in  
13 this subdivision. On or before March 1, 2023, and on or before March 1 of  
14 each year thereafter, the Department of Revenue shall notify each city of  
15 the metropolitan class and city of the primary class of the total amount  
16 of such refunds that are estimated to be paid during the following  
17 calendar year. Such estimated amount shall be used to establish the total  
18 amount to be deducted in the following calendar year. The department  
19 shall deduct such amount over the following calendar year in twelve equal  
20 monthly amounts. Beginning with the notification sent in calendar year  
21 2025, the notification shall include any adjustment needed for the prior  
22 calendar year to account for any difference between the estimated amount  
23 deducted in such prior calendar year and the actual amount of refunds  
24 paid in such year.

25 (3) Deductions for a refund made pursuant to the Imagine Nebraska  
26 Act shall be delayed as provided in this subsection after the refund has  
27 been made to the taxpayer. The Department of Revenue shall notify each  
28 municipality liable for a refund exceeding one thousand five hundred  
29 dollars of the pending refund and the amount of the refund claimed under  
30 the Imagine Nebraska Act. The notification shall be made by March 1 of  
31 each year beginning in 2021 and shall be used to establish the refund

1 amount for the following calendar year. The notification shall include  
2 any excess or underpayment from the prior calendar year. The department  
3 shall deduct the refund over a period of one year in equal monthly  
4 amounts beginning in January following the notification. This subsection  
5 applies to total annual refunds exceeding one million dollars or twenty-  
6 five percent of the municipality's total sales and use tax receipts for  
7 the prior fiscal year, whichever is the lesser amount.

8 (4) Deductions for a refund made pursuant to the Urban Redevelopment  
9 Act shall be delayed as provided in this subsection after the refund has  
10 been made to the taxpayer. The Department of Revenue shall notify each  
11 municipality liable for a refund exceeding one thousand five hundred  
12 dollars of the pending refund and the amount of the refund claimed under  
13 the Urban Redevelopment Act. The notification shall be made by March 1 of  
14 each year beginning in 2022 and shall be used to establish the refund  
15 amount for the following calendar year. The notification shall include  
16 any excess or underpayment from the prior calendar year. The department  
17 shall deduct the refund over a period of one year in equal monthly  
18 amounts beginning in January following the notification. This subsection  
19 applies to total annual refunds exceeding one million dollars or twenty-  
20 five percent of the municipality's total sales and use tax receipts for  
21 the prior fiscal year, whichever is the lesser amount.

22 (5) The Tax Commissioner shall keep full and accurate records of all  
23 money received and distributed under the provisions of the Local Option  
24 Revenue Act. When proceeds of a tax levy are received but the identity of  
25 the incorporated municipality which levied the tax is unknown and is not  
26 identified within six months after receipt, the amount shall be credited  
27 to the Municipal Equalization Fund. The municipality may request the  
28 names and addresses of the retailers which have collected the tax as  
29 provided in subsection (13) of section 77-2711 and may certify an  
30 individual to request and review confidential sales and use tax returns  
31 and sales and use tax return information as provided in subsection (14)

1 of section 77-2711.

2 (6)(a) Every qualifying business that has filed an application to  
3 receive tax incentives under the Employment and Investment Growth Act,  
4 the Nebraska Advantage Act, the Imagine Nebraska Act, or the Urban  
5 Redevelopment Act shall, with respect to such acts, provide annually to  
6 each municipality, in aggregate data, the maximum amount the qualifying  
7 business is eligible to receive in the current year in refunds of local  
8 sales and use taxes of the municipality and exemptions for the previous  
9 year, and the estimate of annual refunds of local sales and use taxes of  
10 the municipality and exemptions such business intends to claim in each  
11 future year. Such information shall be kept confidential by the  
12 municipality unless publicly disclosed previously by the taxpayer or by  
13 the State of Nebraska.

14 (b) For purposes of this subsection, municipality means a  
15 municipality that has adopted the local option sales and use tax under  
16 the Local Option Revenue Act and to which the qualifying business has  
17 paid such sales and use tax.

18 (c) The qualifying business shall provide the information to the  
19 municipality on or before June 30 of each year.

20 (d) Any amounts held by a municipality to make sales and use tax  
21 refunds under the Employment and Investment Growth Act, the Nebraska  
22 Advantage Act, the Imagine Nebraska Act, and the Urban Redevelopment Act  
23 shall not count toward any budgeted restricted funds limitation as  
24 provided in section 13-519 or toward any cash reserve limitation as  
25 provided in section 13-504 and shall be excluded from the limitations of  
26 the Property Tax Growth Limitation Act.

27 Sec. 28. Original sections 13-508, 13-518, 13-2817, 14-109, 15-202,  
28 15-203, 16-205, 17-525, 29-3933, 72-2305, 72-2306, 77-1315, and  
29 77-27,142, Reissue Revised Statutes of Nebraska; sections 77-1630,  
30 77-1776, and 77-27,144, Revised Statutes Cumulative Supplement, 2022;  
31 section 77-1701, Revised Statutes Supplement, 2023; and section 18-1208,



1 Reissue Revised Statutes of Nebraska, as amended by Laws 2024, LB1317,  
2 section 55, are repealed.