AMENDMENTS TO LB408

Introduced by Revenue.

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

Section 1. Sections 1 to 4 of this act shall be known and may be cited as the Property Tax Request Act.

Sec. 2. For purposes of the Property Tax Request Act:

(1) Approved bonds means bonds that are issued by a political subdivision after the question of issuing such bonds has been approved by the voters of such political subdivision;

(2) Political subdivision means any county, city, village, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college;

(3) Property tax request means the total amount of property taxes requested to be raised for a political subdivision through the levy imposed pursuant to section 77-1601; and

(4) Real growth value means the increase in real property valuation due to (a) improvements to real property as a result of new construction and additions to existing buildings, (b) any other improvements to real property which increase the value of such property, and (c) annexation of property by the political subdivision.

Sec. 3. Section 77-1601.02, Revised Statutes Cumulative Supplement, 2020, is amended to read:

77-1601.02 (1) If the annual assessment of property would result in an increase in the total property taxes levied by a political subdivision county, municipality, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college, as determined using the previous year's rate of levy, such political subdivision's property tax request for the
current year shall be no more than its property tax request in the prior year, and the political subdivision's rate of levy for the current year shall be decreased accordingly when such rate is set by the county board of equalization pursuant to section 77-1601. The governing body of the political subdivision shall pass a resolution or ordinance to set the amount of its property tax request after holding the public hearing required in subsection (3) of this section. If the governing body of a political subdivision seeks to set its property tax request at an amount that exceeds its property tax request in the prior year, it may do so, to the extent allowed under section 4 of this act, after holding the public hearing required in subsection (3) of this section and by passing a resolution or ordinance that complies with subsection (4) of this section.

(2) If the annual assessment of property would result in no change or a decrease in the total property taxes levied by a political subdivision county, municipality, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college, as determined using the previous year's rate of levy, such political subdivision's property tax request for the current year shall be no more than its property tax request in the prior year, and the political subdivision's rate of levy for the current year shall be adjusted accordingly when such rate is set by the county board of equalization pursuant to section 77-1601. The governing body of the political subdivision shall pass a resolution or ordinance to set the amount of its property tax request after holding the public hearing required in subsection (3) of this section. If the governing body of a political subdivision seeks to set its property tax request at an amount that exceeds its property tax request in the prior year, it may do so, to the extent allowed under section 4 of this act, after holding the public hearing required in subsection (3) of this section and by passing a resolution or ordinance that complies with subsection (4) of this section.

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subsection (4) of this section.

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

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

(a) The name of the political subdivision;
(b) The amount of the property tax request;
(c) The following statements:
(i) The total assessed value of property differs from last year's...
total assessed value by ..... percent;

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

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

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

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

(5) Any resolution or ordinance setting a property tax request under
this section shall be certified and forwarded to the county clerk on or
before October 13 of the year for which the tax request is to apply.

(6) Any levy which is not in compliance with the Property Tax
Request Act this section and section 77-1601 shall be construed as an
unauthorized levy under section 77-1606.
to exceed the limit for two consecutive years, the three-year period
shall be measured twice using each of the two consecutive years as the
first year of the applicable three-year period.

(3) A political subdivision may exceed the limit provided in
subsection (1) of this section by an amount approved by a majority of
registered voters voting on the issue in a primary, general, or special
election at which the issue is placed before the registered voters. The
governing body of the political subdivision shall call for the submission
of the issue to the voters by passing a resolution, by majority vote of
the governing body, calling for exceeding the limit and delivering a copy
of the resolution to the county clerk or election commissioner of every
county which contains all or part of the political subdivision. The
resolution shall include the amount which would be requested in excess of
the limit provided in subsection (1) of this section. Any resolution
calling for a special election shall be filed with the county clerk or
election commissioner no later than thirty days prior to the date of the
election, and the time of publication and providing a copy of the notice
of election required in section 32-802 shall be no later than twenty days
prior to the election. The county clerk or election commissioner shall
place the issue on the ballot at an election as called for in the
resolution which is at least thirty days after receipt of the resolution.
The election shall be held pursuant to the Election Act. If a majority of
the votes cast upon the ballot question are in favor of allowing the
political subdivision to exceed the limit in subsection (1) of this
section, the political subdivision shall be authorized to do so. If a
majority of those voting on the ballot question do not vote to allow the
political subdivision to exceed such limit, the political subdivision
shall not be authorized to do so.

(4) The limit in subsection (1) of this section shall not apply to
that portion of a political subdivision's property tax request that is
needed to pay the principal and interest on approved bonds.
(5) The limit in subsection (1) of this section shall not apply to
that portion of a political subdivision's property tax request that will
be derived from the real growth value for the political subdivision.

(6) A political subdivision may choose not to increase its property
tax request by the full amount allowed by the political subdivision's
request authority calculated under subsection (1) of this section. In
such cases, the political subdivision may carry forward one-half of the
unused request authority to future years as carryover request authority.
Such carryover request authority may then be used in later years to
increase the political subdivision's property tax request above the
amount calculated under subsection (1) of this section.

(7) The limit in subsection (1) of this section shall apply to
property tax requests set in 2022 through 2027. For property tax requests
set in 2028 and thereafter, such limit shall no longer apply.

Sec. 5. Section 13-506, Revised Statutes Cumulative Supplement,
2020, is amended to read:

13-506 (1) Each governing body shall each year or biennial period
conduct a public hearing on its proposed budget statement. Such hearing
shall be held separately from any regularly scheduled meeting of the
governing body and shall not be limited by time. Notice of place and time
of such hearing, together with a summary of the proposed budget
statement, shall be published at least four calendar days prior to the
date set for hearing in a newspaper of general circulation within the
governing body's jurisdiction. For purposes of such notice, the four
calendar days shall include the day of publication but not the day of
hearing. When the total operating budget, not including reserves, does
not exceed ten thousand dollars per year or twenty thousand dollars per
biennial period, the proposed budget summary may be posted at the
governing body's principal headquarters. At such hearing, the governing
body shall make at least three copies of the proposed budget statement
available to the public and shall make a presentation outlining key
provisions of the proposed budget statement, including, but not limited
to, a comparison with the prior year's budget. For any political
subdivision that is subject to the Property Tax Request Act, the
presentation shall also include information showing that the political
subdivision is in compliance with the Property Tax Request Act. Any
member of the public desiring to speak on the proposed budget statement
shall be allowed to address the governing body at the hearing and shall
be given a reasonable amount of time to do so. After such hearing, the
proposed budget statement shall be adopted, or amended and adopted as
amended, and a written record shall be kept of such hearing. The amount
to be received from personal and real property taxation shall be
certified to the levying board after the proposed budget statement is
adopted or is amended and adopted as amended. If the levying board
represents more than one county, a member or a representative of the
governing board shall, upon the written request of any represented
county, appear and present its budget at the hearing of the requesting
county. The certification of the amount to be received from personal and
real property taxation shall specify separately (a) the amount to be
applied to the payment of principal or interest on bonds issued by the
governing body and (b) the amount to be received for all other purposes.
If the adopted budget statement reflects a change from that shown in the
published proposed budget statement, a summary of such changes shall be
published within twenty calendar days after its adoption in the manner
provided in this section, but without provision for hearing, setting
forth the items changed and the reasons for such changes.

(2) Upon approval by the governing body, the budget shall be filed
with the auditor. The auditor may review the budget for errors in
mathematics, improper accounting, and noncompliance with the Nebraska
Budget Act or sections 13-518 to 13-522. If the auditor detects such
errors, he or she shall immediately notify the governing body of such
errors. The governing body shall correct any such error as provided in
section 13-511. Warrants for the payment of expenditures provided in the
budget adopted under this section shall be valid notwithstanding any
errors or noncompliance for which the auditor has notified the governing
body.

Sec. 6. Section 77-1601, Reissue Revised Statutes of Nebraska, is
amended to read:

77-1601 (1) The county board of equalization shall each year, on or
before October 15, levy the necessary taxes for the current year if
within the limit of the law. The levy shall include an amount for
operation of all functions of county government and shall also include
all levies necessary to fund tax requests certified under the Property
Tax Request Act section 77-1601.02 that are authorized as provided in
sections 77-3442 to 77-3444.

(2) On or before November 5, the county board of equalization upon
its own motion may act to correct a clerical error which has resulted in
the calculation of an incorrect levy by any political subdivision entity
otherwise authorized to certify a tax request under the Property Tax
Request Act section 77-1601.02. The county board of equalization shall
hold a public hearing to determine what adjustment to the levy is proper,
legal, or necessary. Notice shall be provided to the governing body of
each political subdivision affected by the error. Notice of the hearing
as required by section 84-1411 shall include the following: (a) The time
and place of the hearing, (b) the dollar amount at issue, and (c) a
statement setting forth the nature of the error.

(3) Upon the conclusion of the hearing, the county board of
equalization shall issue a corrected levy if it determines that an error
was made in the original levy which warrants correction. The county board
of equalization shall then order (a) the county assessor, county clerk,
and county treasurer to revise assessment books, unit valuation ledgers,
tax statements, and any other tax records to reflect the correction made
and (b) the recertification of the information provided to the Property
Tax Administrator pursuant to section 77-1613.01.

Sec. 7. Section 77-1776, Reissue Revised Statutes of Nebraska, is amended to read:

77-1776 Any political subdivision which has received proceeds from a levy imposed on all taxable property within an entire county which is in excess of that requested by the political subdivision under the Property Tax Request Act section 77-1601.02 as a result of a clerical error or mistake shall, in the fiscal year following receipt, return the excess tax collections, net of the collection fee, to the county. By July 31 of the fiscal year following the receipt of any excess tax collections, the county treasurer shall certify to the political subdivision the amount to be returned. Such excess tax collections shall be restricted funds in the budget of the county that receives the funds under section 13-518.

Sec. 8. This act becomes operative on January 1, 2022.

Sec. 9. Original sections 77-1601 and 77-1776, Reissue Revised Statutes of Nebraska, and sections 13-506 and 77-1601.02, Revised Statutes Cumulative Supplement, 2020, are repealed.