

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1207

Introduced by Groene, 42.

Read first time January 20, 2022

Committee: Revenue

1 A BILL FOR AN ACT relating to school funding; to amend sections 77-1391
2 and 79-1082, Reissue Revised Statutes of Nebraska, sections 77-3446,
3 79-1001, 79-1005.01, 79-1009, 79-1016, 79-1017.01, 79-1022, 79-1098,
4 79-10,100, 79-10,101, 79-10,120, and 79-10,126, Revised Statutes
5 Cumulative Supplement, 2020, and sections 77-201, 77-3442, and
6 77-5023, Revised Statutes Supplement, 2021; to change provisions
7 relating to property tax valuations and levies and the base
8 limitation; to change provisions relating to the Tax Equity and
9 Educational Opportunities Support Act; to provide powers and duties
10 to the Tax Commissioner relating to foundation aid calculations to
11 be paid to local school systems; to change provisions relating to
12 certain school taxes and school funds; to harmonize provisions; to
13 repeal the original sections; and to declare an emergency.
14 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-201, Revised Statutes Supplement, 2021, is
2 amended to read:

3 77-201 (1) Except as provided in subsections (2) through (4) of this
4 section, all real property in this state, not expressly exempt therefrom,
5 shall be subject to taxation and shall be valued as follows: at its
6 ~~actual value.~~

7 (a) For tax years prior to tax year 2022, such real property shall
8 be valued at its actual value;

9 (b) For tax year 2022, such real property shall be valued at ninety-
10 five percent of its actual value for purposes of taxes levied by school
11 districts and multiple-district school systems and at its actual value
12 for purposes of taxes levied by any other political subdivision;

13 (c) For tax year 2023, such real property shall be valued at ninety-
14 one percent of its actual value for purposes of taxes levied by school
15 districts and multiple-district school systems and at its actual value
16 for purposes of taxes levied by any other political subdivision; and

17 (d) For tax year 2024 and each tax year thereafter, such real
18 property shall be valued at eighty-seven percent of its actual value for
19 purposes of taxes levied by school districts and multiple-district school
20 systems and at its actual value for purposes of taxes levied by any other
21 political subdivision.

22 (2) Agricultural land and horticultural land as defined in section
23 77-1359 shall constitute a separate and distinct class of property for
24 purposes of property taxation, shall be subject to taxation, unless
25 expressly exempt from taxation, and except for school district taxes
26 levied to pay the principal and interest on bonds that are approved by a
27 vote of the people on or after January 1, 2022, which land shall be
28 valued at fifty percent of its actual value, shall be valued as follows:

29 ~~at seventy five percent of its actual value, except that for school~~
30 ~~district taxes levied to pay the principal and interest on bonds that are~~
31 ~~approved by a vote of the people on or after January 1, 2022, such land~~

1 ~~shall be valued at fifty percent of its actual value.~~

2 (a) For tax years prior to tax year 2022, such real property shall
3 be valued at seventy-five percent of its actual value;

4 (b) For tax year 2022, such real property shall be valued at sixty-
5 five percent of its actual value for purposes of taxes levied by school
6 districts and multiple-district school systems and at seventy-five
7 percent of its actual value for purposes of taxes levied by any other
8 political subdivision;

9 (c) For tax year 2023, such real property shall be valued at sixty
10 percent of its actual value for purposes of taxes levied by school
11 districts and multiple-district school systems and at seventy-five
12 percent of its actual value for purposes of taxes levied by any other
13 political subdivision; and

14 (d) For tax year 2024 and each tax year thereafter, such real
15 property shall be valued at fifty-five percent of its actual value for
16 purposes of taxes levied by school districts and multiple-district school
17 systems and at seventy-five percent of its actual value for purposes of
18 taxes levied by any other political subdivision.

19 (3) Agricultural land and horticultural land actively devoted to
20 agricultural or horticultural purposes which has value for purposes other
21 than agricultural or horticultural uses and which meets the
22 qualifications for special valuation under section 77-1344 shall
23 constitute a separate and distinct class of property for purposes of
24 property taxation, shall be subject to taxation, and except for school
25 district taxes levied to pay the principal and interest on bonds that are
26 approved by a vote of the people on or after January 1, 2022, which land
27 shall be valued at fifty percent of its special valuation as defined in
28 section 77-1343, shall be valued for taxation as follows:

29 ~~at seventy five percent of its special valuation as defined in~~
30 ~~section 77-1343, except that for school district taxes levied to pay the~~
31 ~~principal and interest on bonds that are approved by a vote of the people~~

1 ~~on or after January 1, 2022, such land shall be valued at fifty percent~~
2 ~~of its special valuation as defined in section 77-1343.~~

3 (a) For tax years prior to tax year 2022, such real property shall
4 be valued at seventy-five percent of its special valuation as defined in
5 section 77-1343;

6 (b) For tax year 2022, such real property shall be valued at sixty-
7 five percent of its special valuation as defined in section 77-1343 for
8 purposes of taxes levied by school districts and multiple-district school
9 systems and at seventy-five percent of its special valuation as defined
10 in section 77-1343 for purposes of taxes levied by any other political
11 subdivision;

12 (c) For tax year 2023, such real property shall be valued at sixty
13 percent of its special valuation as defined in section 77-1343 for
14 purposes of taxes levied by school districts and multiple-district school
15 systems and at seventy-five percent of its special valuation as defined
16 in section 77-1343 for purposes of taxes levied by any other political
17 subdivision; and

18 (d) For tax year 2024 and each tax year thereafter, such real
19 property shall be valued at fifty-five percent of its special valuation
20 as defined in section 77-1343 for purposes of taxes levied by school
21 districts and multiple-district school systems and at seventy-five
22 percent of its special valuation as defined in section 77-1343 for
23 purposes of taxes levied by any other political subdivision.

24 (4) Historically significant real property which meets the
25 qualifications for historic rehabilitation valuation under sections
26 77-1385 to 77-1394 shall be valued for taxation as provided in such
27 sections.

28 (5) Tangible personal property, not including motor vehicles,
29 trailers, and semitrailers registered for operation on the highways of
30 this state, shall constitute a separate and distinct class of property
31 for purposes of property taxation, shall be subject to taxation, unless

1 expressly exempt from taxation, and shall be valued at its net book
2 value. Tangible personal property transferred as a gift or devise or as
3 part of a transaction which is not a purchase shall be subject to
4 taxation based upon the date the property was acquired by the previous
5 owner and at the previous owner's Nebraska adjusted basis. Tangible
6 personal property acquired as replacement property for converted property
7 shall be subject to taxation based upon the date the converted property
8 was acquired and at the Nebraska adjusted basis of the converted property
9 unless insurance proceeds are payable by reason of the conversion. For
10 purposes of this subsection, (a) converted property means tangible
11 personal property which is compulsorily or involuntarily converted as a
12 result of its destruction in whole or in part, theft, seizure,
13 requisition, or condemnation, or the threat or imminence thereof, and no
14 gain or loss is recognized for federal or state income tax purposes by
15 the holder of the property as a result of the conversion and (b)
16 replacement property means tangible personal property acquired within two
17 years after the close of the calendar year in which tangible personal
18 property was converted and which is, except for date of construction or
19 manufacture, substantially the same as the converted property.

20 (6) For purposes of this section, taxes levied by school districts
21 and multiple-district school systems means property taxes levied on real
22 or personal property by any school district or multiple-district school
23 system.

24 Sec. 2. Section 77-1391, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 77-1391 (1) Commencing January 1, 2006, for all real property for
27 which a final certificate of rehabilitation has been issued, the
28 valuation for purposes of assessment shall be no more than the base-year
29 valuation for eight years following issuance of the final certificate of
30 rehabilitation.

31 (2) For the four years following the expiration of the eight-year

1 period specified in subsection (1) of this section, the valuation for
2 purposes of the assessment shall be as follows:

3 (a) For the first year, the base-year valuation plus twenty-five
4 percent of the difference in the base-year valuation and the current year
5 assessed actual value;

6 (b) For the second year, the base-year valuation plus fifty percent
7 of the difference in the base-year valuation and the current year
8 assessed actual value;

9 (c) For the third year, the base-year valuation plus seventy-five
10 percent of the difference in the base-year valuation and the current year
11 assessed actual value; and

12 (d) For the fourth year, the current year assessed actual value.

13 (3) For purposes of sections 77-1385 to 77-1394, base-year valuation
14 means the assessed valuation of the historically significant real
15 property in the assessment year the preliminary certificate of
16 rehabilitation was issued as certified in subdivision (1)(c) of section
17 77-1388 or as finally determined if appealed.

18 (4) If, during the eight-year period and the four-year period
19 specified in subsections (1) and (2) of this section, the State Historic
20 Preservation Officer determines that historically significant real
21 property for which a final certificate of rehabilitation has been issued

22 (a) has been the subject of repair, renovation, remodeling, or
23 improvement but not in accordance with the Standards for Rehabilitation
24 as described in 36 C.F.R. 67.7, as such regulation existed on January 1,
25 2005, (b) is no longer of historical significance to a qualified historic
26 district, or (c) no longer possesses the qualifications for listing in
27 the National Register of Historic Places, he or she shall revoke the
28 final certificate of rehabilitation by written notice to the owner and
29 transmit a copy of the revocation to the county assessor.

30 (5) Upon disqualification of any real property receiving base-year
31 valuation under sections 77-1385 to 77-1394, the county assessor shall

1 change the value of such property to its assessed ~~actual~~ value in the
2 assessment year following the revocation of the final certificate of
3 rehabilitation.

4 Sec. 3. Section 77-3442, Revised Statutes Supplement, 2021, is
5 amended to read:

6 77-3442 (1) Property tax levies for the support of local governments
7 for fiscal years beginning on or after July 1, 1998, shall be limited to
8 the amounts set forth in this section except as provided in section
9 77-3444.

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

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

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

28 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
29 of this section are (i) amounts levied to pay for current and future sums
30 agreed to be paid by a school district to certificated employees in
31 exchange for a voluntary termination of employment occurring prior to

1 September 1, 2017, (ii) amounts levied by a school district otherwise at
2 the maximum levy pursuant to subdivision (2)(a) of this section to pay
3 for current and future qualified voluntary termination incentives for
4 certificated teachers pursuant to subsection (3) of section 79-8,142 that
5 are not otherwise included in an exclusion pursuant to subdivision (2)(d)
6 of this section, (iii) amounts levied by a school district otherwise at
7 the maximum levy pursuant to subdivision (2)(a) of this section to pay
8 for seventy-five percent of the current and future sums agreed to be paid
9 to certificated employees in exchange for a voluntary termination of
10 employment occurring between September 1, 2017, and August 31, 2018, as a
11 result of a collective-bargaining agreement in force and effect on
12 September 1, 2017, that are not otherwise included in an exclusion
13 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a
14 school district otherwise at the maximum levy pursuant to subdivision (2)
15 (a) of this section to pay for fifty percent of the current and future
16 sums agreed to be paid to certificated employees in exchange for a
17 voluntary termination of employment occurring between September 1, 2018,
18 and August 31, 2019, as a result of a collective-bargaining agreement in
19 force and effect on September 1, 2017, that are not otherwise included in
20 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts
21 levied by a school district otherwise at the maximum levy pursuant to
22 subdivision (2)(a) of this section to pay for twenty-five percent of the
23 current and future sums agreed to be paid to certificated employees in
24 exchange for a voluntary termination of employment occurring between
25 September 1, 2019, and August 31, 2020, as a result of a collective-
26 bargaining agreement in force and effect on September 1, 2017, that are
27 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
28 this section, (vi) amounts levied in compliance with sections 79-10,110
29 and 79-10,110.02, (vii) amounts levied pursuant to subsection (4) of
30 section 79-10,120 for projects commenced prior to the effective date of
31 this act, (viii) amounts levied pursuant to subsection (3) of section

1 ~~79-10,120 for projects that have been commenced less the amount generated~~
2 ~~by a levy of six cents per one hundred dollars of taxable valuation, and~~
3 ~~(ix) an amount equal to any loss of revenue caused by changes to section~~
4 ~~77-201 occurring after the passage of a levy override at an election~~
5 ~~occurring prior to the effective date of this act pursuant to subdivision~~
6 ~~(1)(b) of section 77-3444 for the period of years for which such override~~
7 ~~is applicable and (vii) amounts levied to pay for special building funds~~
8 ~~and sinking funds established for projects commenced prior to April 1,~~
9 ~~1996, for construction, expansion, or alteration of school district~~
10 ~~buildings.~~ For purposes of this subsection, commenced means any action
11 taken by the school board on the record which commits the board to expend
12 district funds in planning, constructing, or carrying out the project.

13 (e) Federal aid school districts may exceed the maximum levy
14 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
15 extent necessary to qualify to receive federal aid pursuant to 20 U.S.C.
16 7701 et sec., as such sections existed on January 1, 2022 ~~Title VIII of~~
17 ~~Public Law 103-382, as such title existed on September 1, 2001.~~ For
18 purposes of this subdivision, federal aid school district means any
19 school district which receives ten percent or more of the revenue for its
20 general fund budget from federal government sources pursuant to 20 U.S.C.
21 7701 et sec., as such sections existed on January 1, 2022 ~~Title VIII of~~
22 ~~Public Law 103-382, as such title existed on September 1, 2001.~~

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

30 (g) For each fiscal year, learning communities may levy a maximum
31 levy of one and one-half cents on each one hundred dollars of taxable

1 property subject to the levy for early childhood education programs for
2 children in poverty, for elementary learning center employees, for
3 contracts with other entities or individuals who are not employees of the
4 learning community for elementary learning center programs and services,
5 and for pilot projects, except that no more than ten percent of such levy
6 may be used for elementary learning center employees.

7 (3) For each fiscal year, community college areas may levy the
8 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
9 accordance with the provisions of such subdivisions. A community college
10 area may exceed the levy provided in subdivision (2)(b) of section
11 85-1517 by the amount necessary to retire general obligation bonds
12 assumed by the community college area or issued pursuant to section
13 85-1515 according to the terms of such bonds or for any obligation
14 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

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

27 (c) In addition, natural resources districts located in a river
28 basin, subbasin, or reach that has been determined to be fully
29 appropriated pursuant to section 46-714 or designated as overappropriated
30 pursuant to section 46-713 by the Department of Natural Resources shall
31 also have the power and authority to levy a tax equal to the dollar

1 amount by which their restricted funds budgeted to administer and
2 implement ground water management activities and integrated management
3 activities under the Nebraska Ground Water Management and Protection Act
4 exceed their restricted funds budgeted to administer and implement ground
5 water management activities and integrated management activities for
6 FY2005-06, not to exceed three cents on each one hundred dollars of
7 taxable valuation on all of the taxable property within the district for
8 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
9 2017-18.

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

14 (6)(a) Incorporated cities and villages which are not within the
15 boundaries of a municipal county may levy a maximum levy of forty-five
16 cents per one hundred dollars of taxable valuation of property subject to
17 the levy plus an additional five cents per one hundred dollars of taxable
18 valuation to provide financing for the municipality's share of revenue
19 required under an agreement or agreements executed pursuant to the
20 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
21 levy shall include amounts levied to pay for sums to support a library
22 pursuant to section 51-201, museum pursuant to section 51-501, visiting
23 community nurse, home health nurse, or home health agency pursuant to
24 section 71-1637, or statue, memorial, or monument pursuant to section
25 80-202.

26 (b) Incorporated cities and villages which are within the boundaries
27 of a municipal county may levy a maximum levy of ninety cents per one
28 hundred dollars of taxable valuation of property subject to the levy. The
29 maximum levy shall include amounts paid to a municipal county for county
30 services, amounts levied to pay for sums to support a library pursuant to
31 section 51-201, a museum pursuant to section 51-501, a visiting community

1 nurse, home health nurse, or home health agency pursuant to section
2 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

3 (7) Sanitary and improvement districts which have been in existence
4 for more than five years may levy a maximum levy of forty cents per one
5 hundred dollars of taxable valuation of property subject to the levy, and
6 sanitary and improvement districts which have been in existence for five
7 years or less shall not have a maximum levy. Unconsolidated sanitary and
8 improvement districts which have been in existence for more than five
9 years and are located in a municipal county may levy a maximum of eighty-
10 five cents per hundred dollars of taxable valuation of property subject
11 to the levy.

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

1 an agreement or agreements executed pursuant to the Interlocal
2 Cooperation Act or the Joint Public Agency Act. If an allocation by a
3 county would cause another county to exceed its levy authority under this
4 section, the second county may exceed the levy authority in order to levy
5 the amount allocated.

6 (9) Municipal counties may levy or authorize a maximum levy of one
7 dollar per one hundred dollars of taxable valuation of property subject
8 to the levy. The municipal county may allocate levy authority to any
9 political subdivision or entity subject to allocation under section
10 77-3443.

11 (10) Beginning July 1, 2016, rural and suburban fire protection
12 districts may levy a maximum levy of ten and one-half cents per one
13 hundred dollars of taxable valuation of property subject to the levy if
14 (a) such district is located in a county that had a levy pursuant to
15 subsection (8) of this section in the previous year of at least forty
16 cents per one hundred dollars of taxable valuation of property subject to
17 the levy or (b) such district had a levy request pursuant to section
18 77-3443 in any of the three previous years and the county board of the
19 county in which the greatest portion of the valuation of such district is
20 located did not authorize any levy authority to such district in such
21 year.

22 (11) A regional metropolitan transit authority may levy a maximum
23 levy of ten cents per one hundred dollars of taxable valuation of
24 property subject to the levy for each fiscal year that commences on the
25 January 1 that follows the effective date of the conversion of the
26 transit authority established under the Transit Authority Law into the
27 regional metropolitan transit authority.

28 (12) Property tax levies (a) for judgments, except judgments or
29 orders from the Commission of Industrial Relations, obtained against a
30 political subdivision which require or obligate a political subdivision
31 to pay such judgment, to the extent such judgment is not paid by

1 liability insurance coverage of a political subdivision, (b) for
2 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
3 for bonds as defined in section 10-134 approved according to law and
4 secured by a levy on property except as provided in section 44-4317 for
5 bonded indebtedness issued by educational service units and school
6 districts, (d) for payments by a public airport to retire interest-free
7 loans from the Division of Aeronautics of the Department of
8 Transportation in lieu of bonded indebtedness at a lower cost to the
9 public airport, and (e) to pay for cancer benefits provided on or after
10 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not
11 included in the levy limits established by this section.

12 (13) The limitations on tax levies provided in this section are to
13 include all other general or special levies provided by law.
14 Notwithstanding other provisions of law, the only exceptions to the
15 limits in this section are those provided by or authorized by sections
16 77-3442 to 77-3444.

17 (14) Tax levies in excess of the limitations in this section shall
18 be considered unauthorized levies under section 77-1606 unless approved
19 under section 77-3444.

20 (15) For purposes of sections 77-3442 to 77-3444, political
21 subdivision means a political subdivision of this state and a county
22 agricultural society.

23 (16) For school districts that file a binding resolution on or
24 before May 9, 2008, with the county assessors, county clerks, and county
25 treasurers for all counties in which the school district has territory
26 pursuant to subsection (7) of section 79-458, if the combined levies,
27 except levies for bonded indebtedness approved by the voters of the
28 school district and levies for the refinancing of such bonded
29 indebtedness, are in excess of the greater of (a) one dollar and twenty
30 cents per one hundred dollars of taxable valuation of property subject to
31 the levy or (b) the maximum levy authorized by a vote pursuant to section

1 77-3444, all school district levies, except levies for bonded
2 indebtedness approved by the voters of the school district and levies for
3 the refinancing of such bonded indebtedness, shall be considered
4 unauthorized levies under section 77-1606.

5 Sec. 4. Section 77-3446, Revised Statutes Cumulative Supplement,
6 2020, is amended to read:

7 77-3446 Base limitation means the budget limitation rate applicable
8 to school districts and the limitation on growth of restricted funds
9 applicable to other political subdivisions prior to any increases in the
10 rate as a result of special actions taken by a supermajority of any
11 governing board or of any exception allowed by law. The base limitation
12 is two and one-half percent until adjusted,~~except that the base~~
13 ~~limitation for school districts for school fiscal years 2017-18 and~~
14 ~~2018-19 is one and one-half percent and for school fiscal year 2019-20 is~~
15 ~~two percent.~~ The base limitation may be adjusted annually by the
16 Legislature to reflect changes in the prices of services and products
17 used by school districts and political subdivisions.

18 Sec. 5. Section 77-5023, Revised Statutes Supplement, 2021, is
19 amended to read:

20 77-5023 (1) Pursuant to section 77-5022, the commission shall have
21 the power to increase or decrease the value of a class or subclass of
22 real property in any county or taxing authority or of real property
23 valued by the state so that all classes or subclasses of real property in
24 all counties fall within an acceptable range.

25 (2)(a) ~~(2)~~ An acceptable range is the percentage of variation from a
26 standard for valuation as measured by an established indicator of central
27 tendency of assessment.~~Acceptable ranges are: (a) For agricultural land~~
28 ~~and horticultural land as defined in section 77-1359, sixty-nine to~~
29 ~~seventy-five percent of actual value, except that for school district~~
30 ~~taxes levied to pay the principal and interest on bonds that are approved~~
31 ~~by a vote of the people on or after January 1, 2022, the acceptable range~~

1 ~~is forty-four to fifty percent of actual value; (b) for lands receiving~~
2 ~~special valuation, sixty-nine to seventy-five percent of special~~
3 ~~valuation as defined in section 77-1343, except that for school district~~
4 ~~taxes levied to pay the principal and interest on bonds that are approved~~
5 ~~by a vote of the people on or after January 1, 2022, the acceptable range~~
6 ~~is forty-four to fifty percent of special valuation as defined in section~~
7 ~~77-1343; and (c) for all other real property, ninety-two to one hundred~~
8 ~~percent of actual value.~~

9 (b) Except for school district taxes levied to pay the principal and
10 interest on bonds that are approved by a vote of the people on or after
11 January 1, 2022, that have an acceptable range of forty-four to fifty
12 percent of actual value, the acceptable ranges for agricultural land and
13 horticultural land not receiving special valuation are:

14 (i) For tax years prior to tax year 2022, sixty-nine to seventy-five
15 percent of actual value;

16 (ii) For tax year 2022, fifty-nine to sixty-five percent of actual
17 value for purposes of taxes levied by school districts and multiple-
18 district school systems and sixty-nine to seventy-five percent of actual
19 value for purposes of taxes levied by any other political subdivision;

20 (iii) For tax year 2023, fifty-four to sixty percent of actual value
21 for purposes of taxes levied by school districts and multiple-district
22 school systems and sixty-nine to seventy-five percent of actual value for
23 purposes of taxes levied by any other political subdivision; and

24 (iv) For tax year 2024 and each tax year thereafter, forty-nine to
25 fifty-five percent of actual value for purposes of taxes levied by school
26 districts and multiple-district school systems and sixty-nine to seventy-
27 five percent of actual value for purposes of taxes levied by any other
28 political subdivision.

29 (c) Except for school district taxes levied to pay the principal and
30 interest on bonds that are approved by a vote of the people on or after
31 January 1, 2022, that have an acceptable range of forty-four to fifty

1 percent of special valuation as defined in section 77-1343, the
2 acceptable ranges for agricultural and horticultural land receiving
3 special valuation are:

4 (i) For tax years prior to tax year 2022, sixty-nine to seventy-five
5 percent of special valuation;

6 (ii) For tax year 2022, fifty-nine to sixty-five percent of special
7 valuation for purposes of taxes levied by school districts and multiple-
8 district school systems and sixty-nine to seventy-five percent of special
9 valuation for purposes of taxes levied by any other political
10 subdivision;

11 (iii) For tax year 2023, fifty-four to sixty percent of special
12 valuation for purposes of taxes levied by school districts and multiple-
13 district school systems and sixty-nine to seventy-five percent of special
14 valuation for purposes of taxes levied by any other political
15 subdivision; and

16 (iv) For tax year 2024 and each tax year thereafter, forty-nine to
17 fifty-five percent of special valuation for purposes of taxes levied by
18 school districts and multiple-district school systems and sixty-nine to
19 seventy-five percent of special valuation for purposes of taxes levied by
20 any other political subdivision.

21 (d) The acceptable ranges for all other real property are:

22 (i) For tax years prior to tax year 2022, ninety-two to one hundred
23 percent of actual value;

24 (ii) For tax year 2022, eighty-seven to ninety-five percent of
25 actual value for purposes of taxes levied by school districts and
26 multiple-district school systems and ninety-two to one hundred percent of
27 actual value for purposes of taxes levied by any other political
28 subdivision;

29 (iii) For tax year 2023, eighty-three to ninety-one percent of
30 actual value for purposes of taxes levied by school districts and
31 multiple-district school systems and ninety-two to one hundred percent of

1 actual value for purposes of taxes levied by any other political
2 subdivision; and

3 (iv) For tax year 2024 and each tax year thereafter, seventy-nine to
4 eighty-seven percent of actual value for purposes of taxes levied by
5 school districts and multiple-district school systems and ninety-two to
6 one hundred percent of actual value for purposes of taxes levied by any
7 other political subdivision.

8 (e) For purposes of this subsection:

9 (i) Agricultural land and horticultural land has the same meaning as
10 in section 77-1359;

11 (ii) Special valuation has the same meaning as in section 77-1343;
12 and

13 (iii) Taxes levied by school districts and multiple-district school
14 systems has the same meaning as in section 77-201.

15 (3) Any increase or decrease shall cause the level of value
16 determined by the commission to be at the midpoint of the applicable
17 acceptable range.

18 (4) Any decrease or increase to a subclass of property shall also
19 cause the level of value determined by the commission for the class from
20 which the subclass is drawn to be within the applicable acceptable range.

21 (5) Whether or not the level of value determined by the commission
22 falls within an acceptable range or at the midpoint of an acceptable
23 range may be determined to a reasonable degree of certainty relying upon
24 generally accepted mass appraisal techniques.

25 Sec. 6. Section 79-1001, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 79-1001 Sections 79-1001 to 79-1033 and section 8 of this act shall
28 be known and may be cited as the Tax Equity and Educational Opportunities
29 Support Act.

30 Sec. 7. Section 79-1005.01, Revised Statutes Cumulative Supplement,
31 2020, is amended to read:

1 79-1005.01 (1) Not later than November 15 of each year through 2021,
2 the Tax Commissioner shall certify to the department for the preceding
3 tax year the income tax liability of resident individuals for each local
4 system.

5 (2) For school fiscal years prior to 2017-18, one hundred two
6 million two hundred eighty-nine thousand eight hundred seventeen dollars
7 which is equal to the amount appropriated to the School District Income
8 Tax Fund for distribution in school fiscal year 1992-93 shall be
9 disbursed as option payments as determined under section 79-1009 and as
10 allocated income tax funds as determined in this section and sections
11 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01. For school fiscal
12 years prior to school fiscal year 2017-18, funds not distributed as
13 allocated income tax funds due to minimum levy adjustments shall not
14 increase the amount available to local systems for distribution as
15 allocated income tax funds.

16 (3) Using the data certified by the Tax Commissioner pursuant to
17 subsection (1) of this section, the department shall calculate the
18 allocation percentage and each local system's allocated income tax funds.
19 The allocation percentage shall be the amount stated in subsection (2) of
20 this section minus the total amount paid for option students pursuant to
21 section 79-1009, with the difference divided by the aggregate statewide
22 income tax liability of all resident individuals certified pursuant to
23 subsection (1) of this section. Each local system's allocated income tax
24 funds shall be calculated by multiplying the allocation percentage times
25 the local system's income tax liability certified pursuant to subsection
26 (1) of this section.

27 (4) For school fiscal year 2017-18 and each school fiscal year
28 thereafter, each local system's allocated income tax funds shall be
29 calculated by multiplying the local system's income tax liability
30 certified pursuant to subsection (1) of this section by two and twenty-
31 three hundredths percent.

1 Sec. 8. (1)(a) On or before April 15, 2022, for the calculation of
2 aid for school fiscal year 2022-23, the Tax Commissioner shall certify to
3 the department:

4 (i) The net income tax collections under the Nebraska Revenue Act of
5 1967 for the calendar year ending on December 21, 2020;

6 (ii) The net corporate tax collections under the Nebraska Revenue
7 Act of 1967 for the calendar year ending on December 31, 2020; and

8 (iii) The net state sales and use tax collections under the Nebraska
9 Revenue Act of 1967 for calendar year 2020.

10 (b) On or before November 1, 2022, and on or before November 1 of
11 each year thereafter, for the calculation of aid for the following school
12 fiscal year, the Tax Commissioner shall certify to the department:

13 (i) The net income tax collections under the Nebraska Revenue Act of
14 1967 for the most recently completed calendar year;

15 (ii) The net corporate tax collections under the Nebraska Revenue
16 Act of 1967 for the most recently completed calendar year;

17 (iii) The net state sales and use tax collections under the Nebraska
18 Revenue Act of 1967 for the most recently completed calendar year.

19 (2) For school fiscal year 2022-23, the department shall calculate
20 the foundation aid to be paid to each local system for such school fiscal
21 year. The foundation aid for each local system shall equal (a) the (i)
22 fall membership for the certification of state aid pursuant to section
23 79-1022 or (ii) average daily membership for the final calculation of
24 state aid pursuant to section 79-1065 for such local system multiplied by
25 (b) the ratio of five percent of the sum of the amounts certified
26 pursuant to subsection (1) of this section divided by the statewide (i)
27 fall membership for the certification of state aid pursuant to section
28 79-1022 or (ii) average daily membership for the final calculation of
29 state aid pursuant to section 79-1065.

30 (3) For school fiscal year 2023-24, the department shall calculate
31 the foundation aid to be paid to each local system for such school fiscal

1 year. The foundation aid for each local system shall equal (a) the (i)
2 fall membership for the certification of state aid pursuant to section
3 79-1022 or (ii) average daily membership for the final calculation of
4 state aid pursuant to section 79-1065 for such local system multiplied by
5 (b) the ratio of ten percent of the sum of the amounts certified pursuant
6 to subsection (1) of this section divided by the statewide (i) fall
7 membership for the certification of state aid pursuant to section 79-1022
8 or (ii) average daily membership for the final calculation of state aid
9 pursuant to section 79-1065.

10 (4)(a) For school fiscal year 2024-25 and each fiscal year
11 thereafter, the department shall calculate the foundation aid to be paid
12 to each local system for such school fiscal year. Except as otherwise
13 provided in subdivision (4)(b) of this section, the foundation aid for
14 each local system shall equal (i) the (A) fall membership for the
15 certification of state aid pursuant to section 79-1022 or (B) average
16 daily membership for the final calculation of state aid pursuant to
17 section 79-1065 for such local system multiplied by (ii) the ratio of
18 fifteen percent of the sum of the amounts certified pursuant to
19 subsection (1) of this section divided by (A) fall membership for the
20 certification of state aid pursuant to section 79-1022 or (B) average
21 daily membership for the final calculation of state aid pursuant to
22 section 79-1065.

23 (b) If foundation aid calculated pursuant to subdivision (4)(a) of
24 this section for any local system is not equal to or greater than fifteen
25 percent of the basic funding calculated for such local system for such
26 school fiscal year, such foundation aid shall be increased to equal
27 fifteen percent of such basic funding.

28 Sec. 9. Section 79-1009, Revised Statutes Cumulative Supplement,
29 2020, is amended to read:

30 79-1009 (1)(a) A district shall receive net option funding if (i)
31 option students as defined in section 79-233 were actually enrolled in

1 the school year immediately preceding the school year in which the aid is
2 to be paid, (ii) option students as defined in such section will be
3 enrolled in the school year in which the aid is to be paid as converted
4 contract option students, or (iii) for the calculation of aid for school
5 fiscal year 2017-18 for school districts that are members of a learning
6 community, open enrollment students were actually enrolled for school
7 year 2016-17 pursuant to section 79-2110.

8 (b) The determination of the net number of option students shall be
9 based on (i) the number of students enrolled in the district as option
10 students and the number of students residing in the district but enrolled
11 in another district as option students as of the day of the fall
12 membership count pursuant to section 79-528, for the school fiscal year
13 immediately preceding the school fiscal year in which aid is to be paid,
14 (ii) the number of option students that will be enrolled in the district
15 or enrolled in another district as converted contract option students for
16 the fiscal year in which the aid is to be paid, and (iii) for the
17 calculation of aid for school fiscal year 2017-18 for school districts
18 that are members of a learning community, the number of students enrolled
19 in the district as open enrollment students and the number of students
20 residing in the district but enrolled in another district as open
21 enrollment students as of the day of the fall membership count pursuant
22 to section 79-528 for school fiscal year 2016-17.

23 (c) Except as otherwise provided in this subsection, net number of
24 option students means the difference of the number of option students
25 enrolled in the district minus the number of students residing in the
26 district but enrolled in another district as option students. For
27 purposes of the calculation of aid for school fiscal year 2017-18 for
28 school districts that are members of a learning community, net number of
29 option students means the difference of the number of students residing
30 in another school district who are option students or open enrollment
31 students enrolled in the district minus the number of students residing

1 in the district but enrolled in another district as option students or
2 open enrollment students.

3 ~~(2)(a) For all school fiscal years except school fiscal years~~
4 ~~2017-18 and 2018-19, net option funding shall be the product of the net~~
5 ~~number of option students multiplied by the statewide average basic~~
6 ~~funding per formula student.~~

7 (2)(a) (b) For school fiscal years 2017-18 and 2018-19, net option
8 funding shall be the product of the net number of option students
9 multiplied by ninety-five and five-tenths percent of the statewide
10 average basic funding per formula student.

11 (b) For school fiscal years prior to 2022-23 and 2023-24, net option
12 funding shall be the product of the net number of option students
13 multiplied by the statewide average basic funding per formula student
14 less the foundation aid credited and received for those option students
15 pursuant to section 8 of this act.

16 (c) For school fiscal year 2024-25 and each school fiscal year
17 thereafter, net option funding shall be the product of the net number of
18 option students multiplied by the statewide average general fund property
19 taxes per formula student. The statewide average general fund property
20 taxes per formula student shall be calculated by dividing (i) the
21 aggregate receipts for all school districts for the most recently
22 available complete data year from general fund property tax levies, the
23 Property Tax Credit Cash Fund, homestead exemption reimbursements, and
24 person property tax exemption reimbursements by (ii) the aggregate
25 formula students for all local systems for the school fiscal year for
26 which aid is being calculated.

27 (3) A district's net option funding shall be zero if the calculation
28 produces a negative result.

29 ~~Payments made under this section for school fiscal years prior to~~
30 ~~school fiscal year 2017-18 shall be made from the funds to be disbursed~~
31 ~~under section 79-1005.01.~~

1 Such payments shall go directly to the option school district but
2 shall count as a formula resource for the local system.

3 Sec. 10. Section 79-1016, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

5 79-1016 (1) On or before August 20, the county assessor shall
6 certify to the Property Tax Administrator the total taxable value by
7 school district in the county for the current assessment year on forms
8 prescribed by the Tax Commissioner. The county assessor may amend the
9 filing for changes made to the taxable valuation of the school district
10 in the county if corrections or errors on the original certification are
11 discovered. Amendments shall be certified to the Property Tax
12 Administrator on or before August 31.

13 (2) On or before October 10, the Property Tax Administrator shall
14 compute and certify to the State Department of Education the adjusted
15 valuation for the current assessment year for each class of property in
16 each school district and each local system. The adjusted valuation of
17 property for each school district and each local system, for purposes of
18 determining state aid pursuant to the Tax Equity and Educational
19 Opportunities Support Act, shall reflect as nearly as possible state aid
20 value as defined in subsection (3) of this section. The Property Tax
21 Administrator shall notify each school district and each local system of
22 its adjusted valuation for the current assessment year by class of
23 property on or before October 10. Establishment of the adjusted valuation
24 shall be based on the taxable value certified by the county assessor for
25 each school district in the county adjusted by the determination of the
26 level of value for each school district from an analysis of the
27 comprehensive assessment ratio study or other studies developed by the
28 Property Tax Administrator, in compliance with professionally accepted
29 mass appraisal techniques, as required by section 77-1327. The Tax
30 Commissioner shall adopt and promulgate rules and regulations setting
31 forth standards for the determination of level of value for state aid

1 purposes.

2 (3) For purposes of this section, state aid value means:

3 (a) For real property other than agricultural and horticultural
4 land, (i) for school fiscal years prior to school fiscal year 2022-23,
5 ninety-six percent of actual value, (ii) for school fiscal year 2022-23,
6 ninety-one percent of actual value, (iii) for school fiscal year 2023-24,
7 eighty-seven percent of actual value, and (iv) for school fiscal year
8 2024-25 and each school fiscal year thereafter, eighty-three percent of
9 actual value;

10 (b) For agricultural and horticultural land, except for school
11 district taxes levied to pay the principal and interest on bonds that are
12 approved by a vote of the people on or after January 1, 2022, that have
13 an acceptable range of forty-four to fifty percent of actual value, (i)
14 for school fiscal years prior to school fiscal year 2022-23, seventy-two
15 percent of actual value as provided in sections 77-1359 to 77-1363, (ii)
16 for school fiscal year 2022-23, sixty-two percent of actual value as
17 provided in sections 77-1359 and 77-1363, (iii) for school fiscal year
18 2023-24, fifty-seven percent of actual value as provided in section
19 77-1359 and 77-1363, and (iv) for school fiscal year 2024-25 and each
20 school fiscal year thereafter, fifty-two percent of actual value as
21 provided in sections 77-1359 and 77-1363; -

22 (c) For agricultural and horticultural land that receives special
23 valuation pursuant to section 77-1344, except for school district taxes
24 levied to pay the principal and interest on bonds that are approved by a
25 vote of the people on or after January 1, 2022, that have an acceptable
26 range of forty-four to fifty percent of special valuation as defined in
27 section 77-1343, (i) for school fiscal years prior to school fiscal year
28 2022-23, seventy-two percent of special valuation as defined in section
29 77-1343, (ii) for school fiscal year 2022-23, sixty-two percent of
30 special valuation as defined in section 77-1343, (iii) for school fiscal
31 year 2023-24, fifty-seven percent of special valuation as defined in

1 section 77-1343, and (iv) for school fiscal year 2024-25 and each school
2 fiscal year thereafter, fifty-two percent of special valuation as defined
3 in section 77-1343; and

4 (d) ~~(c)~~ For personal property, the net book value as defined in
5 section 77-120.

6 (4) On or before November 10, any local system may file with the Tax
7 Commissioner written objections to the adjusted valuations prepared by
8 the Property Tax Administrator, stating the reasons why such adjusted
9 valuations are not the valuations required by subsection (3) of this
10 section. The Tax Commissioner shall fix a time for a hearing. Either
11 party shall be permitted to introduce any evidence in reference thereto.
12 On or before January 1, the Tax Commissioner shall enter a written order
13 modifying or declining to modify, in whole or in part, the adjusted
14 valuations and shall certify the order to the State Department of
15 Education. Modification by the Tax Commissioner shall be based upon the
16 evidence introduced at hearing and shall not be limited to the
17 modification requested in the written objections or at hearing. A copy of
18 the written order shall be mailed to the local system within seven days
19 after the date of the order. The written order of the Tax Commissioner
20 may be appealed within thirty days after the date of the order to the Tax
21 Equalization and Review Commission in accordance with section 77-5013.

22 (5) On or before November 10, any local system or county official
23 may file with the Tax Commissioner a written request for a nonappealable
24 correction of the adjusted valuation due to clerical error as defined in
25 section 77-128 or, for agricultural and horticultural land, assessed
26 value changes by reason of land qualified or disqualified for special use
27 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the
28 following January 1, the Tax Commissioner shall approve or deny the
29 request and, if approved, certify the corrected adjusted valuations
30 resulting from such action to the State Department of Education.

31 (6) On or before May 31 of the year following the certification of

1 adjusted ~~valuations~~ valuation pursuant to subsection (2) of this section,
2 any local system or county official may file with the Tax Commissioner a
3 written request for a nonappealable correction of an ~~the~~ adjusted
4 valuation due to changes to the tax list that change the assessed value
5 of taxable property. Upon the filing of the written request, the Tax
6 Commissioner shall require the county assessor to recertify the taxable
7 valuation by school district in the county on forms prescribed by the Tax
8 Commissioner. The recertified ~~valuations~~ valuation shall be the valuation
9 that were ~~was~~ certified on the tax list, pursuant to section 77-1613,
10 increased or decreased by changes to the tax list that change the
11 assessed value of taxable property in the school district in the county
12 in the prior assessment year. On or before the following July 31, the Tax
13 Commissioner shall approve or deny the request and, if approved, certify
14 the corrected adjusted valuations resulting from such action to the State
15 Department of Education.

16 (7) No injunction shall be granted restraining the distribution of
17 state aid based upon the adjusted valuations pursuant to this section.

18 (8) A school district whose state aid is to be calculated pursuant
19 to subsection (5) of this section and whose state aid payment is
20 postponed as a result of failure to calculate state aid pursuant to such
21 subsection may apply to the state board for lump-sum payment of such
22 postponed state aid. Such application may be for any amount up to one
23 hundred percent of the postponed state aid. The state board may grant the
24 entire amount applied for or any portion of such amount. The state board
25 shall notify the Director of Administrative Services of the amount of
26 funds to be paid in a lump sum and the reduced amount of the monthly
27 payments. The Director of Administrative Services shall, at the time of
28 the next state aid payment made pursuant to section 79-1022, draw a
29 warrant for the lump-sum amount from appropriated funds and forward such
30 warrant to the district.

31 Sec. 11. Section 79-1017.01, Revised Statutes Cumulative Supplement,

1 2020, is amended to read:

2 79-1017.01 (1) For state aid calculated for each school fiscal
3 years prior to school fiscal year 2022-23 year, local system formula
4 resources includes other actual receipts determined pursuant to section
5 79-1018.01, net option funding determined pursuant to section 79-1009,
6 allocated income tax funds determined pursuant to section 79-1005.01, and
7 community achievement plan aid determined pursuant to section 79-1005,
8 and is reduced by amounts paid by the district in the most recently
9 available complete data year as property tax refunds pursuant to or in
10 the manner prescribed by section 77-1736.06.

11 (2) For state aid calculated for school fiscal year 2022-23 and each
12 school fiscal year thereafter, local system formula resources includes
13 other actual receipts determined pursuant to section 79-1018.01, net
14 option funding determined pursuant to section 79-1009, foundation aid
15 determined pursuant to section 8 of this act, and community achievement
16 plan aid determined pursuant to section 79-1005, and is reduced by
17 amounts paid by any school district in the local system in the most
18 recent available complete data year as property tax refunds pursuant to
19 or in the manner prescribed by section 77-1736.06.

20 Sec. 12. Section 79-1022, Revised Statutes Cumulative Supplement,
21 2020, is amended to read:

22 79-1022 (1)(a) (1) On or before May 1, 2020, and on or before March
23 1 of each year thereafter, the department shall determine the amounts to
24 be distributed to each local system for the ensuing school fiscal year
25 pursuant to the Tax Equity and Educational Opportunities Support Act and
26 shall certify the amounts to the Director of Administrative Services, the
27 Auditor of Public Accounts, and each local system.

28 (b) For school fiscal year 2022-23 and each school fiscal year
29 thereafter, the amount to be distributed to each local school system
30 shall equal the sum of the equalization aid determined pursuant to
31 section 79-1008.01, net option funding determined pursuant to section

1 79-1009, foundation aid as determined pursuant to section 8 of this act,
2 and community achievement plan aid determined pursuant to section
3 79-1005.

4 (c) The department shall certify the amounts to be distributed as
5 determined pursuant to this subsection to the Director of Administrative
6 Services, the Auditor of Public Accounts, and each district.

7 (d) On or before May 1, 2020, and on or before March 1 of each year
8 thereafter, the department shall report the necessary funding level for
9 the ensuing school fiscal year to the Governor, the Appropriations
10 Committee of the Legislature, and the Education Committee of the
11 Legislature. The report submitted to the committees of the Legislature
12 shall be submitted electronically.

13 (e) Except as otherwise provided in this subsection, certified state
14 aid amounts, including adjustments pursuant to section 79-1065.02, shall
15 be shown as budgeted non-property-tax receipts and deducted prior to
16 calculating the property tax request in the local system's general fund
17 budget statement as provided to the Auditor of Public Accounts pursuant
18 to section 79-1024.

19 (2) Except as provided in this subsection, subsection (8) of section
20 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
21 certified pursuant to subsection (1) of this section shall be distributed
22 in ten as nearly as possible equal payments on the last business day of
23 each month beginning in September of each ensuing school fiscal year and
24 ending in June of the following year, except that when a local system is
25 to receive a monthly payment of less than one thousand dollars, such
26 payment shall be one lump-sum payment on the last business day of
27 December during the ensuing school fiscal year.

28 Sec. 13. Section 79-1082, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-1082 The aggregate school tax for a Class V school district,
31 including the levy for the site and building fund as authorized by

1 section ~~79-10,120~~ 79-10,126, shall be subject to the limits provided in
2 section 77-3442.

3 Sec. 14. Section 79-1098, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

5 79-1098 Except as otherwise provided in sections 10-701 to 10-716
6 for the issuance of bonds, whenever the school board or board of
7 education of any school district determines that an annual levy
8 authorized pursuant to subsection (3) of section 79-10,120 is necessary
9 or that the annual levy authorized pursuant to subsection (1) or (2) of
10 section 79-10,120 is insufficient for the purposes authorized in such
11 subsection, such school board or board of education may ~~Whenever it is~~
12 ~~deemed necessary (1) to erect a schoolhouse or school building or an~~
13 ~~addition or additions and improvements to any existing schoolhouse or (2)~~
14 ~~to purchase equipment for such schoolhouse or school buildings, in any~~
15 ~~school district in this state the school board may and, upon petition of~~
16 ~~not less than one-fourth of the legal voters of the school district,~~
17 ~~shall~~ submit to the people of the school district at the next regularly
18 scheduled primary or general election or special election a proposition
19 to vote a special annual tax. Such annual tax, when combined with any
20 annual tax imposed pursuant to section 79-10,120, shall not exceed ten
21 ~~for that purpose of not to exceed seventeen and five-tenths cents on each~~
22 ~~one hundred dollars of upon the taxable value and shall not exceed of all~~
23 ~~the taxable property in such district for a term of not to exceed ten~~
24 ~~years. Such special tax may be voted at any annual or special meeting of~~
25 ~~the district by fifty-five percent of the legal voters attending such~~
26 ~~meeting.~~

27 Sec. 15. Section 79-10,100, Revised Statutes Cumulative Supplement,
28 2020, is amended to read:

29 79-10,100 The school board or board of education, upon being
30 satisfied that all the requirements of section 79-1098 have been
31 substantially complied with and that a majority ~~fifty-five percent~~ of all

1 votes cast at the election under such section are in favor of such tax,
2 shall enter such proposition and all the proceedings had thereon upon the
3 records of the school district and shall certify the special tax levy to
4 the county clerk in the same manner as other tax levies.

5 Sec. 16. Section 79-10,101, Revised Statutes Cumulative Supplement,
6 2020, is amended to read:

7 79-10,101 The sum levied and collected under section 79-10,100 shall
8 (1) constitute a special fund for the purposes for which it was voted,
9 (2) not be used for any other purpose ~~unless otherwise authorized by a~~
10 ~~fifty-five percent majority vote of the legal voters of the school~~
11 ~~district cast at the election under section 79-1098,~~ (3) be paid over to
12 the county treasurer of the county in which the administrative office of
13 such school district is located, (4) except as provided in subsection (6)
14 of section 79-10,120, be kept by the county treasurer and treasurer of
15 the school district separate and apart from other school district funds,
16 and (5) be subject to withdrawal as provided in section 79-587. Any
17 ~~portion of such sum so levied and collected, the expenditure of which is~~
18 ~~not required to effectuate the purposes for which such sum was voted, may~~
19 ~~be transferred by the school board, at any regular or special meeting by~~
20 ~~the vote of a majority of the members attending, to the general fund of~~
21 ~~the district.~~ All funds received by the school district treasurer for
22 such purpose shall be immediately invested by such treasurer in United
23 States Government bonds or in such securities in which the state
24 investment officer may invest the permanent school funds during the
25 accumulation of such sinking fund.

26 Sec. 17. Section 79-10,120, Revised Statutes Cumulative Supplement,
27 2020, is amended to read:

28 79-10,120 (1) Prior to the effective date of this act, the The
29 school board or board of education of any school district may establish a
30 special fund for purposes of acquiring sites for school buildings or
31 teacherages, purchasing existing buildings for use as school buildings or

1 teacherages, including the sites upon which such buildings are located,
2 and the erection, alteration, equipping, and furnishing of school
3 buildings or teacherages and additions to school buildings for elementary
4 and high school grades and for no other purpose. The fund shall be
5 established from the proceeds of an annual levy, to be determined by the
6 board, of not to exceed fourteen cents on each one hundred dollars upon
7 the taxable value of all taxable property in the district which shall be
8 in addition to any other taxes authorized to be levied for school
9 purposes. Such tax shall be levied and collected as are other taxes for
10 school purposes.

11 (2)(a) On and after the effective date of this act, the school board
12 or board of education of any school district may establish a special fund
13 pursuant to this subsection only for purposes of:

14 (i) Major infrastructure updates on existing structures owned or
15 leased by the school district, including: Heating, ventilation, and air
16 conditioning; roofs; safety requirements; and repairs;

17 (ii) The alteration, equipping, and furnishing of school buildings
18 or teacherages; and

19 (iii) The purchase or erection of buildings of less than twelve
20 hundred square feet of floor space used exclusively for storage utility
21 purposes with a total value of less than two hundred thousand dollars.

22 (b) Any fund established under this subsection shall be established
23 from the proceeds of an annual tax levy, to be determined by the board
24 not to exceed six cents on each one hundred dollars of taxable value of
25 all taxable property in the district. Such tax shall be in addition to
26 any other taxes authorized to be levied for school purposes and shall be
27 within the limits contained in subdivision (2)(a) of section 77-3442 and
28 contained in section 79-1098. Such tax shall be levied and collected in
29 the same manner as other taxes levied for school purposes.

30 (3)(a) On and after the effective date of this act, the school board
31 or board of education of any school district may, only after a vote

1 pursuant to section 79-1098, establish a special fund for purposes of:

2 (i) Acquiring sites for school buildings or teacherages;

3 (ii) Purchasing existing buildings for use as teacherages, including
4 the sites upon which such buildings are located;

5 (iii) Purchasing or entering into a lease-purchase agreement for
6 relocatable classroom buildings;

7 (iv) Erecting, purchasing, or entering into a lease-purchase
8 agreement for a new school building or an addition to a school building
9 for elementary or high school grades; and

10 (v) Completing any projects specified in subsection (2) of this
11 section that require an annual tax levy that exceeds six cents on each
12 one hundred dollars of taxable value of all taxable property in the
13 district.

14 (b) Any fund established under this subsection shall be established
15 from the proceeds of an annual tax levy approved by the people of the
16 school district pursuant to section 79-1098 for such purpose not to
17 exceed ten cents on each one hundred dollars of taxable value of all
18 taxable property in the school district. Such tax shall be in addition to
19 any other taxes authorized to be levied for school purposes and shall be
20 within the limits contained in subdivision (2)(a) of section 77-3442,
21 except as provided in subdivision (2)(d) of such section, and within the
22 limits contained in section 79-1098. Such tax shall be levied and
23 collected in the same manner as other taxes levied for school purposes.

24 (4) A school district or joint public agency that includes a school
25 district that has been delegated the authority to tax may continue an
26 annual tax established pursuant to this section prior to the effective
27 date of this act through school fiscal year 2030-31 for any project
28 commenced prior to the effective date of this act. Any annual tax
29 continued pursuant to this subsection shall not exceed the amount needed
30 annually to fund such project through school fiscal year 2030-31. The
31 proceeds of any such annual tax shall only be used for the project for

1 which the tax was levied. For purpose of this subsection, commenced means
2 any action taken by the school board on the record which commits the
3 board to expend district funds in planning, constructing, or carrying out
4 the project. Any tax authorized pursuant to this subsection may exceed
5 ten cents on each one hundred dollars of taxable value when combined with
6 all other taxes imposed pursuant to this section.

7 (5) On or before October 1, 2022, the school board or board of
8 education of any school district that levied an annual tax pursuant to
9 this section for school fiscal year 2021-22 shall file with the Auditor
10 of Public Accounts a statement describing any projects for which an
11 annual tax may be continued pursuant to subsection (4) of this section,
12 the rate levied for school fiscal year 2021-22 attributable to each such
13 project, and the anticipated completion date for each such project.

14 (6) The proceeds of any annual tax imposed pursuant to this section
15 shall be kept separate and apart from other school district funds, except
16 that such proceeds may be combined with amounts levied and collected
17 under sections 79-1098 to 79-10,101 for the same project.

18 Sec. 18. Section 79-10,126, Revised Statutes Cumulative Supplement,
19 2020, is amended to read:

20 79-10,126 For school fiscal year 2017-18 and each school fiscal year
21 thereafter, each Class V school district shall establish (1) for the
22 general operation of the schools, such fund as will result from an annual
23 levy of such rate of tax upon the taxable value of all the taxable
24 property in such school district as the board of education determines to
25 be necessary for such purpose, (2) ~~funds a fund~~ resulting from an annual
26 ~~levies amount of tax~~ to be determined by the board of education pursuant
27 ~~to sections 79-1098 to 79-10,101 and 79-10,120 of not to exceed fourteen~~
28 ~~cents on each one hundred dollars upon the taxable value of all the~~
29 ~~taxable property in the district~~ for the purpose of acquiring sites of
30 school buildings and the erection, alteration, equipping, and furnishing
31 of school buildings and additions to school buildings, which tax levy

1 shall be used for no other purposes, and (3) a further fund resulting
2 from an annual amount of tax to be determined by the board of education
3 to pay interest on and retiring, funding, or servicing of bonded
4 indebtedness of the district.

5 Sec. 19. Original sections 77-1391 and 79-1082, Reissue Revised
6 Statutes of Nebraska, sections 77-3446, 79-1001, 79-1005.01, 79-1009,
7 79-1016, 79-1017.01, 79-1022, 79-1098, 79-10,100, 79-10,101, 79-10,120,
8 and 79-10,126, Revised Statutes Cumulative Supplement, 2020, and sections
9 77-201, 77-3442, and 77-5023, Revised Statutes Supplement, 2021, are
10 repealed.

11 Sec. 20. Since an emergency exists, this act takes effect when
12 passed and approved according to law.