

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1007

Introduced by Kolowski, 31.

Read first time January 16, 2018

Committee:

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
2 77-3442, Revised Statutes Supplement, 2017; to authorize school
3 districts to levy for facilities-related expenditures as prescribed;
4 to authorize school districts to establish a facilities fund as
5 prescribed; to harmonize provisions; and to repeal the original
6 sections.

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

1 Section 1. Section 77-3442, Revised Statutes Supplement, 2017, is
2 amended to read:

3 77-3442 (1) Property tax levies for the support of local governments
4 for fiscal years beginning on or after July 1, 1998, shall be limited to
5 the amounts set forth in this section except as provided in section
6 77-3444.

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

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

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

25 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
26 of this section are (i) amounts levied to pay for current and future sums
27 agreed to be paid by a school district to certificated employees in
28 exchange for a voluntary termination of employment occurring prior to
29 September 1, 2017, (ii) amounts levied by a school district otherwise at
30 the maximum levy pursuant to subdivision (2)(a) of this section to pay
31 for current and future qualified voluntary termination incentives for

1 certificated teachers pursuant to subsection (3) of section 79-8,142 that
2 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
3 of this section, (iii) amounts levied by a school district otherwise at
4 the maximum levy pursuant to subdivision (2)(a) of this section to pay
5 for seventy-five percent of the current and future sums agreed to be paid
6 to certificated employees in exchange for a voluntary termination of
7 employment occurring between September 1, 2017, and August 31, 2018, as a
8 result of a collective-bargaining agreement in force and effect on
9 September 1, 2017, that are not otherwise included in an exclusion
10 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
11 school district otherwise at the maximum levy pursuant to subdivision (2)
12 (a) of this section to pay for fifty percent of the current and future
13 sums agreed to be paid to certificated employees in exchange for a
14 voluntary termination of employment occurring between September 1, 2018,
15 and August 31, 2019, as a result of a collective-bargaining agreement in
16 force and effect on September 1, 2017, that are not otherwise included in
17 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
18 levied by a school district otherwise at the maximum levy pursuant to
19 subdivision (2)(a) of this section to pay for twenty-five percent of the
20 current and future sums agreed to be paid to certificated employees in
21 exchange for a voluntary termination of employment occurring between
22 September 1, 2019, and August 31, 2020, as a result of a collective-
23 bargaining agreement in force and effect on September 1, 2017, that are
24 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
25 this section, (vi) amounts levied in compliance with sections 79-10,110
26 and 79-10,110.02, and (vii) amounts levied to pay for special building
27 funds and sinking funds established for projects commenced prior to April
28 1, 1996, for construction, expansion, or alteration of school district
29 buildings. For purposes of this subsection, commenced means any action
30 taken by the school board on the record which commits the board to expend
31 district funds in planning, constructing, or carrying out the project.

1 (e) Federal aid school districts may exceed the maximum levy
2 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
3 extent necessary to qualify to receive federal aid pursuant to Title VIII
4 of Public Law 103-382, as such title existed on September 1, 2001. For
5 purposes of this subdivision, federal aid school district means any
6 school district which receives ten percent or more of the revenue for its
7 general fund budget from federal government sources pursuant to Title
8 VIII of Public Law 103-382, as such title existed on September 1, 2001.

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

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

24 (h) For each fiscal year, school districts may, upon a two-thirds
25 majority vote of the school board of the school district, levy a maximum
26 levy of three cents on each one hundred dollars of taxable property
27 subject to the levy for maintenance, upkeep, rehabilitation, and
28 construction within existing school district facilities. The levy
29 authorized in this subdivision shall be excluded from the limitations in
30 subdivision (2)(a) of this section. The proceeds of such levy shall be
31 deposited by the school district into a fund created pursuant to section

1 2 of this act.

2 (3) For each fiscal year, community college areas may levy the
3 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
4 accordance with the provisions of such subdivisions. A community college
5 area may exceed the levy provided in subdivision (2)(b) of section
6 85-1517 by the amount necessary to retire general obligation bonds
7 assumed by the community college area or issued pursuant to section
8 85-1515 according to the terms of such bonds or for any obligation
9 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

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

22 (c) In addition, natural resources districts located in a river
23 basin, subbasin, or reach that has been determined to be fully
24 appropriated pursuant to section 46-714 or designated as overappropriated
25 pursuant to section 46-713 by the Department of Natural Resources shall
26 also have the power and authority to levy a tax equal to the dollar
27 amount by which their restricted funds budgeted to administer and
28 implement ground water management activities and integrated management
29 activities under the Nebraska Ground Water Management and Protection Act
30 exceed their restricted funds budgeted to administer and implement ground
31 water management activities and integrated management activities for

1 FY2005-06, not to exceed three cents on each one hundred dollars of
2 taxable valuation on all of the taxable property within the district for
3 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
4 2017-18.

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

9 (6)(a) Incorporated cities and villages which are not within the
10 boundaries of a municipal county may levy a maximum levy of forty-five
11 cents per one hundred dollars of taxable valuation of property subject to
12 the levy plus an additional five cents per one hundred dollars of taxable
13 valuation to provide financing for the municipality's share of revenue
14 required under an agreement or agreements executed pursuant to the
15 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
16 levy shall include amounts levied to pay for sums to support a library
17 pursuant to section 51-201, museum pursuant to section 51-501, visiting
18 community nurse, home health nurse, or home health agency pursuant to
19 section 71-1637, or statue, memorial, or monument pursuant to section
20 80-202.

21 (b) Incorporated cities and villages which are within the boundaries
22 of a municipal county may levy a maximum levy of ninety cents per one
23 hundred dollars of taxable valuation of property subject to the levy. The
24 maximum levy shall include amounts paid to a municipal county for county
25 services, amounts levied to pay for sums to support a library pursuant to
26 section 51-201, a museum pursuant to section 51-501, a visiting community
27 nurse, home health nurse, or home health agency pursuant to section
28 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

29 (7) Sanitary and improvement districts which have been in existence
30 for more than five years may levy a maximum levy of forty cents per one
31 hundred dollars of taxable valuation of property subject to the levy, and

1 sanitary and improvement districts which have been in existence for five
2 years or less shall not have a maximum levy. Unconsolidated sanitary and
3 improvement districts which have been in existence for more than five
4 years and are located in a municipal county may levy a maximum of eighty-
5 five cents per hundred dollars of taxable valuation of property subject
6 to the levy.

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

31 (9) Municipal counties may levy or authorize a maximum levy of one

1 dollar per one hundred dollars of taxable valuation of property subject
2 to the levy. The municipal county may allocate levy authority to any
3 political subdivision or entity subject to allocation under section
4 77-3443.

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

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

30 (12) The limitations on tax levies provided in this section are to
31 include all other general or special levies provided by law.

1 Notwithstanding other provisions of law, the only exceptions to the
2 limits in this section are those provided by or authorized by sections
3 77-3442 to 77-3444.

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

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

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

23 Sec. 2. If a school district makes a levy for maintenance, upkeep,
24 rehabilitation, and construction within existing school district
25 facilities pursuant to subdivision (2)(h) of section 77-3442, the school
26 board of such school district shall establish a school district
27 facilities fund for the proceeds of such levy. Such funds shall be used
28 only for expenditures relating to maintenance, upkeep, rehabilitation,
29 and construction within existing school district facilities.

30 Sec. 3. Original section 77-3442, Revised Statutes Supplement,
31 2017, is repealed.