

ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018
COMMITTEE STATEMENT
LB778

Hearing Date: Tuesday January 16, 2018
Committee On: Education
Introducer: Groene
One Liner: Require voter approval for school district building fund levies

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	6	Senators Ebke, Erdman, Groene, Kolowski, Linehan, Pansing Brooks
Nay:	1	Senator Morfeld
Absent:		
Present Not Voting:	1	Senator Walz

Verbal Testimony:

Proponents:
Senator Mike Groene

Representing:
Introducer

Opponents:
Deb Neidig
Harlow Hanson
Jim Gotschall
Sandy Wolfe
Bill Robinson
John Bonaiuto
Alan Ehlers
Virgil Harden
Kyle McGowan
Jon Habben
Liz Standish

Representing:
Madison Public Schools
Madison Public Schools
O'Neill Public School
Norfolk Public Schools
Norfolk Public Schools
Nebraska Association of School Boards
Madison Public Schools
Greater Nebraska Schools Association
Nebraska Council of School Administrators
Nebraska Rural Community Schools Association
Lincoln Public Schools

Neutral:
Pam Roth

Representing:
Elkhorn Public Schools

Summary of purpose and/or changes:

LB 778 clarifies that a special tax/building fund under 79-10,120 could not be used to build a new school building, add additional footage to an existing school building or purchase sites upon which new buildings will be located. School districts looking to build new buildings, add additional square footage to an existing school building or purchase land upon which a new building will sit must receive approval through a vote of its citizens at a general or special election under 79-1098.

Section by Section

1. Section 2 Removes the current provision under 79-1098 to have the vote to implement a Levy for Site and building Funds approved at an "annual" or "special" meeting of the school district and will now require implementation of this levy

through a "general" or "special" election.

2. Section 3 Section 79-10,100 is further amended to provide that the voting threshold for approval of the use of the levy for site and building funds was changed from the 55% of those attending the school board meeting, to the more common requirement of the majority of those voting at the general or special election.

3. Section 4 Funds collected under 79-10,100 are not to be used for any other purpose than that for which the funds were approved and or intended originally.

4. Section 5 Amends 79-10,120 to clarify that after the effective date of this act this section allows for school districts to levy a tax for the building fund without a vote of its citizenry for "repairs and alterations" of school buildings or teacherage's that do not add space to such school building or teacherage and for "equipping or furnishing" school buildings or teacherages.

5. Section 5 Creates new subsection under 79-10,120 to allow school boards to continue an annual levy implemented under this section until 2020-21 for projects commenced prior to the effective date of this act. Levies continued pursuant to this subsection shall not exceed the rate levied for such projects for school fiscal year 2017-18. Proceeds of any such levy can only be used for the project for which the levy was implemented. This section defines Commenced and reiterates that the levy must fit under the \$1.05 levy limitation.

6. Section 5 Creates a new requirement that school boards of Class II thru VI school districts that levied a tax under this section for school fiscal year 2017-18 must file with the Auditor of Public Accounts a statement describing any projects for which the annual levy may be continued pursuant to subsection (3) of this section and the rate levied for school fiscal year 2017-18 attributable to each project.

7. Section 5 Requires funds levied under this section to be kept separate from other school district funds but allows the proceeds of an annual levy resulting from subsection (1) or subsection (3) of this section may be combined with funds collected under 79-1098 to 79-10,101 for the same project.

8. Section 6 Amends Section 79-10,126 to require Class V districts to identify what special tax they are utilizing either the tax under 79-10,120 or the tax provided under 79-1098. 79-10,120 has a maximum levy of .14 cents, while 79-1098 has a maximum levy of .17 cents, with both levy amounts having to fit under the 1.05 levy maximum.

Explanation of amendments:

Strikes original sections and inserts the following new sections;

Section 1. Amends 79-1082 to add a reference to 79-10,120 and strike the old reference to 79-10,126;

Section 2. Amends 79-1098 to provide that the school board or board of education of a Class II, III, IV, V and VI school district may exceed the levy allowed under 79-10,120, by approval from a public vote. Section 2 of this act also provides that the levy allowed under this section and the levy provided under 79-10,120 shall not exceed 14 cents when combined, nor exceed a term of 10 years.

Section 3. Amends 79-10,100 to clarify that the school board when satisfied that the requirements of section 79-1098 have been complied with and that a majority of votes approved it, shall certify the special tax to the county clerk.

Section 4. Amends 79,101 to remove the reference to the fifty-five percent majority vote that previously existed under sections 79-1098 and 79-1099.

Section 5. Amends 79-10,120 in the following manner:

-Adds "major replacement repairs on existing structures" as an item that the special fund under 79-10,120 may be used for.

-Provides that funds established from the special tax levied prior to the effective date of this act cannot exceed 14 cents and that under subsection (1) (b) after the effective date of this act the amount levied cannot exceed 5 cents unless the project falls under the "grandfather clause".

-Provides that a school board of a Class II, III, IV, and V & VI may continue an annual tax established prior to the effective date of this act through school fiscal year 2024-25 for projects commenced before the effective date of this act. The annual tax can't exceed the rate levied for the project for school fiscal year 2017-18. The proceeds of an annual tax can only be used for the project for which the project was levied. Any tax levied under subsection (2) shall not exceed 14 cents when combined with all other taxes imposed pursuant to this section. (Grandfather Clause)

-Requires that on or before October 1, 2018, school boards that levied an annual tax under this section for 2017-18 file with the Auditor of Public Accounts, a statement describing any project for which the annual tax may be continued pursuant to subsection (2) of this section, the rate levied for school fiscal year 2017-18 that is attributable to the project, and the anticipated completion date for such project.

-Provides that the proceeds of any annual tax imposed pursuant to this section, be kept "separate" and "apart" from other school district funds, except such "proceeds may be combined" with amounts levied and collected under sections 79-1098 to 79-10,101 for the same project.

Section 6. Amends 79-10,126 to add a reference to 79-1098 to 79-10,101 and 79-10,120 to this section.

Section 7. Harmonizes the changes and repeals the original sections.

Section 8. Provides that section 79-1099 is outright repealed.

Mike Groene, Chairperson