

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 134

Introduced by Stinner, 48.

Read first time January 10, 2019

Committee:

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-3442, Reissue Revised Statutes of Nebraska, and section 2-3225,
- 3 Revised Statutes Cumulative Supplement, 2018; to provide certain
- 4 levy authority and duties for natural resources districts; to
- 5 harmonize provisions; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-3225, Revised Statutes Cumulative Supplement,
2 2018, is 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 FY2020-21 fiscal year
30 ~~2006-07~~ and each fiscal year thereafter through FY2027-28 fiscal year
31 2017-18. Each district shall keep separate records on the funds raised

1 pursuant to this subdivision and shall document how such funds are
2 expended to administer and implement ground water management activities
3 and integrated management activities under the Nebraska Ground Water
4 Management and Protection Act.

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

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

26 Sec. 2. Section 77-3442, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 77-3442 (1) Property tax levies for the support of local governments
29 for fiscal years beginning on or after July 1, 1998, shall be limited to
30 the amounts set forth in this section except as provided in section
31 77-3444.

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

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

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

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

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

26 (e) Federal aid school districts may exceed the maximum levy
27 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
28 extent necessary to qualify to receive federal aid pursuant to Title VIII
29 of Public Law 103-382, as such title existed on September 1, 2001. For
30 purposes of this subdivision, federal aid school district means any
31 school district which receives ten percent or more of the revenue for its

1 general fund budget from federal government sources pursuant to Title
2 VIII of Public Law 103-382, as such title existed on September 1, 2001.

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

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

18 (3) For each fiscal year, community college areas may levy the
19 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
20 accordance with the provisions of such subdivisions. A community college
21 area may exceed the levy provided in subdivision (2)(b) of section
22 85-1517 by the amount necessary to retire general obligation bonds
23 assumed by the community college area or issued pursuant to section
24 85-1515 according to the terms of such bonds or for any obligation
25 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

29 (b) Natural resources districts shall also have the power and
30 authority to levy a tax equal to the dollar amount by which their
31 restricted funds budgeted to administer and implement ground water

1 management activities and integrated management activities under the
2 Nebraska Ground Water Management and Protection Act exceed their
3 restricted funds budgeted to administer and implement ground water
4 management activities and integrated management activities for FY2003-04,
5 not to exceed one cent on each one hundred dollars of taxable valuation
6 annually on all of the taxable property within the district.

7 (c) In addition, natural resources districts located in a river
8 basin, subbasin, or reach that has been determined to be fully
9 appropriated pursuant to section 46-714 or designated as overappropriated
10 pursuant to section 46-713 by the Department of Natural Resources shall
11 also have the power and authority to levy a tax equal to the dollar
12 amount by which their restricted funds budgeted to administer and
13 implement ground water management activities and integrated management
14 activities under the Nebraska Ground Water Management and Protection Act
15 exceed their restricted funds budgeted to administer and implement ground
16 water management activities and integrated management activities for
17 FY2005-06, not to exceed three cents on each one hundred dollars of
18 taxable valuation on all of the taxable property within the district for
19 FY2020-21 fiscal year 2006-07 and each fiscal year thereafter through
20 FY2027-28 fiscal year 2017-18. Each district shall keep separate records
21 on the funds raised pursuant to this subdivision and shall document how
22 such funds are expended to administer and implement ground water
23 management activities and integrated management activities under the
24 Nebraska Ground Water Management and Protection Act.

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

29 (6)(a) Incorporated cities and villages which are not within the
30 boundaries of a municipal county may levy a maximum levy of forty-five
31 cents per one hundred dollars of taxable valuation of property subject to

1 the levy plus an additional five cents per one hundred dollars of taxable
2 valuation to provide financing for the municipality's share of revenue
3 required under an agreement or agreements executed pursuant to the
4 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
5 levy shall include amounts levied to pay for sums to support a library
6 pursuant to section 51-201, museum pursuant to section 51-501, visiting
7 community nurse, home health nurse, or home health agency pursuant to
8 section 71-1637, or statue, memorial, or monument pursuant to section
9 80-202.

10 (b) Incorporated cities and villages which are within the boundaries
11 of a municipal county may levy a maximum levy of ninety cents per one
12 hundred dollars of taxable valuation of property subject to the levy. The
13 maximum levy shall include amounts paid to a municipal county for county
14 services, amounts levied to pay for sums to support a library pursuant to
15 section 51-201, a museum pursuant to section 51-501, a visiting community
16 nurse, home health nurse, or home health agency pursuant to section
17 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

18 (7) Sanitary and improvement districts which have been in existence
19 for more than five years may levy a maximum levy of forty cents per one
20 hundred dollars of taxable valuation of property subject to the levy, and
21 sanitary and improvement districts which have been in existence for five
22 years or less shall not have a maximum levy. Unconsolidated sanitary and
23 improvement districts which have been in existence for more than five
24 years and are located in a municipal county may levy a maximum of eighty-
25 five cents per hundred dollars of taxable valuation of property subject
26 to the levy.

27 (8) Counties may levy or authorize a maximum levy of fifty cents per
28 one hundred dollars of taxable valuation of property subject to the levy,
29 except that five cents per one hundred dollars of taxable valuation of
30 property subject to the levy may only be levied to provide financing for
31 the county's share of revenue required under an agreement or agreements

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

20 (9) Municipal counties may levy or authorize a maximum levy of one
21 dollar per one hundred dollars of taxable valuation of property subject
22 to the levy. The municipal county may allocate levy authority to any
23 political subdivision or entity subject to allocation under section
24 77-3443.

25 (10) Beginning July 1, 2016, rural and suburban fire protection
26 districts may levy a maximum levy of ten and one-half cents per one
27 hundred dollars of taxable valuation of property subject to the levy if
28 (a) such district is located in a county that had a levy pursuant to
29 subsection (8) of this section in the previous year of at least forty
30 cents per one hundred dollars of taxable valuation of property subject to
31 the levy or (b) for any rural or suburban fire protection district that

1 had a levy request pursuant to section 77-3443 in the previous year, the
2 county board of the county in which the greatest portion of the valuation
3 of such district is located did not authorize any levy authority to such
4 district in the previous year.

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

19 (12) The limitations on tax levies provided in this section are to
20 include all other general or special levies provided by law.
21 Notwithstanding other provisions of law, the only exceptions to the
22 limits in this section are those provided by or authorized by sections
23 77-3442 to 77-3444.

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

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

30 (15) For school districts that file a binding resolution on or
31 before May 9, 2008, with the county assessors, county clerks, and county

1 treasurers for all counties in which the school district has territory
2 pursuant to subsection (7) of section 79-458, if the combined levies,
3 except levies for bonded indebtedness approved by the voters of the
4 school district and levies for the refinancing of such bonded
5 indebtedness, are in excess of the greater of (a) one dollar and twenty
6 cents per one hundred dollars of taxable valuation of property subject to
7 the levy or (b) the maximum levy authorized by a vote pursuant to section
8 77-3444, all school district levies, except levies for bonded
9 indebtedness approved by the voters of the school district and levies for
10 the refinancing of such bonded indebtedness, shall be considered
11 unauthorized levies under section 77-1606.

12 Sec. 3. Original section 77-3442, Reissue Revised Statutes of
13 Nebraska, and section 2-3225, Revised Statutes Cumulative Supplement,
14 2018, are repealed.