

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 62

Introduced by Schilz, 47.

Read first time January 10, 2013

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 13-2809, 35-508, 35-509, 35-514.02, 35-517, 77-3443, and
3 77-3444, Reissue Revised Statutes of Nebraska, and
4 section 77-3442, Revised Statutes Cumulative Supplement,
5 2012; to change levy provisions for rural and suburban
6 fire protection districts; to harmonize provisions; to
7 provide an operative date; and to repeal the original
8 sections.

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

1 Section 1. Section 13-2809, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-2809 (1) An area within the boundaries of a
4 municipality which remains within the boundaries of a municipal
5 county and is not consolidated into the municipal county at the time
6 of the formation of the municipal county shall not be considered to
7 be part of the municipal county for any purpose. Such a municipality
8 shall not be annexed by the municipal county, and such a municipality
9 shall not annex any territory, for at least four years after the date
10 of creation of the municipal county. Such a municipality shall
11 retain:

12 (a) The authority to levy property taxes, not to exceed
13 ninety cents per one hundred dollars of taxable value except as
14 provided in sections 77-3442 and 77-3444; and

15 (b) All the other powers and duties applicable to a
16 municipality of the same population with the same form of government
17 in effect on the date of creation of the municipal county, including,
18 but not limited to, its zoning jurisdiction and the authority to
19 impose a tax as provided in the Local Option Revenue Act.

20 (2) In order to provide economical and efficient
21 services, a municipality within the boundaries of a municipal county
22 may annex adjacent territory within the municipal county if the
23 municipal county consents. Consent shall be granted if the services
24 will be provided by the municipality within the annexed territory at
25 less cost than similar services provided by the municipal county.

1 (3) All fire protection districts ~~subject to municipal~~
2 ~~county levy authority under section 77-3443~~ which are within the
3 boundaries of a municipal county shall continue to exist after
4 formation of the municipal county.

5 Sec. 2. Section 35-508, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 35-508 The board of directors shall have the following
8 general powers:

9 (1) To determine a general fire protection and rescue
10 program for the district;

11 (2) To make an annual estimate of the probable expense
12 for carrying out such program;

13 (3) To annually certify such estimate to the county clerk
14 in the manner provided by section 35-509;

15 (4) To manage and conduct the business affairs of the
16 district;

17 (5) To make and execute contracts in the name of and on
18 behalf of the district;

19 (6) To buy real estate when needed for the district and
20 to sell real estate of the district when the district has no further
21 use for it;

22 (7) To purchase or lease such firefighting and rescue
23 equipment, supplies, and other real or personal property as necessary
24 and proper to carry out the general fire protection and rescue
25 program of the district;

1 (8) To incur indebtedness on behalf of the district;

2 (9) To authorize the issuance of evidences of the
3 indebtedness permitted under subdivision (8) of this section and to
4 pledge any real or personal property owned or acquired by the
5 district as security for the same;

6 (10) To organize, establish, equip, maintain, and
7 supervise a paid, volunteer, or combination paid and volunteer fire
8 department or company to serve the district and to establish a
9 service award benefit program pursuant to the Volunteer Emergency
10 Responders Recruitment and Retention Act;

11 (11) To employ and compensate such personnel as necessary
12 to carry out the general fire protection and rescue program of the
13 district;

14 (12) To authorize the execution of a contract with the
15 Game and Parks Commission or a public power district for fire
16 protection of property of the commission or public power district
17 located in or adjacent to the rural or suburban fire protection
18 district;

19 (13) To levy a tax not to exceed ten and one-half cents
20 on each one hundred dollars in any one year upon the taxable value of
21 all taxable property within such district ~~subject to section 77-3443,~~
22 for the purpose of establishing a sinking fund, which shall be in
23 addition to the amount of tax which may be annually levied to defray
24 the general and incidental expenses of such district. ~~The , for the~~
25 ~~purpose of establishing a sinking fund shall be for the construction,~~

1 purchase, improvement, extension, original equipment, or repair, not
2 including maintenance, of district buildings to house equipment or
3 personal belongings of a fire department, for the purchase of
4 firefighting and rescue equipment or apparatus, for the acquisition
5 of any land incidental to such purposes, or for payment of principal
6 and interest on any evidence of indebtedness issued pursuant to
7 subdivisions (8) and (9) of this section. ~~For purposes of section~~
8 ~~77-3443, the county board of the county in which the greatest portion~~
9 ~~of the valuation of the district is located shall approve the levy;~~
10 The levy authorized in this subdivision shall be subject to
11 subsection (10) of section 77-3442;

12 (14) To adopt and enforce fire codes and establish
13 penalties at annual meetings, except that the code must be available
14 prior to annual meetings and notice shall so provide; and

15 (15) Generally to perform all acts necessary to fully
16 carry out the purposes of sections 35-501 to 35-517.

17 Sec. 3. Section 35-509, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 35-509 (1) The board of directors shall have the power
20 and duty to determine a general fire protection and rescue policy for
21 the district and shall annually fix the amount of money for the
22 proposed budget statement as may be deemed sufficient and necessary
23 in carrying out such contemplated program for the ensuing fiscal
24 year, including the amount of principal and interest upon the
25 indebtedness of the district for the ensuing year. After the adoption

1 of the budget statement, the president and secretary of the district
2 shall ~~request~~ certify the amount of tax to be levied which the
3 district requires for the adopted budget statement for the ensuing
4 year to the proper county ~~board clerk or county clerks~~ on or before
5 August 1 of each year. Such board shall levy a tax not to exceed ten
6 and one-half cents on each one hundred dollars upon the taxable value
7 of all the taxable property in such district when the district is a
8 rural or suburban fire protection district, for the maintenance of
9 the fire protection district for the fiscal year, ~~as provided by law,~~
10 plus such levy as is authorized to be made under subdivision (13) of
11 section 35-508, all such levies being subject to ~~section 77-3443.~~
12 subsection (10) of section 77-3442. The tax shall be collected as
13 other taxes are collected in the county, deposited with the county
14 treasurer, and placed to the credit of the rural or suburban fire
15 protection district so authorizing the same on or before the
16 fifteenth day of each month or more frequently as provided in section
17 77-1759 or be remitted to the county treasurer of the county in which
18 the greatest portion of the valuation of the district is located as
19 is provided for by subsection (2) of this section. ~~For purposes of~~
20 ~~section 77-3443, the county board of the county in which the greatest~~
21 ~~portion of the valuation of the district is located shall approve the~~
22 ~~levy.~~

23 (2) All such taxes collected or received for the district
24 by the treasurer of any other county than the one in which the
25 greatest portion of the valuation of the district is located shall be

1 remitted to the treasurer of the county in which the greatest portion
2 of the valuation of the district is located at least quarterly. All
3 such taxes collected or received shall be placed to the credit of
4 such district in the treasury of the county in which the greatest
5 portion of the valuation of the district is located.

6 (3) In no case shall the amount of tax levy exceed the
7 amount of funds to be received from taxation according to the adopted
8 budget statement of the district.

9 Sec. 4. Section 35-514.02, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 35-514.02 A rural or suburban fire protection district
12 may establish an emergency medical service, including the provision
13 of scheduled or unscheduled ambulance service, or provide fire
14 protection service either within or without the district, may enter
15 into agreements under the Interlocal Cooperation Act and the Joint
16 Public Agency Act for the purpose of establishing an emergency
17 medical service or providing fire protection service, may contract
18 with any city, person, firm, corporation, or other fire protection
19 district to provide such services, may expend funds of the district,
20 and may charge a reasonable fee to the user. Before any such services
21 are established under the authority of this section, the rural or
22 suburban fire protection district shall hold a public hearing after
23 giving at least ten days' notice, which notice shall include a brief
24 summary of the general plan for establishing the emergency medical
25 service or providing fire protection service, including an estimate

1 of the initial cost and the possible continuing cost of operating the
2 emergency medical service or fire protection service. If the board
3 after such hearing determines that an emergency medical service or
4 fire protection service is needed, it may proceed as authorized in
5 this section. The authority granted in this section shall be
6 cumulative and supplementary to any existing powers heretofore
7 granted. Any fire protection district providing any service under
8 this section may pay the cost for the service out of available funds
9 or may levy a tax for the purpose of supporting an emergency medical
10 service or providing fire protection service, which levy shall be in
11 addition to any other tax for such fire protection district and shall
12 be subject to ~~section 77-3443.~~ subsection (10) of section 77-3442.
13 When a fire protection district levies a tax for the purpose of
14 supporting an emergency medical service, the taxpayers of such
15 district shall be exempt from any tax levied under section 13-303.
16 The board of a fire protection district which provides fire
17 protection service outside of the district may charge a political
18 subdivision with which the district has entered into an agreement for
19 such service on a per-call basis for such service.

20 Sec. 5. Section 35-517, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 35-517 (1) ~~By July 1, 1999, the~~ The county board shall
23 set the boundaries of all rural or suburban fire protection districts
24 in the county so that all areas within the county which are not
25 within the incorporated areas of cities and villages are included

1 within a rural or suburban fire protection district.

2 (2) By July 1 of the year following the dissolution of
3 any rural or suburban fire protection district, the county board
4 shall set the boundaries of all remaining rural and suburban fire
5 protection districts so that all areas within the county which are
6 not within the incorporated areas of cities and villages are included
7 within a rural or suburban fire protection district.

8 (3) Any county may set the boundaries of all rural and
9 suburban fire protection districts ~~for which the county is~~
10 ~~responsible for allocating levy authority under section 77-3443 so~~
11 that the highest levy of a rural or suburban fire protection district
12 is no more than two times the average levy of all rural and suburban
13 fire protection districts ~~for which the county is responsible for~~
14 ~~allocating levy authority under section 77-3443 based on the property~~
15 ~~tax request-levy~~ and associated valuation for the current fiscal
16 year. For purposes of this subsection, each county shall examine the
17 property tax ~~request-levy~~ of each rural or suburban fire protection
18 district in the county for all purposes except bonded indebtedness
19 for the current fiscal year and lease-purchase contracts in existence
20 on July 1, 1998, as compared to the valuation for the tax year
21 against which the levy was imposed. If one or more fire protection
22 districts do not meet the standard required by this subsection for
23 the current year, boundaries may be relocated to place more valuation
24 in the high levy districts and less in the low levy districts so that
25 the standard is met. If any district is to be eliminated by the

1 county to meet the standard, the property tax ~~request~~levy for the
2 current fiscal year will be assumed to be transferred to the other
3 districts which are to be in the territory of the eliminated district
4 in proportion to the valuation transferred to such districts for
5 purposes of compliance with the standard, the district shall be
6 deemed to be dissolved, and the obligations and assets of the
7 district shall be disposed of as provided in section 35-521. For
8 purposes of this subsection, the average levy of all rural and
9 suburban fire protection districts means the total taxes levied by
10 all rural and suburban fire protection districts ~~for which the county~~
11 ~~is responsible for allocating levy authority~~ divided by the total
12 taxable valuation of all such districts.

13 (4) Before May 1 of the year in which any change in
14 boundaries allowed or required under this section is to be effective,
15 the county board shall forthwith designate a time and place for a
16 hearing before the county board of such county and shall give due
17 notice thereof in the manner prescribed by section 35-514. The
18 hearing shall be prior to June 1. At the time and place so fixed the
19 county board shall meet and all persons interested shall have
20 opportunity to be heard. Thereupon, the county board shall consider
21 the general rural fire protection policy for the county as a whole
22 and shall determine the boundaries of the district or districts,
23 whether as existing prior to such determination or otherwise, and
24 shall make a written order of such determination which shall be filed
25 in the office of the county clerk by July 1 of the year in which any

1 change in boundaries under this section is to be effective. If all
2 rural and suburban fire protection districts ~~for which the county is~~
3 ~~responsible for allocating levy authority under section 77-3443~~ agree
4 to a change in boundaries and submit a proposal to change boundaries
5 to the county board prior to the hearing, the county shall adopt the
6 proposal unless it finds that the proposal is not consistent with the
7 fire protection policy in the county as a whole or does not result in
8 levies which comply with the standard described in this section.
9 Thereafter, such reorganized district or districts shall be deemed to
10 be organized and operating under sections 35-501 to 35-517. Nothing
11 herein contained shall impair, affect, or discharge any previously
12 existing contract, obligation, lien, or charge of the district or
13 districts.

14 Sec. 6. Section 77-3442, Revised Statutes Cumulative
15 Supplement, 2012, is amended to read:

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

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

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

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

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

24 (e) Federal aid school districts may exceed the maximum
25 levy prescribed by subdivision (2)(a) or (2)(c) of this section only

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

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

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

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

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

21 (3)(a) For fiscal years 2011-12 and 2012-13, community
22 college areas may levy a maximum of ten and one-quarter cents per one
23 hundred dollars of taxable valuation of property subject to the levy
24 for operating expenditures and may also levy the additional levies
25 provided in subdivisions (1)(b) and (c) of section 85-1517.

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

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

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

23 (c) In addition, natural resources districts located in a
24 river basin, subbasin, or reach that has been determined to be fully
25 appropriated pursuant to section 46-714 or designated as

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

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

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

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

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

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

21 (8) Counties may levy or authorize a maximum levy of
22 fifty cents per one hundred dollars of taxable valuation of property
23 subject to the levy, except that five cents per one hundred dollars
24 of taxable valuation of property subject to the levy may only be
25 levied to provide financing for the county's share of revenue

1 required under an agreement or agreements executed pursuant to the
2 Interlocal Cooperation Act or the Joint Public Agency Act. The
3 maximum levy shall include amounts levied to pay for sums to support
4 a library pursuant to section 51-201 or museum pursuant to section
5 51-501. The county may allocate up to fifteen cents of its authority
6 to other political subdivisions subject to allocation of property tax
7 authority under subsection (1) of section 77-3443 and not
8 specifically covered in this section to levy taxes as authorized by
9 law which do not collectively exceed fifteen cents per one hundred
10 dollars of taxable valuation on any parcel or item of taxable
11 property. The county may allocate to one or more other political
12 subdivisions subject to allocation of property tax authority by the
13 county under subsection (1) of section 77-3443 some or all of the
14 county's five cents per one hundred dollars of valuation authorized
15 for support of an agreement or agreements to be levied by the
16 political subdivision for the purpose of supporting that political
17 subdivision's share of revenue required under an agreement or
18 agreements executed pursuant to the Interlocal Cooperation Act or the
19 Joint Public Agency Act. If an allocation by a county would cause
20 another county to exceed its levy authority under this section, the
21 second county may exceed the levy authority in order to levy the
22 amount allocated. Property tax levies for costs of reassumption of
23 the assessment function pursuant to section 77-1340 or 77-1340.04 are
24 not included in the levy limits established in this subsection for
25 fiscal years 2010-11 through 2013-14.

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

6 (10) Rural and suburban fire protection districts may
7 levy a maximum levy of ten and one-half cents per one hundred dollars
8 of taxable valuation of property subject to the levy.

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

23 ~~(11)~~(12) The limitations on tax levies provided in this
24 section are to include all other general or special levies provided
25 by law. Notwithstanding other provisions of law, the only exceptions

1 to the limits in this section are those provided by or authorized by
2 sections 77-3442 to 77-3444.

3 ~~(12)~~ (13) Tax levies in excess of the limitations in this
4 section shall be considered unauthorized levies under section 77-1606
5 unless approved under section 77-3444.

6 ~~(13)~~ (14) For purposes of sections 77-3442 to 77-3444,
7 political subdivision means a political subdivision of this state and
8 a county agricultural society.

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

23 Sec. 7. Section 77-3443, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 77-3443 (1) All political subdivisions, other than (a)

1 school districts, community colleges, natural resources districts,
2 educational service units, cities, villages, counties, municipal
3 counties, rural and suburban fire protection districts, and sanitary
4 and improvement districts and (b) political subdivisions subject to
5 municipal allocation under subsection (2) of this section, may levy
6 taxes as authorized by law which are authorized by the county board
7 of the county or the council of a municipal county in which the
8 greatest portion of the valuation is located, which are counted in
9 the county or municipal county levy limit provided in section
10 77-3442, and which do not collectively total more than fifteen cents
11 per one hundred dollars of taxable valuation on any parcel or item of
12 taxable property for all governments for which allocations are made
13 by the municipality, county, or municipal county, except that such
14 limitation shall not apply to property tax levies for preexisting
15 lease-purchase contracts approved prior to July 1, 1998, for bonded
16 indebtedness approved according to law and secured by a levy on
17 property, and for payments by a public airport to retire interest-
18 free loans from the Department of Aeronautics in lieu of bonded
19 indebtedness at a lower cost to the public airport. The county board
20 or council shall review and approve or disapprove the levy request of
21 all political subdivisions subject to this subsection. The county
22 board or council may approve all or a portion of the levy request and
23 may approve a levy request that would allow the requesting political
24 subdivision to levy a tax at a levy greater than that permitted by
25 law. The county board of a county or the council of a municipal

1 county which contains a transit authority created pursuant to section
2 14-1803 shall allocate no less than three cents per one hundred
3 dollars of taxable property within the city or municipal county
4 subject to the levy to the transit authority if requested by such
5 authority. For any political subdivision subject to this subsection
6 that receives taxes from more than one county or municipal county,
7 the levy shall be allocated only by the county or municipal county in
8 which the greatest portion of the valuation is located. The county
9 board of equalization shall certify all levies by October 15 to
10 insure that the taxes levied by political subdivisions subject to
11 this subsection do not exceed the allowable limit for any parcel or
12 item of taxable property. The levy allocated by the county or
13 municipal county may be exceeded as provided in section 77-3444.

14 (2) All city airport authorities established under the
15 Cities Airport Authorities Act, community redevelopment authorities
16 established under the Community Development Law, transit authorities
17 established under the Transit Authority Law, and offstreet parking
18 districts established under the Offstreet Parking District Act may be
19 allocated property taxes as authorized by law which are authorized by
20 the city, village, or municipal county and are counted in the city or
21 village levy limit or municipal county levy limit provided by section
22 77-3442, except that such limitation shall not apply to property tax
23 levies for preexisting lease-purchase contracts approved prior to
24 July 1, 1998, for bonded indebtedness approved according to law and
25 secured by a levy on property, and for payments by a public airport

1 to retire interest-free loans from the Department of Aeronautics in
2 lieu of bonded indebtedness at a lower cost to the public airport.
3 For offstreet parking districts established under the Offstreet
4 Parking District Act, the tax shall be counted in the allocation by
5 the city proportionately, by dividing the total taxable valuation of
6 the taxable property within the district by the total taxable
7 valuation of the taxable property within the city multiplied by the
8 levy of the district. The city council of a city which has created a
9 transit authority pursuant to section 14-1803 or the council of a
10 municipal county which contains a transit authority shall allocate no
11 less than three cents per one hundred dollars of taxable property
12 subject to the levy to the transit authority if requested by such
13 authority. The city council, village board, or council shall review
14 and approve or disapprove the levy request of the political
15 subdivisions subject to this subsection. The city council, village
16 board, or council may approve all or a portion of the levy request
17 and may approve a levy request that would allow a levy greater than
18 that permitted by law. The levy allocated by the municipality or
19 municipal county may be exceeded as provided in section 77-3444.

20 (3) On or before August 1, all political subdivisions
21 subject to county, municipal, or municipal county levy authority
22 under this section shall submit a preliminary request for levy
23 allocation to the county board, city council, village board, or
24 council that is responsible for levying such taxes. The preliminary
25 request of the political subdivision shall be in the form of a

1 resolution adopted by a majority vote of members present of the
2 political subdivision's governing body. The failure of a political
3 subdivision to make a preliminary request shall preclude such
4 political subdivision from using procedures set forth in section
5 77-3444 to exceed the final levy allocation as determined in
6 subsection (4) of this section.

7 (4) Each county board, city council, village board, or
8 council shall (a) adopt a resolution by a majority vote of members
9 present which determines a final allocation of levy authority to its
10 political subdivisions and (b) forward a copy of such resolution to
11 the chairperson of the governing body of each of its political
12 subdivisions. No final levy allocation shall be changed after
13 September 1 except by agreement between both the county board, city
14 council, village board, or council which determined the amount of the
15 final levy allocation and the governing body of the political
16 subdivision whose final levy allocation is at issue.

17 Sec. 8. Section 77-3444, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 77-3444 (1) A political subdivision, other than a Class I
20 school district, may exceed the limits provided in section 77-3442 or
21 a final levy allocation determination as provided in section 77-3443
22 by an amount not to exceed a maximum levy approved by a majority of
23 registered voters voting on the issue in a primary, general, or
24 special election at which the issue is placed before the registered
25 voters. A vote to exceed the limits provided in section 77-3442 or a

1 final levy allocation as provided in section 77-3443 must be approved
2 prior to October 10 of the fiscal year which is to be the first to
3 exceed the limits or final levy allocation. The governing body of the
4 political subdivision may call for the submission of the issue to the
5 voters (a) by passing a resolution calling for exceeding the limits
6 or final levy allocation by a vote of at least two-thirds of the
7 members of the governing body and delivering a copy of the resolution
8 to the county clerk or election commissioner of every county which
9 contains all or part of the political subdivision or (b) upon receipt
10 of a petition by the county clerk or election commissioner of every
11 county containing all or part of the political subdivision requesting
12 an election signed by at least five percent of the registered voters
13 residing in the political subdivision. The resolution or petition
14 shall include the amount of levy which would be imposed in excess of
15 the limits provided in section 77-3442 or the final levy allocation
16 as provided in section 77-3443 and the duration of the excess levy
17 authority. The excess levy authority shall not have a duration
18 greater than five years. Any resolution or petition calling for a
19 special election shall be filed with the county clerk or election
20 commissioner no later than thirty days prior to the date of the
21 election, and the time of publication and providing a copy of the
22 notice of election required in section 32-802 shall be no later than
23 twenty days prior to the election. The county clerk or election
24 commissioner shall place the issue on the ballot at an election as
25 called for in the resolution or petition which is at least thirty

1 days after receipt of the resolution or petition. The election shall
2 be held pursuant to the Election Act. For petitions filed with the
3 county clerk or election commissioner on or after May 1, 1998, the
4 petition shall be in the form as provided in sections 32-628 to
5 32-631. Any excess levy authority approved under this section shall
6 terminate pursuant to its terms, on a vote of the governing body of
7 the political subdivision to terminate the authority to levy more
8 than the limits, at the end of the fourth fiscal year following the
9 first year in which the levy exceeded the limit or the final levy
10 allocation, or as provided in subsection (4) of this section,
11 whichever is earliest. A governing body may pass no more than one
12 resolution calling for an election pursuant to this section during
13 any one calendar year. Only one election may be held in any one
14 calendar year pursuant to a petition initiated under this section.

15 (2) The ballot question may include any terms and
16 conditions set forth in the resolution or petition and shall include
17 the following: "Shall (name of political subdivision) be allowed to
18 levy a property tax not to exceed cents per one hundred
19 dollars of taxable valuation in excess of the limits prescribed by
20 law until fiscal year for the purposes of (general
21 operations; building construction, remodeling, or site acquisition;
22 or both general operations and building construction, remodeling, or
23 site acquisition)?". If a majority of the votes cast upon the ballot
24 question are in favor of such tax, the county board shall authorize a
25 tax in excess of the limits in section 77-3442 or the final levy

1 allocation in section 77-3443 but such tax shall not exceed the
2 amount stated in the ballot question. If a majority of those voting
3 on the ballot question are opposed to such tax, the governing body of
4 the political subdivision shall not impose such tax.

5 (3) In lieu of the election procedures in subsection (1)
6 of this section, any political subdivision subject to section
7 77-3443, other than a Class I school district, and villages and rural
8 and suburban fire protection districts may approve a levy in excess
9 of the limits in section 77-3442 or the final levy allocation
10 provided in section 77-3443 for a period of one year at a meeting of
11 the residents of the political subdivision, ~~or~~ village, or rural or
12 suburban fire protection district called after notice is published in
13 a newspaper of general circulation in the political subdivision, ~~or~~
14 village, or rural or suburban fire protection district at least
15 twenty days prior to the meeting. At least ten percent of the
16 registered voters residing in the political subdivision, ~~or~~ village,
17 or rural or suburban fire protection district shall constitute a
18 quorum for purposes of taking action to exceed the limits or final
19 levy allocation. A record shall be made of the registered voters
20 residing in the political subdivision, ~~or~~ village, or rural or
21 suburban fire protection district who are present at the meeting. The
22 method of voting at the meeting shall protect the secrecy of the
23 ballot. If a majority of the registered voters present at the meeting
24 vote in favor of exceeding the limits or final levy allocation, a
25 copy of the record of that action shall be forwarded to the county

1 board prior to October 10 and the county board shall authorize a levy
2 as approved by the residents for the year. If a majority of the
3 registered voters present at the meeting vote against exceeding the
4 limits or final levy allocation, the limit or allocation shall not be
5 exceeded and the political subdivision, village, or rural or suburban
6 fire protection district shall have no power to call for an election
7 under subsection (1) of this section.

8 (4) A political subdivision, other than a Class I school
9 district, may rescind or modify a previously approved excess levy
10 authority prior to its expiration by a majority of registered voters
11 voting on the issue in a primary, general, or special election at
12 which the issue is placed before the registered voters. A vote to
13 rescind or modify must be approved prior to October 10 of the fiscal
14 year for which it is to be effective. The governing body of the
15 political subdivision may call for the submission of the issue to the
16 voters (a) by passing a resolution calling for the rescission or
17 modification by a vote of at least two-thirds of the members of the
18 governing body and delivering a copy of the resolution to the county
19 clerk or election commissioner of every county which contains all or
20 part of the political subdivision or (b) upon receipt of a petition
21 by the county clerk or election commissioner of every county
22 containing all or part of the political subdivision requesting an
23 election signed by at least five percent of the registered voters
24 residing in the political subdivision. The resolution or petition
25 shall include the amount and the duration of the previously approved

1 excess levy authority and a statement that either such excess levy
2 authority will be rescinded or such excess levy authority will be
3 modified. If the excess levy authority will be modified, the amount
4 and duration of such modification shall be stated. The modification
5 shall not have a duration greater than five years. The county clerk
6 or election commissioner shall place the issue on the ballot at an
7 election as called for in the resolution or petition which is at
8 least thirty days after receipt of the resolution or petition, and
9 the time of publication and providing a copy of the notice of
10 election required in section 32-802 shall be no later than twenty
11 days prior to the election. The election shall be held pursuant to
12 the Election Act.

13 (5) For purposes of this section, when the political
14 subdivision is a sanitary and improvement district, registered voter
15 means a person qualified to vote as provided in section 31-735. Any
16 election conducted under this section for a sanitary and improvement
17 district shall be conducted and counted as provided in sections
18 31-735 to 31-735.06.

19 (6) For purposes of this section, when the political
20 subdivision is a school district or a multiple-district school
21 system, registered voter includes both (a) persons qualified to vote
22 for the members of the school board of the school district which is
23 voting to exceed the maximum levy limits pursuant to this section and
24 (b) persons in those portions of any Class I district which are
25 affiliated with or a part of the school district which is voting

1 pursuant to this section, if such voter is also qualified to vote for
2 the school board of the affected Class I school district.

3 Sec. 9. This act becomes operative on July 1, 2014.

4 Sec. 10. Original sections 13-2809, 35-508, 35-509,
5 35-514.02, 35-517, 77-3443, and 77-3444, Reissue Revised Statutes of
6 Nebraska, and section 77-3442, Revised Statutes Cumulative
7 Supplement, 2012, are repealed.