

AMENDMENTS TO LB986

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Sections 1 to 8 of this act shall be known and may be
4 cited as the School District Property Tax Limitation Act.

5 Sec. 2. For purposes of the School District Property Tax Limitation
6 Act:

7 (1) Approved bonds means bonds that are issued by a school district
8 after the question of issuing such bonds has been approved by the voters
9 of such school district;

10 (2) Average daily membership has the same meaning as in section
11 79-1003;

12 (3) Base growth percentage means the greater of (a) two and one-half
13 percent or (b) the average annual percentage increase in the Consumer
14 Price Index for All Urban Consumers, as prepared by the United States
15 Department of Labor, Bureau of Labor Statistics, for the thirty-six-month
16 period ending on June 30 of the year in which the property tax request is
17 made;

18 (4) Department means the State Department of Education;

19 (5) Non-property-tax revenue means revenue of a school district from
20 all state and local sources other than real and personal property taxes.
21 Non-property-tax revenue does not include reimbursements for special
22 education programs and support services pursuant to sections 79-1129,
23 79-1132, and 79-1144 and does not include grants and donations;

24 (6) Property tax request means the total amount of property taxes
25 requested to be raised for a school district through the levy imposed
26 pursuant to section 77-1601;

27 (7) Property tax request authority means the amount that may be

1 included in a property tax request as determined pursuant to the School
2 District Property Tax Limitation Act;

3 (8) School board has the same meaning as in section 79-101;

4 (9) School district has the same meaning as in section 79-101; and

5 (10) Student enrollment means the total number of students in the
6 school district according to the fall school district membership report
7 described in subsection (4) of section 79-528.

8 Sec. 3. (1) Except as provided in sections 4 and 5 of this act, a
9 school district's property tax request for any year shall not exceed the
10 school district's property tax request authority.

11 (2) The department shall calculate each school district's property
12 tax request authority on an annual basis as follows:

13 (a) The school district's property tax request from the prior year
14 shall be increased by whichever of the following percentages is the
15 highest:

16 (i) The base growth percentage;

17 (ii) The annual percentage increase in the student enrollment of the
18 school district multiplied by four-tenths;

19 (iii) The percentage obtained by first dividing the annual increase
20 in the total number of limited English proficiency students in the school
21 district by the student enrollment of the school district and then
22 multiplying the quotient by twenty-five hundredths; or

23 (iv) The percentage obtained by first dividing the annual increase
24 in the total number of poverty students in the school district by the
25 student enrollment of the school district and then multiplying the
26 quotient by twenty-five hundredths; and

27 (b) The amount determined under subdivision (2)(a) of this section
28 shall then be:

29 (i) Decreased by an amount equal to the amount by which the school
30 district's total non-property-tax revenue for the current year exceeds
31 the total non-property-tax revenue for the prior year. In determining the

1 total non-property-tax revenue for the current year, any category of non-
2 property-tax revenue for which there is insufficient data as of August 1
3 to make an accurate determination shall be deemed to be equal to the
4 prior year's amount; or

5 (ii) Increased by an amount equal to the amount by which the school
6 district's total non-property-tax revenue for the prior year exceeds the
7 total non-property-tax revenue for the current year. In determining the
8 total non-property-tax revenue for the current year, any category of non-
9 property-tax revenue for which there is insufficient data as of August 1
10 to make an accurate determination shall be deemed to be equal to the
11 prior year's amount.

12 (3) The department shall certify the amount determined for each
13 school district under this section to the school board of such school
14 district. Such certified amount shall be the school district's property
15 tax request authority.

16 Sec. 4. The School District Property Tax Limitation Act shall not
17 apply to that portion of a school district's property tax request that is
18 needed to pay the principal and interest on approved bonds.

19 Sec. 5. (1) A school district's property tax request may exceed its
20 property tax request authority by an amount approved by a sixty percent
21 majority of legal voters voting on the issue at a special election called
22 for such purpose upon the recommendation of the school board of such
23 school district or upon the receipt by the county clerk or election
24 commissioner of a petition requesting an election signed by at least five
25 percent of the legal voters of the school district. The recommendation of
26 the school board or the petition of the legal voters shall include the
27 amount by which the school board would increase its property tax request
28 for the year over and above the property tax request authority of such
29 school district. The county clerk or election commissioner shall call for
30 a special election on the issue within thirty days after the receipt of
31 such school board recommendation or legal voter petition. The election

1 shall be held pursuant to the Election Act, and all costs shall be paid
2 by the school board.

3 (2) A school district's property tax request may exceed its property
4 tax request authority by a percentage approved by an affirmative vote of
5 at least seventy-five percent of the school board of such school
6 district. Such percentage shall not exceed:

7 (a) Seven percent for school districts with an average daily
8 membership of no more than four hundred seventy-one students;

9 (b) Six percent for school districts with an average daily
10 membership of more than four hundred seventy-one students but no more
11 than three thousand forty-four students;

12 (c) Five percent for school districts with an average daily
13 membership of more than three thousand forty-four students but no more
14 than ten thousand students; or

15 (d) Four percent for school districts with an average daily
16 membership of more than ten thousand students.

17 (3) A school district's property tax request may exceed its property
18 tax request authority pursuant to any property tax authority approved by
19 the voters at a levy override election under section 77-3444 held prior
20 to January 1, 2023.

21 Sec. 6. A school district may choose not to increase its property
22 tax request by the full amount allowed by the school district's property
23 tax request authority in a particular year. In such cases, the school
24 district may carry forward to future years the amount of unused property
25 tax request authority. The department shall calculate each school
26 district's unused property tax request authority and shall submit an
27 accounting of such amount to the school board of the school district.
28 Such unused property tax request authority may then be used in later
29 years for increases in the school district's property tax request.

30 Sec. 7. The department shall prepare documents to be submitted by
31 school districts to aid the department in calculating each school

1 district's property tax request authority and unused property tax request
2 authority. Each school district shall submit such documents to the
3 department on or before September 20 of each year. If a school district
4 fails to submit such documents to the department or if the department
5 determines from such documents that a school district is not complying
6 with the limits provided in the School District Property Tax Limitation
7 Act, the department shall notify the school district of its
8 determination. The Commissioner of Education shall then direct that any
9 state aid granted pursuant to the Tax Equity and Educational
10 Opportunities Support Act be withheld until such time as the school
11 district submits the required documents or complies with the School
12 District Property Tax Limitation Act. The state aid shall be held for six
13 months. If the school district complies within the six-month period, it
14 shall receive the suspended state aid. If the school district fails to
15 comply within the six-month period, the suspended state aid shall revert
16 to the General Fund.

17 Sec. 8. The department may adopt and promulgate rules and
18 regulations to carry out the School District Property Tax Limitation Act.

19 Sec. 9. Section 77-1632, Revised Statutes Supplement, 2021, is
20 amended to read:

21 77-1632 (1) If the annual assessment of property would result in an
22 increase in the total property taxes levied by a county, city, village,
23 school district, learning community, sanitary and improvement district,
24 natural resources district, educational service unit, or community
25 college, as determined using the previous year's rate of levy, such
26 political subdivision's property tax request for the current year shall
27 be no more than its property tax request in the prior year, and the
28 political subdivision's rate of levy for the current year shall be
29 decreased accordingly when such rate is set by the county board of
30 equalization pursuant to section 77-1601. The governing body of the
31 political subdivision shall pass a resolution or ordinance to set the

1 amount of its property tax request after holding the public hearing
2 required in subsection (3) of this section. If the governing body of a
3 political subdivision seeks to set its property tax request at an amount
4 that exceeds its property tax request in the prior year, it may do so to
5 the extent allowed by law after holding the public hearing required in
6 subsection (3) of this section and by passing a resolution or ordinance
7 that complies with subsection (4) of this section. If any county, city,
8 school district, or community college seeks to increase its property tax
9 request by more than the allowable growth percentage, such political
10 subdivision shall comply with the requirements of section 77-1633 in lieu
11 of the requirements in subsections (3) and (4) of this section.

12 (2) If the annual assessment of property would result in no change
13 or a decrease in the total property taxes levied by a county, city,
14 village, school district, learning community, sanitary and improvement
15 district, natural resources district, educational service unit, or
16 community college, as determined using the previous year's rate of levy,
17 such political subdivision's property tax request for the current year
18 shall be no more than its property tax request in the prior year, and the
19 political subdivision's rate of levy for the current year shall be
20 adjusted accordingly when such rate is set by the county board of
21 equalization pursuant to section 77-1601. The governing body of the
22 political subdivision shall pass a resolution or ordinance to set the
23 amount of its property tax request after holding the public hearing
24 required in subsection (3) of this section. If the governing body of a
25 political subdivision seeks to set its property tax request at an amount
26 that exceeds its property tax request in the prior year, it may do so to
27 the extent allowed by law after holding the public hearing required in
28 subsection (3) of this section and by passing a resolution or ordinance
29 that complies with subsection (4) of this section. If any county, city,
30 school district, or community college seeks to increase its property tax
31 request by more than the allowable growth percentage, such political

1 subdivision shall comply with the requirements of section 77-1633 in lieu
2 of the requirements in subsections (3) and (4) of this section.

3 (3) The resolution or ordinance required under this section shall
4 only be passed after a special public hearing called for such purpose is
5 held and after notice is published in a newspaper of general circulation
6 in the area of the political subdivision at least four calendar days
7 prior to the hearing. For purposes of such notice, the four calendar days
8 shall include the day of publication but not the day of hearing. If the
9 political subdivision's total operating budget, not including reserves,
10 does not exceed ten thousand dollars per year or twenty thousand dollars
11 per biennial period, the notice may be posted at the governing body's
12 principal headquarters. The hearing notice shall contain the following
13 information: The certified taxable valuation under section 13-509 for the
14 prior year, the certified taxable valuation under section 13-509 for the
15 current year, and the percentage increase or decrease in such valuations
16 from the prior year to the current year; the dollar amount of the prior
17 year's tax request and the property tax rate that was necessary to fund
18 that tax request; the property tax rate that would be necessary to fund
19 last year's tax request if applied to the current year's valuation; the
20 proposed dollar amount of the tax request for the current year and the
21 property tax rate that will be necessary to fund that tax request; the
22 percentage increase or decrease in the property tax rate from the prior
23 year to the current year; and the percentage increase or decrease in the
24 total operating budget from the prior year to the current year.

25 (4) Any resolution or ordinance setting a political subdivision's
26 property tax request under this section at an amount that exceeds the
27 political subdivision's property tax request in the prior year shall
28 include, but not be limited to, the following information:

- 29 (a) The name of the political subdivision;
- 30 (b) The amount of the property tax request;
- 31 (c) The following statements:

1 (i) The total assessed value of property differs from last year's
2 total assessed value by percent;

3 (ii) The tax rate which would levy the same amount of property taxes
4 as last year, when multiplied by the new total assessed value of
5 property, would be \$..... per \$100 of assessed value;

6 (iii) The (name of political subdivision) proposes to adopt a
7 property tax request that will cause its tax rate to be \$..... per \$100
8 of assessed value; and

9 (iv) Based on the proposed property tax request and changes in other
10 revenue, the total operating budget of (name of political subdivision)
11 will (increase or decrease) last year's budget by percent; and

12 (d) The record vote of the governing body in passing such resolution
13 or ordinance.

14 (5) Any resolution or ordinance setting a property tax request under
15 this section shall be certified and forwarded to the county clerk on or
16 before October 15 of the year for which the tax request is to apply.

17 Sec. 10. Section 77-1633, Revised Statutes Supplement, 2021, is
18 amended to read:

19 77-1633 (1) For purposes of this section, political subdivision
20 means any county, city, school district, or community college.

21 (2) If any political subdivision seeks to increase its property tax
22 request by more than the allowable growth percentage, such political
23 subdivision may do so to the extent allowed by law if:

24 (a) A public hearing is held and notice of such hearing is provided
25 in compliance with subsection (3) of this section; and

26 (b) The governing body of such political subdivision passes a
27 resolution or an ordinance that complies with subsection (4) of this
28 section.

29 (3)(a) Each political subdivision within a county that seeks to
30 increase its property tax request by more than the allowable growth
31 percentage shall participate in a joint public hearing. Each such

1 political subdivision shall designate one representative to attend the
2 joint public hearing on behalf of the political subdivision. If a
3 political subdivision includes area in more than one county, the
4 political subdivision shall be deemed to be within the county in which
5 the political subdivision's principal headquarters are located. At such
6 hearing, there shall be no items on the agenda other than discussion on
7 each political subdivision's intent to increase its property tax request
8 by more than the allowable growth percentage.

9 (b) The joint public hearing shall be held on or after September 17
10 and prior to September 29 and before any of the participating political
11 subdivisions file their adopted budget statement pursuant to section
12 13-508.

13 (c) The joint public hearing shall be held after 6 p.m. local time
14 on the relevant date.

15 (d) At the joint public hearing, the representative of each
16 political subdivision shall give a brief presentation on the political
17 subdivision's intent to increase its property tax request by more than
18 the allowable growth percentage and the effect of such request on the
19 political subdivision's budget. The presentation shall include:

20 (i) The name of the political subdivision;

21 (ii) The amount of the property tax request; and

22 (iii) The following statements:

23 (A) The total assessed value of property differs from last year's
24 total assessed value by percent;

25 (B) The tax rate which would levy the same amount of property taxes
26 as last year, when multiplied by the new total assessed value of
27 property, would be \$..... per \$100 of assessed value;

28 (C) The (name of political subdivision) proposes to adopt a property
29 tax request that will cause its tax rate to be \$..... per \$100 of
30 assessed value;

31 (D) Based on the proposed property tax request and changes in other

1 revenue, the total operating budget of (name of political subdivision)
2 will exceed last year's by percent; and

3 (E) To obtain more information regarding the increase in the
4 property tax request, citizens may contact the (name of political
5 subdivision) at (telephone number and email address of political
6 subdivision).

7 (e) Any member of the public shall be allowed to speak at the joint
8 public hearing and shall be given a reasonable amount of time to do so.

9 (f) Notice of the joint public hearing shall be provided:

10 (i) By sending a postcard to all affected property taxpayers. The
11 postcard shall be sent to the name and address to which the property tax
12 statement is mailed;

13 (ii) By posting notice of the hearing on the home page of the
14 relevant county's website, except that this requirement shall only apply
15 if the county has a population of more than twenty-five thousand
16 inhabitants; and

17 (iii) By publishing notice of the hearing in a legal newspaper in or
18 of general circulation in the relevant county.

19 (g) Each political subdivision that participates in the joint public
20 hearing shall send the information prescribed in subdivision (3)(h) of
21 this section to the county clerk by September 5. The county clerk shall
22 transmit the information to the county assessor no later than September
23 10. The county clerk shall notify each participating political
24 subdivision of the date, time, and location of the joint public hearing.
25 The county assessor shall mail the postcards required in this subsection.
26 Such postcards shall be mailed at least seven calendar days before the
27 joint public hearing. The cost of creating and mailing the postcards,
28 including staff time, materials, and postage, shall be divided among the
29 political subdivisions participating in the joint public hearing.

30 (h) The postcard sent under this subsection and the notice posted on
31 the county's website, if required under subdivision (3)(f)(ii) of this

1 section, and published in the newspaper shall include the date, time, and
2 location for the joint public hearing, a listing of and telephone number
3 for each political subdivision that will be participating in the joint
4 public hearing, and the amount of each participating political
5 subdivision's property tax request. The postcard shall also contain the
6 following information:

7 (i) The following words in capitalized type at the top of the
8 postcard: NOTICE OF PROPOSED TAX INCREASE;

9 (ii) The name of the county that will hold the joint public hearing,
10 which shall appear directly underneath the capitalized words described in
11 subdivision (3)(h)(i) of this section;

12 (iii) The following statement: The following political subdivisions
13 are proposing a revenue increase as a result of property taxes in (insert
14 current tax year). This notice contains estimates of the tax on your
15 property and the proposed tax increase on your property as a result of
16 this revenue increase. These estimates are calculated on the basis of the
17 proposed (insert current tax year) data. The actual tax on your property
18 and tax increase on your property may vary from these estimates.

19 (iv) The parcel number for the property;

20 (v) The name of the property owner and the address of the property;

21 (vi) The property's assessed value in the previous tax year;

22 (vii) The amount of property taxes due in the previous tax year for
23 each participating political subdivision;

24 (viii) The property's assessed value for the current tax year;

25 (ix) The amount of property taxes due for the current tax year for
26 each participating political subdivision;

27 (x) The change in the amount of property taxes due for each
28 participating political subdivision from the previous tax year to the
29 current tax year; and

30 (xi) The following statement: To obtain more information regarding
31 the tax increase, citizens may contact the political subdivision at the

1 telephone number provided in this notice.

2 (4) After the joint public hearing required in subsection (3) of
3 this section, the governing body of each participating political
4 subdivision shall pass an ordinance or resolution to set such political
5 subdivision's property tax request. If the political subdivision is
6 increasing its property tax request over the amount from the prior year,
7 including any increase in excess of the allowable growth percentage, then
8 such ordinance or resolution shall include, but not be limited to, the
9 following information:

10 (a) The name of the political subdivision;

11 (b) The amount of the property tax request;

12 (c) The following statements:

13 (i) The total assessed value of property differs from last year's
14 total assessed value by percent;

15 (ii) The tax rate which would levy the same amount of property taxes
16 as last year, when multiplied by the new total assessed value of
17 property, would be \$..... per \$100 of assessed value;

18 (iii) The (name of political subdivision) proposes to adopt a
19 property tax request that will cause its tax rate to be \$..... per \$100
20 of assessed value; and

21 (iv) Based on the proposed property tax request and changes in other
22 revenue, the total operating budget of (name of political subdivision)
23 will exceed last year's by percent; and

24 (d) The record vote of the governing body in passing such resolution
25 or ordinance.

26 (5) Any resolution or ordinance setting a property tax request under
27 this section shall be certified and forwarded to the county clerk on or
28 before October 15 of the year for which the tax request is to apply.

29 (6) The county clerk, or his or her designee, shall prepare a report
30 which shall include (a) the names of the representatives of the political
31 subdivisions participating in the joint public hearing and (b) the name

1 and address of each individual who spoke at the joint public hearing,
2 unless the address requirement is waived to protect the security of the
3 individual, and the name of any organization represented by each such
4 individual. Such report shall be delivered to the political subdivisions
5 participating in the joint public hearing within ten days after such
6 hearing.

7 Sec. 11. This act becomes operative on January 1, 2023.

8 Sec. 12. Original sections 77-1632 and 77-1633, Revised Statutes
9 Supplement, 2021, are repealed.