

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 865

Introduced by Smith, 14.

Read first time January 13, 2014

Committee:

A BILL

1 FOR AN ACT relating to schools; to amend sections 79-10,120 and
2 79-10,126, Reissue Revised Statutes of Nebraska, sections
3 70-651.04, 79-528, 79-1008.02, 79-1036, 79-1041, and
4 79-2111, Revised Statutes Cumulative Supplement, 2012,
5 and sections 77-1736.06, 77-3442, 79-1007.18, 79-1022,
6 and 79-2104, Revised Statutes Supplement, 2013; to
7 eliminate certain taxing authority of learning
8 communities; to change state aid calculations; to
9 eliminate obsolete provisions; to harmonize provisions;
10 to repeal the original sections; and to outright repeal
11 section 79-10,126.01, Reissue Revised Statutes of
12 Nebraska, and sections 79-1073 and 79-1073.01, Revised
13 Statutes Cumulative Supplement, 2012.

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

1 Section 1. Section 70-651.04, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 70-651.04 All payments which are based on retail revenue
4 from each incorporated city or village shall be divided and
5 distributed by the county treasurer to that city or village, to the
6 school districts located in that city or village, ~~to any learning~~
7 ~~community located in that city or village,~~ and to the county in which
8 may be located any such incorporated city or village in the
9 proportion that their respective property tax levies in the preceding
10 year bore to the total of such levies. ~~__, except that the only~~
11 ~~learning community levies to be included are the common levies for~~
12 ~~which the proceeds are distributed to member school districts~~
13 ~~pursuant to sections 79-1073 and 79-1073.01.~~

14 Sec. 2. Section 77-1736.06, Revised Statutes Supplement,
15 2013, is amended to read:

16 77-1736.06 The following procedure shall apply when
17 making a property tax refund:

18 (1) Within thirty days of the entry of a final
19 nonappealable order, an unprotested determination of a county
20 assessor, an unappealed decision of a county board of equalization,
21 or other final action requiring a refund of real or personal property
22 taxes paid or, for property valued by the state, within thirty days
23 of a recertification of value by the Property Tax Administrator
24 pursuant to section 77-1775 or 77-1775.01, the county assessor shall
25 determine the amount of refund due the person entitled to the refund,

1 certify that amount to the county treasurer, and send a copy of such
2 certification to the person entitled to the refund. Within thirty
3 days from the date the county assessor certifies the amount of the
4 refund, the county treasurer shall notify each political subdivision,
5 including ~~any school district receiving a distribution pursuant to~~
6 ~~section 79-1073 or 79-1073.01 and~~ any land bank receiving real
7 property taxes pursuant to subdivision (3)(a) of section 19-5211, of
8 its respective share of the refund, except that for any political
9 subdivision whose share of the refund is two hundred dollars or less,
10 the county board may waive this notice requirement. Notification
11 shall be by first-class mail, postage prepaid, to the last-known
12 address of record of the political subdivision. The county treasurer
13 shall pay the refund from funds in his or her possession belonging to
14 any political subdivision, including ~~any school district receiving a~~
15 ~~distribution pursuant to section 79-1073 or 79-1073.01 and~~ any land
16 bank receiving real property taxes pursuant to subdivision (3)(a) of
17 section 19-5211, which received any part of the tax or penalty being
18 refunded. If sufficient funds are not available or the political
19 subdivision, within thirty days of the mailing of the notice by the
20 county treasurer if applicable, certifies to the county treasurer
21 that a hardship would result and create a serious interference with
22 its governmental functions if the refund of the tax or penalty is
23 paid, the county treasurer shall register the refund or portion
24 thereof which remains unpaid as a claim against such political
25 subdivision and shall issue the person entitled to the refund a

1 receipt for the registration of the claim. The certification by a
2 political subdivision declaring a hardship shall be binding upon the
3 county treasurer;

4 (2) The refund of a tax or penalty or the receipt for the
5 registration of a claim made or issued pursuant to this section shall
6 be satisfied in full as soon as practicable and in no event later
7 than five years from the date the final order or other action
8 approving a refund is entered. The governing body of the political
9 subdivision shall make provisions in its budget for the amount of any
10 refund or claim to be satisfied pursuant to this section. If a
11 receipt for the registration of a claim is given:

12 (a) Such receipt shall be applied to satisfy any tax
13 levied or assessed by that political subdivision next falling due
14 from the person holding the receipt after the sixth next succeeding
15 levy is made on behalf of the political subdivision following the
16 final order or other action approving the refund; and

17 (b) To the extent the amount of such receipt exceeds the
18 amount of such tax liability, the unsatisfied balance of the receipt
19 shall be paid and satisfied within the five-year period prescribed in
20 this subdivision from a combination of a credit against taxes
21 anticipated to be due to the political subdivision during such period
22 and cash payment from any funds expected to accrue to the political
23 subdivision pursuant to a written plan to be filed by the political
24 subdivision with the county treasurer no later than thirty days after
25 the claim against the political subdivision is first reduced by

1 operation of a credit against taxes due to such political
2 subdivision.

3 If a political subdivision fails to fully satisfy the
4 refund or claim prior to the sixth next succeeding levy following the
5 entry of a final nonappealable order or other action approving a
6 refund, interest shall accrue on the unpaid balance commencing on the
7 sixth next succeeding levy following such entry or action at the rate
8 set forth in section 45-103;

9 (3) The county treasurer shall mail the refund or the
10 receipt by first-class mail, postage prepaid, to the last-known
11 address of the person entitled thereto. Multiple refunds to the same
12 person may be combined into one refund or credit. If a refund is not
13 claimed by June 1 of the year following the year of mailing, the
14 refund shall be canceled and the resultant amount credited to the
15 various funds originally charged;

16 (4) When the refund involves property valued by the
17 state, the Tax Commissioner shall be authorized to negotiate a
18 settlement of the amount of the refund or claim due pursuant to this
19 section on behalf of the political subdivision from which such refund
20 or claim is due. Any political subdivision which does not agree with
21 the settlement terms as negotiated may reject such terms, and the
22 refund or claim due from the political subdivision then shall be
23 satisfied as set forth in this section as if no such negotiation had
24 occurred;

25 (5) In the event that the Legislature appropriates state

1 funds to be disbursed for the purposes of satisfying all or any
2 portion of any refund or claim, the Tax Commissioner shall order the
3 county treasurer to disburse such refund amounts directly to the
4 persons entitled to the refund in partial or total satisfaction of
5 such persons' claims. The county treasurer shall disburse such
6 amounts within forty-five days after receipt thereof; and

7 (6) If all or any portion of the refund is reduced by way
8 of settlement or forgiveness by the person entitled to the refund,
9 the proportionate amount of the refund that was paid by an
10 appropriation of state funds shall be reimbursed by the county
11 treasurer to the State Treasurer within forty-five days after receipt
12 of the settlement agreement or receipt of the forgiven refund. The
13 amount so reimbursed shall be credited to the General Fund.

14 Sec. 3. Section 77-3442, Revised Statutes Supplement,
15 2013, is amended to read:

16 77-3442 (1) Property tax levies for the support of local
17 governments for fiscal years beginning on or after July 1, 1998,
18 shall be limited to the amounts set forth in this section except as
19 provided in section 77-3444.

20 (2)(a) Except as provided in subdivision ~~(2)(e)~~ (2)(c) of
21 this section, school districts and multiple-district school systems,
22 ~~except learning communities and school districts that are members of~~
23 ~~learning communities,~~ may levy a maximum levy of one dollar and five
24 cents per one hundred dollars of taxable valuation of property
25 subject to the levy.

1 ~~(b) For each fiscal year, learning communities may levy a~~
2 ~~maximum levy for the general fund budgets of member school districts~~
3 ~~of ninety five cents per one hundred dollars of taxable valuation of~~
4 ~~property subject to the levy. The proceeds from the levy pursuant to~~
5 ~~this subdivision shall be distributed pursuant to section 79-1073.~~

6 ~~(c) Except as provided in subdivision (2)(e) of this~~
7 ~~section, for each fiscal year, school districts that are members of~~
8 ~~learning communities may levy for purposes of such districts' general~~
9 ~~fund budget and special building funds a maximum combined levy of the~~
10 ~~difference of one dollar and five cents on each one hundred dollars~~
11 ~~of taxable property subject to the levy minus the learning community~~
12 ~~levies pursuant to subdivisions (2)(b) and (2)(g) of this section for~~
13 ~~such learning community.~~

14 ~~(d)~~(b) ~~Excluded from the limitations in subdivisions~~
15 ~~subdivision (2)(a) and (2)(e) of this section are amounts levied to~~
16 ~~pay for sums agreed to be paid by a school district to certificated~~
17 ~~employees in exchange for a voluntary termination of employment and~~
18 ~~amounts levied to pay for special building funds and sinking funds~~
19 ~~established for projects commenced prior to April 1, 1996, for~~
20 ~~construction, expansion, or alteration of school district buildings.~~
21 ~~For purposes of this subsection, commenced means any action taken by~~
22 ~~the school board on the record which commits the board to expend~~
23 ~~district funds in planning, constructing, or carrying out the~~
24 ~~project.~~

25 ~~(e)~~(c) ~~Federal aid school districts may exceed the~~

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

9 ~~(f) For school fiscal year 2002-03 through school fiscal~~
10 ~~year 2007-08, school districts and multiple-district school systems~~
11 ~~may, upon a three-fourths majority vote of the school board of the~~
12 ~~school district, the board of the unified system, or the school board~~
13 ~~of the high school district of the multiple-district school system~~
14 ~~that is not a unified system, exceed the maximum levy prescribed by~~
15 ~~subdivision (2)(a) of this section in an amount equal to the net~~
16 ~~difference between the amount of state aid that would have been~~
17 ~~provided under the Tax Equity and Educational Opportunities Support~~
18 ~~Act without the temporary aid adjustment factor as defined in section~~
19 ~~79-1003 for the ensuing school fiscal year for the school district or~~
20 ~~multiple-district school system and the amount provided with the~~
21 ~~temporary aid adjustment factor. The State Department of Education~~
22 ~~shall certify to the school districts and multiple-district school~~
23 ~~systems the amount by which the maximum levy may be exceeded for the~~
24 ~~next school fiscal year pursuant to this subdivision (f) of this~~
25 ~~subsection on or before February 15 for school fiscal years 2004-05~~

1 ~~through 2007-08.~~

2 ~~(g) For each fiscal year, learning communities may levy a~~
3 ~~maximum levy of two cents on each one hundred dollars of taxable~~
4 ~~property subject to the levy for special building funds for member~~
5 ~~school districts. The proceeds from the levy pursuant to this~~
6 ~~subdivision shall be distributed pursuant to section 79-1073.01.~~

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

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

23 (3)(a) For fiscal years 2011-12 and 2012-13, community
24 college areas may levy a maximum of ten and one-quarter cents per one
25 hundred dollars of taxable valuation of property subject to the levy

1 for operating expenditures and may also levy the additional levies
2 provided in subdivisions (1)(b) and (c) of section 85-1517.

3 (b) For fiscal year 2013-14 and each fiscal year
4 thereafter, community college areas may levy the levies provided in
5 subdivisions (2)(a) through (c) of section 85-1517, in accordance
6 with the provisions of such subdivisions. A community college area
7 may exceed the levy provided in subdivision (2)(b) of section 85-1517
8 by the amount necessary to retire general obligation bonds assumed by
9 the community college area or issued pursuant to section 85-1515
10 according to the terms of such bonds or for any obligation pursuant
11 to section 85-1535 entered into prior to January 1, 1997.

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

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

25 (c) In addition, natural resources districts located in a

1 river basin, subbasin, or reach that has been determined to be fully
2 appropriated pursuant to section 46-714 or designated as
3 overappropriated pursuant to section 46-713 by the Department of
4 Natural Resources shall also have the power and authority to levy a
5 tax equal to the dollar amount by which their restricted funds
6 budgeted to administer and implement ground water management
7 activities and integrated management activities under the Nebraska
8 Ground Water Management and Protection Act exceed their restricted
9 funds budgeted to administer and implement ground water management
10 activities and integrated management activities for FY2005-06, not to
11 exceed three cents on each one hundred dollars of taxable valuation
12 on all of the taxable property within the district for fiscal year
13 2006-07 and each fiscal year thereafter through fiscal year 2017-18.

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

18 (6)(a) Incorporated cities and villages which are not
19 within the boundaries of a municipal county may levy a maximum levy
20 of forty-five cents per one hundred dollars of taxable valuation of
21 property subject to the levy plus an additional five cents per one
22 hundred dollars of taxable valuation to provide financing for the
23 municipality's share of revenue required under an agreement or
24 agreements executed pursuant to the Interlocal Cooperation Act or the
25 Joint Public Agency Act. The maximum levy shall include amounts

1 levied to pay for sums to support a library pursuant to section
2 51-201, museum pursuant to section 51-501, visiting community nurse,
3 home health nurse, or home health agency pursuant to section 71-1637,
4 or statue, memorial, or monument pursuant to section 80-202.

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

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

23 (8) Counties may levy or authorize a maximum levy of
24 fifty cents per one hundred dollars of taxable valuation of property
25 subject to the levy, except that five cents per one hundred dollars

1 of taxable valuation of property subject to the levy may only be
2 levied to provide financing for the county'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
5 maximum levy shall include amounts levied to pay for sums to support
6 a library pursuant to section 51-201 or museum pursuant to section
7 51-501. The county may allocate up to fifteen cents of its authority
8 to other political subdivisions subject to allocation of property tax
9 authority under subsection (1) of section 77-3443 and not
10 specifically covered in this section to levy taxes as authorized by
11 law which do not collectively exceed fifteen cents per one hundred
12 dollars of taxable valuation on any parcel or item of taxable
13 property. The county may allocate to one or more other political
14 subdivisions subject to allocation of property tax authority by the
15 county under subsection (1) of section 77-3443 some or all of the
16 county's five cents per one hundred dollars of valuation authorized
17 for support of an agreement or agreements to be levied by the
18 political subdivision for the purpose of supporting that political
19 subdivision's share of revenue required under an agreement or
20 agreements executed pursuant to the Interlocal Cooperation Act or the
21 Joint Public Agency Act. If an allocation by a county would cause
22 another county to exceed its levy authority under this section, the
23 second county may exceed the levy authority in order to levy the
24 amount allocated. Property tax levies for costs of reassumption of
25 the assessment function pursuant to section 77-1340 or 77-1340.04 are

1 not included in the levy limits established in this subsection for
2 fiscal years 2010-11 through 2013-14.

3 (9) Municipal counties may levy or authorize a maximum
4 levy of one dollar per one hundred dollars of taxable valuation of
5 property subject to the levy. The municipal county may allocate levy
6 authority to any political subdivision or entity subject to
7 allocation under section 77-3443.

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

22 (11) The limitations on tax levies provided in this
23 section are to include all other general or special levies provided
24 by law. Notwithstanding other provisions of law, the only exceptions
25 to the limits in this section are those provided by or authorized by

1 sections 77-3442 to 77-3444.

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

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

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

22 Sec. 4. Section 79-528, Revised Statutes Cumulative
23 Supplement, 2012, is amended to read:

24 79-528 (1)(a) On or before July 20 in all school
25 districts, the superintendent shall file with the State Department of

1 Education a report showing the number of children from five through
2 eighteen years of age belonging to the school district according to
3 the census taken as provided in sections 79-524 and 79-578. On or
4 before August 31, the department shall issue to each learning
5 community coordinating council a report showing the number of
6 children from five through eighteen years of age belonging to the
7 learning community based on the member school districts according to
8 the school district reports filed with the department.

9 (b) Each Class I school district which is part of a Class
10 VI school district offering instruction (i) in grades kindergarten
11 through five shall report children from five through ten years of
12 age, (ii) in grades kindergarten through six shall report children
13 from five through eleven years of age, and (iii) in grades
14 kindergarten through eight shall report children from five through
15 thirteen years of age.

16 (c) Each Class VI school district offering instruction
17 (i) in grades six through twelve shall report children who are eleven
18 through eighteen years of age, (ii) in grades seven through twelve
19 shall report children who are twelve through eighteen years of age,
20 and (iii) in grades nine through twelve shall report children who are
21 fourteen through eighteen years of age.

22 (d) Each Class I district which has affiliated in whole
23 or in part shall report children from five through thirteen years of
24 age.

25 (e) Each Class II, III, IV, or V district shall report

1 children who are fourteen through eighteen years of age residing in
2 Class I districts or portions thereof which have affiliated with such
3 district.

4 (f) The board of any district neglecting to take and
5 report the enumeration shall be liable to the school district for all
6 school money which such district may lose by such neglect.

7 (2) On or before June 30 the superintendent of each
8 school district shall file with the Commissioner of Education a
9 report described as an end-of-the-school-year annual statistical
10 summary showing (a) the number of children attending school during
11 the year under five years of age, (b) the length of time the school
12 has been taught during the year by a qualified teacher, (c) the
13 length of time taught by each substitute teacher, and (d) such other
14 information as the Commissioner of Education directs. On or before
15 July 31, the commissioner shall issue to each learning community
16 coordinating council an end-of-the-school-year annual statistical
17 summary for the learning community based on the member school
18 districts according to the school district reports filed with the
19 commissioner.

20 (3)(a) On or before November 1 the superintendent of each
21 school district shall submit to the Commissioner of Education a
22 report described as the annual financial report showing (i) the
23 amount of money received from all sources during the year and the
24 amount of money expended by the school district during the year, (ii)
25 the amount of bonded indebtedness, (iii) such other information as

1 shall be necessary to fulfill the requirements of the Tax Equity and
2 Educational Opportunities Support Act and section 79-1114, and (iv)
3 such other information as the Commissioner of Education directs.

4 (b) On or before December 15, the commissioner shall
5 issue to each learning community coordinating council an annual
6 financial report for the learning community based on the member
7 school districts according to the annual financial reports filed with
8 the commissioner, showing (i) the aggregate amount of money received
9 from all sources during the year for all member school districts and
10 the aggregate amount of money expended by member school districts
11 during the year, (ii) the aggregate amount of bonded indebtedness for
12 all member school districts, (iii) such other aggregate information
13 as shall be necessary to fulfill the requirements of the Tax Equity
14 and Educational Opportunities Support Act and section 79-1114 for all
15 member school districts, and (iv) such other aggregate information as
16 the Commissioner of Education directs for all member school
17 districts.

18 (4)(a) On or before October 15 of each year, the
19 superintendent of each school district shall file with the
20 commissioner the fall school district membership report, which report
21 shall include the number of children from birth through twenty years
22 of age enrolled in the district on the last Friday in September of a
23 given school year. The report shall enumerate (i) students by grade
24 level, (ii) school district levies and total assessed valuation for
25 the current fiscal year, and (iii) such other information as the

1 Commissioner of Education directs.

2 ~~(b) On or before October 15 of each year, each learning~~
3 ~~community coordinating council shall issue to the department a report~~
4 ~~which enumerates the learning community levies pursuant to~~
5 ~~subdivisions (2)(b) and (g) of section 77-3442 and total assessed~~
6 ~~valuation for the current fiscal year.~~

7 ~~(e)-(b)~~ On or before November 15 of each year, the
8 department shall issue to each learning community coordinating
9 council the fall learning community membership report, which report
10 shall include the aggregate number of children from birth through
11 twenty years of age enrolled in the member school districts on the
12 last Friday in September of a given school year for all member school
13 districts. The report shall enumerate (i) the aggregate students by
14 grade level for all member school districts, (ii) school district
15 levies and total assessed valuation for the current fiscal year, and
16 (iii) such other information as the Commissioner of Education directs
17 for all member school districts.

18 ~~(d)-(c)~~ When any school district fails to submit its fall
19 membership report by November 1, the commissioner shall, after notice
20 to the district and an opportunity to be heard, direct that any state
21 aid granted pursuant to the Tax Equity and Educational Opportunities
22 Support Act be withheld until such time as the report is received by
23 the department. In addition, the commissioner shall direct the county
24 treasurer to withhold all school money belonging to the school
25 district until such time as the commissioner notifies the county

1 treasurer of receipt of such report. The county treasurer shall
2 withhold such money.

3 Sec. 5. Section 79-1007.18, Revised Statutes Supplement,
4 2013, is amended to read:

5 79-1007.18 (1) The department shall calculate an
6 averaging adjustment for districts if the basic funding per formula
7 student is less than the averaging adjustment threshold and the
8 general fund levy for the school fiscal year immediately preceding
9 the school fiscal year for which aid is being calculated was at least
10 one dollar per one hundred dollars of taxable valuation. ~~For school~~
11 ~~districts that are members of a learning community, the general fund~~
12 ~~levy for purposes of this section includes both the common general~~
13 ~~fund levy and the school district general fund levy authorized~~
14 ~~pursuant to subdivisions (2)(b) and (2)(c) of section 77-3442. The~~
15 averaging adjustment shall equal the district's formula students
16 multiplied by the percentage specified in this section for such
17 district of the difference between the averaging adjustment threshold
18 minus such district's basic funding per formula student.

19 (2)(a) For school fiscal years 2012-13 and 2013-14, the
20 averaging adjustment threshold shall equal the lesser of (i) the
21 averaging adjustment threshold for the school fiscal year immediately
22 preceding the school fiscal year for which aid is being calculated
23 increased by the basic allowable growth rate or (ii) the statewide
24 average basic funding per formula student for the school fiscal year
25 for which aid is being calculated.

1 (b) For school fiscal year 2014-15 and each school fiscal
2 year thereafter, the averaging adjustment threshold shall equal the
3 aggregate basic funding for all districts with nine hundred or more
4 formula students divided by the aggregate formula students for all
5 districts with nine hundred or more formula students for the school
6 fiscal year for which aid is being calculated.

7 (3) The percentage to be used in the calculation of an
8 averaging adjustment shall be based on the general fund levy for the
9 school fiscal year immediately preceding the school fiscal year for
10 which aid is being calculated.

11 (4) The percentages to be used in the calculation of
12 averaging adjustments shall be as follows:

13 (a) If such levy was at least one dollar per one hundred
14 dollars of taxable valuation but less than one dollar and one cent
15 per one hundred dollars of taxable valuation, the percentage shall be
16 fifty percent;

17 (b) If such levy was at least one dollar and one cent per
18 one hundred dollars of taxable valuation but less than one dollar and
19 two cents per one hundred dollars of taxable valuation, the
20 percentage shall be sixty percent;

21 (c) If such levy was at least one dollar and two cents
22 per one hundred dollars of taxable valuation but less than one dollar
23 and three cents per one hundred dollars of taxable valuation, the
24 percentage shall be seventy percent;

25 (d) If such levy was at least one dollar and three cents

1 per one hundred dollars of taxable valuation but less than one dollar
2 and four cents per one hundred dollars of taxable valuation, the
3 percentage shall be eighty percent; and

4 (e) If such levy was at least one dollar and four cents
5 per one hundred dollars of taxable valuation, the percentage shall be
6 ninety percent.

7 Sec. 6. Section 79-1008.02, Revised Statutes Cumulative
8 Supplement, 2012, is amended to read:

9 79-1008.02 A minimum levy adjustment shall be calculated
10 and applied to any local system that has a general fund common levy
11 for the fiscal year during which aid is certified that is less than
12 the maximum levy, for such fiscal year for such local system, allowed
13 pursuant to subdivision (2)(a) ~~or (b)~~ of section 77-3442 without a
14 vote pursuant to section 77-3444 ~~less five cents for learning~~
15 ~~communities and less ten cents, for all other local systems.~~ To
16 calculate the minimum levy adjustment, the department shall subtract
17 the local system general fund common levy for such fiscal year for
18 such local system from the maximum levy allowed pursuant to
19 subdivision (2)(a) ~~or (b)~~ of section 77-3442 without a vote pursuant
20 to section 77-3444 ~~less five cents for learning communities and less~~
21 ~~ten cents for all other local systems~~ and multiply the result by the
22 local system's adjusted valuation divided by one hundred. The minimum
23 levy adjustment shall be added to the formula resources of the local
24 system for the determination of equalization aid pursuant to section
25 79-1008.01. If the minimum levy adjustment is greater than or equal

1 to the allocated income tax funds calculated pursuant to section
2 79-1005.01, the local system shall not receive allocated income tax
3 funds. If the minimum levy adjustment is less than the allocated
4 income tax funds calculated pursuant to section 79-1005.01, the local
5 system shall receive allocated income tax funds in the amount of the
6 difference between the allocated income tax funds calculated pursuant
7 to section 79-1005.01 and the minimum levy adjustment. ~~This section
8 does not apply to the calculation of aid for a local system
9 containing a learning community for the first school fiscal year for
10 which aid is calculated for such local system.~~

11 Sec. 7. Section 79-1022, Revised Statutes Supplement,
12 2013, is amended to read:

13 79-1022 (1) On or before June 1, 2013, and on or before
14 March 1 of each year thereafter for each ensuing fiscal year, the
15 department shall determine the amounts to be distributed to each
16 local system and each district for the ensuing school fiscal year
17 pursuant to the Tax Equity and Educational Opportunities Support Act
18 and shall certify the amounts to the Director of Administrative
19 Services, the Auditor of Public Accounts, ~~each learning community,~~
20 and each district. The amount to be distributed to each district ~~that
21 is not a member of a learning community~~ from the amount certified for
22 a local system shall be proportional based on the formula students
23 attributed to each district in the local system. ~~The amount to be
24 distributed to each district that is a member of a learning community
25 from the amount certified for the local system shall be proportional~~

1 ~~based on the formula needs calculated for each district in the local~~
2 ~~system.~~ On or before June 1, 2013, and on or before March 1 of each
3 year thereafter for each ensuing fiscal year, the department shall
4 report the necessary funding level for the ensuing school fiscal year
5 to the Governor, the Appropriations Committee of the Legislature, and
6 the Education Committee of the Legislature. The report submitted to
7 the committees of the Legislature shall be submitted electronically.
8 Except as otherwise provided in this subsection, certified state aid
9 amounts, including adjustments pursuant to section 79-1065.02, shall
10 be shown as budgeted non-property-tax receipts and deducted prior to
11 calculating the property tax request in the district's general fund
12 budget statement as provided to the Auditor of Public Accounts
13 pursuant to section 79-1024.

14 (2) Except as provided in this subsection, subsection (8)
15 of section 79-1016, and sections 79-1033 and 79-1065.02, the amounts
16 certified pursuant to subsection (1) of this section shall be
17 distributed in ten as nearly as possible equal payments on the last
18 business day of each month beginning in September of each ensuing
19 school fiscal year and ending in June of the following year, except
20 that when a school district is to receive a monthly payment of less
21 than one thousand dollars, such payment shall be one lump-sum payment
22 on the last business day of December during the ensuing school fiscal
23 year.

24 Sec. 8. Section 79-1036, Revised Statutes Cumulative
25 Supplement, 2012, is amended to read:

1 79-1036 (1) In making the apportionment under section
2 79-1035, the Commissioner of Education shall distribute from the
3 school fund for school purposes, to any and all ~~learning communities~~
4 ~~and school districts which are not members of a learning community,~~
5 in which there are situated school lands which have not been sold and
6 transferred by deed or saline lands owned by the state, which lands
7 are being used for a public purpose, an amount in lieu of tax money
8 that would be raised ~~by school district levies and learning community~~
9 ~~common levies for which the proceeds are distributed to member school~~
10 ~~districts pursuant to sections 79-1073 and 79-1073.01~~ if such lands
11 were taxable, to be ascertained in accordance with subsection (2) of
12 this section, except that:

13 (a) For Class I districts or portions thereof which are
14 affiliated and in which there are situated school or saline lands,
15 38.6207 percent of the in lieu of land tax money calculated pursuant
16 to subsection (2) of this section, based on the affiliated school
17 system tax levy computed pursuant to section 79-1077, shall be
18 distributed to the affiliated high school district and the remainder
19 shall be distributed to the Class I district;

20 (b) For Class I districts or portions thereof which are
21 part of a Class VI district which offers instruction in grades nine
22 through twelve and in which there are situated school or saline
23 lands, 38.6207 percent of the in lieu of land tax money calculated
24 pursuant to subsection (2) of this section, based on the Class VI
25 school system levy computed pursuant to section 79-1078, shall be

1 distributed to the Class VI district and the remainder shall be
2 distributed to the Class I district;

3 (c) For Class I districts or portions thereof which are
4 part of a Class VI district which offers instruction in grades seven
5 through twelve and in which there are situated school or saline
6 lands, 55.1724 percent of the in lieu of land tax money calculated
7 pursuant to subsection (2) of this section, based on the Class VI
8 school system levy computed pursuant to section 79-1078, shall be
9 distributed to the Class VI district and the remainder shall be
10 distributed to the Class I district; and

11 (d) For Class I districts or portions thereof which are
12 part of a Class VI district which offers instruction in grades six
13 through twelve and in which there are situated school or saline
14 lands, 62.0690 percent of the in lieu of land tax money calculated
15 pursuant to subsection (2) of this section, based on the Class VI
16 school system levy computed pursuant to section 79-1078, shall be
17 distributed to the Class VI district and the remainder shall be
18 distributed to the Class I district.

19 (2) The county assessor shall certify to the Commissioner
20 of Education the tax levies of each school district ~~and learning~~
21 ~~community~~ in which school land or saline land is located and the last
22 appraised value of such school land, which value shall be the same
23 percentage of the appraised value as the percentage of the assessed
24 value is of market value in subsection (2) of section 77-201 for the
25 purpose of applying the applicable tax levies for each district ~~and~~

1 ~~learning community~~ in determining the distribution to the districts
2 of such amounts. The school board of any school district ~~and the~~
3 ~~learning community coordinating council of any learning community~~ in
4 which there is located any leased or undeeded school land or saline
5 land subject to this section may appeal to the Board of Educational
6 Lands and Funds for a reappraisalment of such school land if such
7 school board ~~or learning community coordinating council~~ deems the
8 land not appraised in proportion to the value of adjoining land of
9 the same or similar value. The Board of Educational Lands and Funds
10 shall proceed to investigate the facts involved in such appeal and,
11 if the contention of the school board ~~or learning community~~
12 ~~coordinating council~~ is correct, make the proper reappraisalment. The
13 value calculation in this subsection shall be used by the
14 Commissioner of Education for making distributions in each school
15 fiscal year.

16 Sec. 9. Section 79-1041, Revised Statutes Cumulative
17 Supplement, 2012, is amended to read:

18 79-1041 ~~Each county treasurer of a county with territory~~
19 ~~in a learning community shall distribute any funds collected by such~~
20 ~~county treasurer from the common general fund levy and the common~~
21 ~~building fund levy of such learning community to each member school~~
22 ~~district pursuant to sections 79-1073 and 79-1073.01 at least once~~
23 ~~each month.~~

24 Each county treasurer shall, upon request of a majority
25 of the members of the school board or board of education in any

1 school district, at least once each month distribute to the district
2 any funds collected by such county treasurer for school purposes.

3 Sec. 10. Section 79-10,120, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-10,120 The school board or board of education of a
6 Class II, III, IV, V, or VI school district may establish a special
7 fund for purposes of acquiring sites for school buildings or
8 teacherages, purchasing existing buildings for use as school
9 buildings or teacherages, including the sites upon which such
10 buildings are located, and the erection, alteration, equipping, and
11 furnishing of school buildings or teacherages and additions to school
12 buildings for elementary and high school grades and for no other
13 purpose. ~~For school districts that are not members of learning~~
14 ~~communities, the~~ The fund shall be established from the proceeds of
15 an annual levy, to be determined by the board, of not to exceed
16 fourteen cents on each one hundred dollars upon the taxable value of
17 all taxable property in the district which shall be in addition to
18 any other taxes authorized to be levied for school purposes. Such tax
19 shall be levied and collected as are other taxes for school purposes.
20 ~~For school districts that are members of a learning community, such~~
21 ~~fund shall be established from the proceeds of the learning community~~
22 ~~special building funds levy directed to the school district for such~~
23 ~~purpose pursuant to subdivision (2)(g) of section 77-3442 and the~~
24 ~~proceeds of any school district special building fund levy pursuant~~
25 ~~to subdivision (2)(c) of section 77-3442.~~

1 Sec. 11. Section 79-10,126, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-10,126 A Class V school district ~~that is not a member~~
4 ~~of a learning community~~ shall establish (1) for the general operation
5 of the schools, such fund as will result from an annual levy of such
6 rate of tax upon the taxable value of all the taxable property in
7 such school district as the board of education determines to be
8 necessary for such purpose, (2) a fund resulting from an annual
9 amount of tax to be determined by the board of education of not to
10 exceed fourteen cents on each one hundred dollars upon the taxable
11 value of all the taxable property in the district for the purpose of
12 acquiring sites of school buildings and the erection, alteration,
13 equipping, and furnishing of school buildings and additions to school
14 buildings, which tax levy shall be used for no other purposes, and
15 (3) a further fund resulting from an annual amount of tax to be
16 determined by the board of education to pay interest on and retiring,
17 funding, or servicing of bonded indebtedness of the district.

18 Sec. 12. Section 79-2104, Revised Statutes Supplement,
19 2013, is amended to read:

20 79-2104 A learning community coordinating council shall
21 have the authority to:

22 ~~(1) Levy a common levy for the general funds of member~~
23 ~~school districts pursuant to sections 77-3442 and 79-1073;~~

24 ~~(2) Levy a common levy for the special building funds of~~
25 ~~member school districts pursuant to sections 77-3442 and 79-1073.01;~~

1 ~~(3)~~(1) Levy for elementary learning center facility
2 leases, for remodeling of leased elementary learning center
3 facilities, and for up to fifty percent of the estimated cost for
4 focus school or program capital projects approved by the learning
5 community coordinating council pursuant to subdivision ~~(2)(h)~~(2)(d)
6 of section 77-3442 and section 79-2111;

7 ~~(4)~~(2) Levy for early childhood education programs for
8 children in poverty, for elementary learning center employees, for
9 contracts with other entities or individuals who are not employees of
10 the learning community for elementary learning center programs and
11 services, and for pilot projects pursuant to subdivision ~~(2)(i)~~(2)
12 (e) of section 77-3442, except that not more than ten percent of such
13 levy may be used for elementary learning center employees;

14 ~~(5)~~(3) Collect, analyze, and report data and
15 information, including, but not limited to, information provided by a
16 school district pursuant to subsection (5) of section 79-201;

17 ~~(6)~~(4) Approve focus schools and focus programs to be
18 operated by member school districts;

19 ~~(7)~~(5) Adopt, approve, and implement a diversity plan
20 which shall include open enrollment and may include focus schools,
21 focus programs, magnet schools, and pathways pursuant to section
22 79-2110;

23 ~~(8)~~(6) Administer the open enrollment provisions in
24 section 79-2110 for the learning community as part of a diversity
25 plan developed by the council to provide educational opportunities

1 which will result in increased diversity in schools across the
2 learning community;

3 ~~(9)~~ (7) Annually conduct school fairs to provide students
4 and parents the opportunity to explore the educational opportunities
5 available at each school in the learning community and develop other
6 methods for encouraging access to such information and promotional
7 materials;

8 ~~(10)~~ (8) Develop and approve reorganization plans for
9 submission pursuant to the Learning Community Reorganization Act;

10 ~~(11)~~ (9) Establish and administer elementary learning
11 centers through achievement subcouncils pursuant to sections 79-2112
12 to 79-2114;

13 ~~(12)~~ (10) Administer the learning community funds
14 distributed to the learning community pursuant to section 79-2111;

15 ~~(13)~~ (11) Approve or disapprove poverty plans and limited
16 English proficiency plans for member school districts through
17 achievement subcouncils established under section 79-2117;

18 ~~(14)~~ (12) Establish a procedure for receiving community
19 input and complaints regarding the learning community;

20 ~~(15)~~ (13) Establish a procedure to assist parents,
21 citizens, and member school districts in accessing an approved center
22 pursuant to the Dispute Resolution Act to resolve disputes involving
23 member school districts or the learning community. Such procedure may
24 include payment by the learning community for some mediation
25 services;

1 ~~(16)~~(14) Establish and administer pilot projects related
2 to enhancing the academic achievement of elementary students,
3 particularly students who face challenges in the educational
4 environment due to factors such as poverty, limited English skills,
5 and mobility;

6 ~~(17)~~(15) Provide funding to public or private entities
7 engaged in the juvenile justice system providing profiling and
8 diversion programming designed to reduce excessive absenteeism and
9 unnecessary involvement with the juvenile justice system; and

10 ~~(18)~~(16) Hold public hearings at its discretion in
11 response to issues raised by residents regarding the learning
12 community, a member school district, and academic achievement.

13 Sec. 13. Section 79-2111, Revised Statutes Cumulative
14 Supplement, 2012, is amended to read:

15 79-2111 (1) A learning community may levy a maximum levy
16 pursuant to subdivision ~~(2)(h)~~(2)(d) of section 77-3442 for
17 elementary learning center facility leases, for remodeling of leased
18 elementary learning center facilities, and for up to fifty percent of
19 the estimated costs for focus school or program capital projects
20 approved pursuant to this section. The proceeds from such levy shall
21 be used for elementary learning center facility leases, for
22 remodeling of leased elementary learning center facilities, and to
23 reduce the bonded indebtedness required for approved projects by up
24 to fifty percent of the estimated cost of the approved project. The
25 funds used for reductions of bonded indebtedness shall be transferred

1 to the school district for which the project was approved and shall
2 be deposited in such school district's special building fund for use
3 on such project.

4 (2) The learning community may approve pursuant to this
5 section funding for capital projects which will include the purchase,
6 construction, or remodeling of facilities for a focus school or
7 program designed to meet the requirements of section 79-769. Such
8 approval shall include an estimated cost for the project and shall
9 state the amount that will be provided by the learning community for
10 such project.

11 (3) If, within the ten years following receipt of the
12 funding for a capital project pursuant to this section, a school
13 district receiving such funding uses the facility purchased,
14 constructed, or remodeled with such funding for purposes other than
15 those stated to qualify for the funds, the school district shall
16 repay such funds to the learning community with interest at the rate
17 prescribed in section 45-104.02 accruing from the date the funds were
18 transferred to the school district's building fund as of the last
19 date the facility was used for such purpose as determined by the
20 learning community coordinating council or the date that the learning
21 community coordinating council determines that the facility will not
22 be used for such purpose or that such facility will not be purchased,
23 constructed, or remodeled for such purpose. Interest shall continue
24 to accrue on outstanding balances until the repayment has been
25 completed. The remaining terms of repayment shall be determined by

1 the learning community coordinating council. The learning community
2 coordinating council may waive such repayment if the facility is used
3 for a different focus school or program for a period of time that
4 will result in the use of the facility for qualifying purposes for a
5 total of at least ten years.

6 Sec. 14. Original sections 79-10,120 and 79-10,126,
7 Reissue Revised Statutes of Nebraska, sections 70-651.04, 79-528,
8 79-1008.02, 79-1036, 79-1041, and 79-2111, Revised Statutes
9 Cumulative Supplement, 2012, and sections 77-1736.06, 77-3442,
10 79-1007.18, 79-1022, and 79-2104, Revised Statutes Supplement, 2013,
11 are repealed.

12 Sec. 15. The following sections are outright repealed:
13 Section 79-10,126.01, Reissue Revised Statutes of Nebraska, and
14 sections 79-1073 and 79-1073.01, Revised Statutes Cumulative
15 Supplement, 2012.