

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 891

Introduced by Lindstrom, 18; Kolterman, 24; Walz, 15.

Read first time January 07, 2022

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 70-651.04, 79-1081, 79-1082, and 79-2404, Reissue Revised Statutes
3 of Nebraska, sections 79-525, 79-528, 79-1001, 79-1024, 79-1041,
4 79-10,110, 79-10,110.02, 79-10,120, 79-10,126, 79-2104, and
5 81-12,193, Revised Statutes Cumulative Supplement, 2020, and
6 sections 77-1736.06, 77-27,132, 77-3442, 77-4212, 77-4602, 77-6703,
7 and 79-1003, Revised Statutes Supplement, 2021; to change the
8 distribution of sales and use tax revenue as prescribed; to change
9 levy limitations for school districts; to change provisions relating
10 to the amount of relief granted under the Property Tax Credit Act;
11 to discontinue the granting of credits under the Nebraska Property
12 Tax Incentive Act; to redefine a term; to create a fund; to state
13 intent; to change provisions relating to special building funds and
14 qualified capital purpose undertaking funds; to eliminate obsolete
15 provisions; to harmonize provisions; to repeal the original
16 sections; to outright repeal sections 79-1073 and 79-10,126.01,
17 Revised Statutes Cumulative Supplement, 2020; and to declare an
18 emergency.

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

1 Section 1. Section 70-651.04, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 70-651.04 All payments which are based on retail revenue from each
4 incorporated city or village shall be divided and distributed by the
5 county treasurer to that city or village, to the school districts located
6 in that city or village, ~~to any learning community located in that city~~
7 ~~or village for payments distributed prior to September 1, 2017,~~ and to
8 the county in which may be located any such incorporated city or village
9 in the proportion that their respective property tax levies in the
10 preceding year bore to the total of such levies, ~~except that the only~~
11 ~~learning community levies to be included are the common levies for which~~
12 ~~the proceeds are distributed to member school districts pursuant to~~
13 ~~section 79-1073.~~

14 Sec. 2. Section 77-1736.06, Revised Statutes Supplement, 2021, is
15 amended to read:

16 77-1736.06 The following procedure shall apply when making a
17 property tax refund:

18 (1) Within thirty days of the entry of a final nonappealable order,
19 an unprotested determination of a county assessor, an unappealed decision
20 of a county board of equalization, or other final action requiring a
21 refund of real or personal property taxes paid or, for property valued by
22 the state, within thirty days of a recertification of value by the
23 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
24 county assessor shall determine the amount of refund due the person
25 entitled to the refund, certify that amount to the county treasurer, and
26 send a copy of such certification to the person entitled to the refund.
27 Within thirty days from the date the county assessor certifies the amount
28 of the refund, the county treasurer shall notify each political
29 subdivision, including ~~any school district receiving a distribution~~
30 ~~pursuant to section 79-1073~~ and any land bank receiving real property
31 taxes pursuant to subdivision (3)(a) of section 18-3411, of its

1 respective share of the refund, except that for any political subdivision
2 whose share of the refund is two hundred dollars or less, the county
3 board may waive this notice requirement. Notification shall be by first-
4 class mail, postage prepaid, to the last-known address of record of the
5 political subdivision. The county treasurer shall pay the refund from
6 funds in his or her possession belonging to any political subdivision,
7 including ~~any school district receiving a distribution pursuant to~~
8 ~~section 79-1073~~ and any land bank receiving real property taxes pursuant
9 to subdivision (3)(a) of section 18-3411, which received any part of the
10 tax or penalty being refunded. If sufficient funds are not available, the
11 county treasurer shall register the refund or portion thereof which
12 remains unpaid as a claim against such political subdivision and shall
13 issue the person entitled to the refund a receipt for the registration of
14 the claim;

15 (2) The refund of a tax or penalty or the receipt for the
16 registration of a claim made or issued pursuant to this section shall be
17 satisfied in full as soon as practicable. If a receipt for the
18 registration of a claim is given:

19 (a) The governing body of the political subdivision shall make
20 provisions in its next budget for the amount of such claim; or

21 (b) If mutually agreed to by the governing body of the political
22 subdivision and the person holding the receipt, such receipt shall be
23 applied to satisfy any tax levied or assessed by that political
24 subdivision which becomes due from the person holding the receipt until
25 the claim is satisfied in full;

26 (3) The county treasurer shall mail the refund or the receipt by
27 first-class mail, postage prepaid, to the last-known address of the
28 person entitled thereto. Multiple refunds to the same person may be
29 combined into one refund. If a refund is not claimed by June 1 of the
30 year following the year of mailing, the refund shall be canceled and the
31 resultant amount credited to the various funds originally charged;

1 (4) When the refund involves property valued by the state, the Tax
2 Commissioner shall be authorized to negotiate a settlement of the amount
3 of the refund or claim due pursuant to this section on behalf of the
4 political subdivision from which such refund or claim is due. Any
5 political subdivision which does not agree with the settlement terms as
6 negotiated may reject such terms, and the refund or claim due from the
7 political subdivision then shall be satisfied as set forth in this
8 section as if no such negotiation had occurred;

9 (5) In the event that the Legislature appropriates state funds to be
10 disbursed for the purposes of satisfying all or any portion of any refund
11 or claim, the Tax Commissioner shall order the county treasurer to
12 disburse such refund amounts directly to the persons entitled to the
13 refund in partial or total satisfaction of such persons' claims. The
14 county treasurer shall disburse such amounts within forty-five days after
15 receipt thereof;

16 (6) If all or any portion of the refund is reduced by way of
17 settlement or forgiveness by the person entitled to the refund, the
18 proportionate amount of the refund that was paid by an appropriation of
19 state funds shall be reimbursed by the county treasurer to the State
20 Treasurer within forty-five days after receipt of the settlement
21 agreement or receipt of the forgiven refund. The amount so reimbursed
22 shall be credited to the General Fund; and

23 (7) For any refund or claim due under this section, interest shall
24 accrue on the unpaid balance at the rate of nine percent beginning thirty
25 days after the date the county assessor certifies the amount of refund
26 based upon the final nonappealable order or other action approving the
27 refund.

28 Sec. 3. Section 77-27,132, Revised Statutes Supplement, 2021, is
29 amended to read:

30 77-27,132 (1) There is hereby created a fund to be designated the
31 Revenue Distribution Fund which shall be set apart and maintained by the

1 Tax Commissioner. Revenue not required to be credited to the General Fund
2 or any other specified fund may be credited to the Revenue Distribution
3 Fund. Credits and refunds of such revenue shall be paid from the Revenue
4 Distribution Fund. The balance of the amount credited, after credits and
5 refunds, shall be allocated as provided by the statutes creating such
6 revenue.

7 (2) The Tax Commissioner shall pay to a depository bank designated
8 by the State Treasurer all amounts collected under the Nebraska Revenue
9 Act of 1967. The Tax Commissioner shall present to the State Treasurer
10 bank receipts showing amounts so deposited in the bank, and of the
11 amounts so deposited the State Treasurer shall:

12 (a) For transactions occurring on or after October 1, 2014, and
13 before October 1, 2027, credit to the Game and Parks Commission Capital
14 Maintenance Fund all of the proceeds of the sales and use taxes imposed
15 pursuant to section 77-2703 on the sale or lease of motorboats as defined
16 in section 37-1204, personal watercraft as defined in section 37-1204.01,
17 all-terrain vehicles as defined in section 60-103, and utility-type
18 vehicles as defined in section 60-135.01;

19 (b) Credit to the Highway Trust Fund all of the proceeds of the
20 sales and use taxes derived from the sale or lease for periods of more
21 than thirty-one days of motor vehicles, trailers, and semitrailers,
22 except that the proceeds equal to any sales tax rate provided for in
23 section 77-2701.02 that is in excess of five percent derived from the
24 sale or lease for periods of more than thirty-one days of motor vehicles,
25 trailers, and semitrailers shall be credited to the Highway Allocation
26 Fund;

27 (c) For transactions occurring on or after July 1, 2013, and before
28 July 1, 2033, of the proceeds of the sales and use taxes derived from
29 transactions other than those listed in subdivisions (2)(a) and (b) of
30 this section from a sales tax rate of one-quarter of one percent, credit
31 monthly eighty-five percent to the State Highway Capital Improvement Fund

1 and fifteen percent to the Highway Allocation Fund;~~and~~

2 (d) Of the proceeds of the sales and use taxes derived from
3 transactions other than those listed in subdivisions (2)(a) and (b) of
4 this section, credit to the Property Tax Credit Cash Fund the amount
5 certified under section 77-27,237, if any such certification is made;
6 and -

7 (e) For transactions occurring on or after July 1, 2022, credit
8 monthly to the Education Stabilization Base Aid Trust Fund the proceeds
9 of the sales and use taxes derived from transactions other than those
10 listed in subdivisions (2)(a) and (b) of this section from a sales tax
11 rate of one-half of one percent.

12 The balance of all amounts collected under the Nebraska Revenue Act
13 of 1967 shall be credited to the General Fund.

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

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

20 (2)(a) Except as provided in subdivisions (2)(d) ~~(2)(b)~~ and (2)(e)
21 of this section, school districts and multiple-district school systems
22 may levy (i) for fiscal years prior to fiscal year 2022-23, a maximum
23 levy of one dollar and five cents per one hundred dollars of taxable
24 valuation of property subject to the levy and (ii) for fiscal year
25 2022-23 and each fiscal year thereafter, a maximum levy of ninety-five
26 cents per one hundred dollars of taxable valuation of property subject to
27 the levy.

28 (b) For fiscal year 2022-23 and each fiscal year thereafter, except
29 as provided in subdivision (2)(c) of this section, each school district
30 or multiple-district school system may levy a maximum total levy for all
31 special building fund purposes of ten cents per one hundred dollars of

1 taxable valuation of property subject to the levy. For purposes of this
2 section, levy for a special building fund purpose means any levy for a
3 special building fund, sinking fund, or bond fund that has not been
4 approved by voters pursuant to section 77-3444 and includes any levy
5 under section 79-10,110 or 79-10,110.02.

6 (c) Subject to the conditions contained in this subdivision, the
7 limitation in subdivision (2)(b) of this section may be increased up to
8 five cents per one hundred dollars of taxable valuation of property
9 subject to the levy with the approval of a two-thirds majority of all
10 members of the school board or the board of the multiple-district school
11 system, except that no increase under this subdivision shall cause the
12 combined levy under subdivisions (2)(a), (b), and (c) of this section to
13 exceed one dollar and five cents per one hundred dollars of taxable
14 valuation of property subject to the levy. The portion of the levy for
15 special building fund purposes approved pursuant to this subdivision
16 shall only be used for capital improvement projects designated by the
17 board at the time of such approval, real property acquisition, or special
18 building funds or sinking funds established for projects commenced prior
19 to the effective date of this act pursuant to section 79-10,110 or
20 79-10,110.02. For purposes of this subdivision, commenced means any
21 action taken on the record by the school board or the board of the
22 multiple-district school system which commits the board to expend funds
23 in planning, constructing, or carrying out the project.

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

30 ~~(c) Except as provided in subdivision (2)(e) of this section, for~~
31 ~~each fiscal year prior to fiscal year 2017-18, school districts that are~~

1 ~~members of learning communities may levy for purposes of such districts'~~
2 ~~general fund budget and special building funds a maximum combined levy of~~
3 ~~the difference of one dollar and five cents on each one hundred dollars~~
4 ~~of taxable property subject to the levy minus the learning community levy~~
5 ~~pursuant to subdivision (2)(b) of this section for such learning~~
6 ~~community.~~

7 (d) Excluded from the limitations in subdivision subdivisions (2)(a)
8 ~~and (2)(c)~~ of this section are (i) amounts levied to pay for current and
9 future sums agreed to be paid by a school district to certificated
10 employees in exchange for a voluntary termination of employment occurring
11 prior to September 1, 2017, (ii) amounts levied by a school district
12 otherwise at the maximum levy pursuant to subdivision (2)(a) of this
13 section to pay for current and future qualified voluntary termination
14 incentives for certificated teachers pursuant to subsection (3) of
15 section 79-8,142 that are not otherwise included in an exclusion pursuant
16 to subdivision (2)(d) of this section, (iii) amounts levied by a school
17 district otherwise at the maximum levy pursuant to subdivision (2)(a) of
18 this section to pay for seventy-five percent of the current and future
19 sums agreed to be paid to certificated employees in exchange for a
20 voluntary termination of employment occurring between September 1, 2017,
21 and August 31, 2018, as a result of a collective-bargaining agreement in
22 force and effect on September 1, 2017, that are not otherwise included in
23 an exclusion pursuant to subdivision (2)(d) of this section, (iv) amounts
24 levied by a school district otherwise at the maximum levy pursuant to
25 subdivision (2)(a) of this section to pay for fifty percent of the
26 current and future sums agreed to be paid to certificated employees in
27 exchange for a voluntary termination of employment occurring between
28 September 1, 2018, and August 31, 2019, as a result of a collective-
29 bargaining agreement in force and effect on September 1, 2017, that are
30 not otherwise included in an exclusion pursuant to subdivision (2)(d) of
31 this section, and (v) amounts levied by a school district otherwise at

1 the maximum levy pursuant to subdivision (2)(a) of this section to pay
2 for twenty-five percent of the current and future sums agreed to be paid
3 to certificated employees in exchange for a voluntary termination of
4 employment occurring between September 1, 2019, and August 31, 2020, as a
5 result of a collective-bargaining agreement in force and effect on
6 September 1, 2017, that are not otherwise included in an exclusion
7 pursuant to subdivision (2)(d) of this section, ~~(vi) amounts levied in~~
8 ~~compliance with sections 79-10,110 and 79-10,110.02, and (vii) amounts~~
9 ~~levied to pay for special building funds and sinking funds established~~
10 ~~for projects commenced prior to April 1, 1996, for construction,~~
11 ~~expansion, or alteration of school district buildings. For purposes of~~
12 ~~this subsection, commenced means any action taken by the school board on~~
13 ~~the record which commits the board to expend district funds in planning,~~
14 ~~constructing, or carrying out the project.~~

15 (e) Federal aid school districts may exceed the maximum levy
16 prescribed by subdivision (2)(a) ~~or (2)(e)~~ of this section only to the
17 extent necessary to qualify to receive federal aid pursuant to 20 U.S.C.
18 7701 et seq. Title VIII of Public Law 103-382, as such sections ~~title~~
19 ~~existed on January 1, 2022~~ September 1, 2001. For purposes of this
20 subdivision, federal aid school district means any school district which
21 receives ten percent or more of the revenue for its general fund budget
22 from federal government sources pursuant to 20 U.S.C. 7701 et seq. Title
23 VIII of Public Law 103-382, as such sections ~~title~~ existed on January 1,
24 2022 ~~September 1, 2001~~.

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

1 (g) For each fiscal year, learning communities may levy a maximum
2 levy of one and one-half cents on each one hundred dollars of taxable
3 property subject to the levy for early childhood education programs for
4 children in poverty, for elementary learning center employees, for
5 contracts with other entities or individuals who are not employees of the
6 learning community for elementary learning center programs and services,
7 and for pilot projects, except that no more than ten percent of such levy
8 may be used for elementary learning center employees.

9 (3) For each fiscal year, community college areas may levy the
10 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
11 accordance with the provisions of such subdivisions. A community college
12 area may exceed the levy provided in subdivision (2)(b) of section
13 85-1517 by the amount necessary to retire general obligation bonds
14 assumed by the community college area or issued pursuant to section
15 85-1515 according to the terms of such bonds or for any obligation
16 pursuant to section 85-1535 entered into prior to January 1, 1997.

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

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

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

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

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

16 (6)(a) Incorporated cities and villages which are not within the
17 boundaries of a municipal county may levy a maximum levy of forty-five
18 cents per one hundred dollars of taxable valuation of property subject to
19 the levy plus an additional five cents per one hundred dollars of taxable
20 valuation to provide financing for the municipality's share of revenue
21 required under an agreement or agreements executed pursuant to the
22 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
23 levy shall include amounts levied to pay for sums to support a library
24 pursuant to section 51-201, museum pursuant to section 51-501, visiting
25 community nurse, home health nurse, or home health agency pursuant to
26 section 71-1637, or statue, memorial, or monument pursuant to section
27 80-202.

28 (b) Incorporated cities and villages which are within the boundaries
29 of a municipal county may levy a maximum levy of ninety cents per one
30 hundred dollars of taxable valuation of property subject to the levy. The
31 maximum levy shall include amounts paid to a municipal county for county

1 services, amounts levied to pay for sums to support a library pursuant to
2 section 51-201, a museum pursuant to section 51-501, a visiting community
3 nurse, home health nurse, or home health agency pursuant to section
4 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

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

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

1 agreements to be levied by the political subdivision for the purpose of
2 supporting that political subdivision's share of revenue required under
3 an agreement or agreements executed pursuant to the Interlocal
4 Cooperation Act or the Joint Public Agency Act. If an allocation by a
5 county would cause another county to exceed its levy authority under this
6 section, the second county may exceed the levy authority in order to levy
7 the amount allocated.

8 (9) Municipal counties may levy or authorize a maximum levy of one
9 dollar per one hundred dollars of taxable valuation of property subject
10 to the levy. The municipal county may allocate levy authority to any
11 political subdivision or entity subject to allocation under section
12 77-3443.

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

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

30 (12) Property tax levies (a) for judgments, except judgments or
31 orders from the Commission of Industrial Relations, obtained against a

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

14 (13) The limitations on tax levies provided in this section are to
15 include all other general or special levies provided by law.
16 Notwithstanding other provisions of law, the only exceptions to the
17 limits in this section are those provided by or authorized by sections
18 77-3442 to 77-3444.

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

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

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

1 ~~cents per one hundred dollars of taxable valuation of property subject to~~
2 ~~the levy or (b) the maximum levy authorized by a vote pursuant to section~~
3 ~~77-3444, all school district levies, except levies for bonded~~
4 ~~indebtedness approved by the voters of the school district and levies for~~
5 ~~the refinancing of such bonded indebtedness, shall be considered~~
6 ~~unauthorized levies under section 77-1606.~~

7 Sec. 5. Section 77-4212, Revised Statutes Supplement, 2021, is
8 amended to read:

9 77-4212 (1) For tax year 2007, the amount of relief granted under
10 the Property Tax Credit Act shall be one hundred five million dollars.
11 For tax year 2008, the amount of relief granted under the act shall be
12 one hundred fifteen million dollars. It is the intent of the Legislature
13 to fund the Property Tax Credit Act for tax years after tax year 2008
14 using available revenue. For tax year 2017, the amount of relief granted
15 under the act shall be two hundred twenty-four million dollars. For tax
16 year 2020 and each tax year thereafter, the minimum amount of relief
17 granted under the act shall be two hundred seventy-five million dollars.
18 For tax year 2021, the amount of relief granted under the act shall be
19 three hundred million dollars. For tax year 2022 and each tax year
20 thereafter, the amount of relief granted under the act shall be equal to
21 the base amount plus any amount credited to the Property Tax Credit Cash
22 Fund pursuant to section 9-1204 If money is transferred or credited to
23 the Property Tax Credit Cash Fund pursuant to any other state law, such
24 amount shall be added to the minimum amount required under this
25 subsection when determining the total amount of relief granted under the
26 act. The relief shall be in the form of a property tax credit which
27 appears on the property tax statement.

28 (2)(a) For tax years prior to tax year 2017, to determine the amount
29 of the property tax credit, the county treasurer shall multiply the
30 amount disbursed to the county under subdivision (4)(a) of this section
31 by the ratio of the real property valuation of the parcel to the total

1 real property valuation in the county. The amount determined shall be the
2 property tax credit for the property.

3 (b) Beginning with tax year 2017, to determine the amount of the
4 property tax credit, the county treasurer shall multiply the amount
5 disbursed to the county under subdivision (4)(b) of this section by the
6 ratio of the credit allocation valuation of the parcel to the total
7 credit allocation valuation in the county. The amount determined shall be
8 the property tax credit for the property.

9 (3) If the real property owner qualifies for a homestead exemption
10 under sections 77-3501 to 77-3529, the owner shall also be qualified for
11 the relief provided in the act to the extent of any remaining liability
12 after calculation of the relief provided by the homestead exemption. If
13 the credit results in a property tax liability on the homestead that is
14 less than zero, the amount of the credit which cannot be used by the
15 taxpayer shall be returned to the Property Tax Administrator by July 1 of
16 the year the amount disbursed to the county was disbursed. The Property
17 Tax Administrator shall immediately credit any funds returned under this
18 subsection to the Property Tax Credit Cash Fund. Upon the return of any
19 funds under this subsection, the county treasurer shall electronically
20 file a report with the Property Tax Administrator, on a form prescribed
21 by the Tax Commissioner, indicating the amount of funds distributed to
22 each taxing unit in the county in the year the funds were returned, any
23 collection fee retained by the county in such year, and the amount of
24 unused credits returned.

25 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
26 each county shall be equal to the amount available for disbursement
27 determined under subsection (1) of this section multiplied by the ratio
28 of the real property valuation in the county to the real property
29 valuation in the state. By September 15, the Property Tax Administrator
30 shall determine the amount to be disbursed under this subdivision to each
31 county and certify such amounts to the State Treasurer and to each

1 county. The disbursements to the counties shall occur in two equal
2 payments, the first on or before January 31 and the second on or before
3 April 1. After retaining one percent of the receipts for costs, the
4 county treasurer shall allocate the remaining receipts to each taxing
5 unit levying taxes on taxable property in the tax district in which the
6 real property is located in the same proportion that the levy of such
7 taxing unit bears to the total levy on taxable property of all the taxing
8 units in the tax district in which the real property is located.

9 (b) Beginning with tax year 2017, the amount disbursed to each
10 county shall be equal to the amount available for disbursement determined
11 under subsection (1) of this section multiplied by the ratio of the
12 credit allocation valuation in the county to the credit allocation
13 valuation in the state. By September 15, the Property Tax Administrator
14 shall determine the amount to be disbursed under this subdivision to each
15 county and certify such amounts to the State Treasurer and to each
16 county. The disbursements to the counties shall occur in two equal
17 payments, the first on or before January 31 and the second on or before
18 April 1. After retaining one percent of the receipts for costs, the
19 county treasurer shall allocate the remaining receipts to each taxing
20 unit based on its share of the credits granted to all taxpayers in the
21 taxing unit.

22 (5) For purposes of this section: ~~credit~~

23 (a) Base amount means:

24 (i) For tax year 2022, three hundred seven million five hundred
25 thousand dollars; and

26 (ii) For tax year 2023 and each tax year thereafter, the base amount
27 from the prior year increased by the base limitation established under
28 section 77-3446; and

29 (b) Credit allocation valuation means the taxable value for all real
30 property except agricultural land and horticultural land, one hundred
31 twenty percent of taxable value for agricultural land and horticultural

1 land that is not subject to special valuation, and one hundred twenty
2 percent of taxable value for agricultural land and horticultural land
3 that is subject to special valuation.

4 (6) The State Treasurer shall transfer from the General Fund to the
5 Property Tax Credit Cash Fund one hundred five million dollars by August
6 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

7 (7) The Legislature shall have the power to transfer funds from the
8 Property Tax Credit Cash Fund to the General Fund.

9 Sec. 6. Section 77-4602, Revised Statutes Supplement, 2021, is
10 amended to read:

11 77-4602 (1) Within fifteen days after the end of each month, the Tax
12 Commissioner shall provide a public statement of actual General Fund net
13 receipts, a comparison of such actual net receipts to the monthly
14 estimated net receipts from the most recent forecast provided by the
15 Nebraska Economic Forecasting Advisory Board pursuant to section
16 77-27,158, and a comparison of such actual net receipts to the monthly
17 actual net receipts for the same month of the previous fiscal year.

18 (2) Within fifteen days after the end of each fiscal year, the
19 public statement shall also include (a) a summary of actual General Fund
20 net receipts and estimated General Fund net receipts for the fiscal year
21 as certified pursuant to sections 77-4601 and 77-4603 and (b) a
22 comparison of the actual General Fund net receipts for the fiscal year to
23 the actual General Fund net receipts for the previous fiscal year.

24 (3)(a) Within fifteen days after the end of fiscal year 2020-21 ~~and~~
25 ~~each fiscal year thereafter through fiscal year 2022-23~~, the Tax
26 Commissioner shall determine the balance of the Cash Reserve Fund.

27 (b) If the balance of the Cash Reserve Fund is less than five
28 hundred million dollars:

29 (i) The Tax Commissioner shall determine:

30 (A) Actual General Fund net receipts for the most recently completed
31 fiscal year minus estimated General Fund net receipts for such fiscal

1 year as certified pursuant to sections 77-4601 and 77-4603; and

2 (B) Actual General Fund net receipts for the most recently completed
3 fiscal year minus one hundred three and one-half percent of actual
4 General Fund net receipts for the prior fiscal year.

5 (ii) If the amounts calculated under subdivisions (3)(b)(i)(A) and
6 (3)(b)(i)(B) of this section are both positive numbers, the Tax
7 Commissioner shall certify (A) the amount determined under subdivision
8 (3)(b)(i)(A) of this section and (B) fifty percent of the amount
9 determined under subdivision (3)(b)(i)(B) of this section to the State
10 Treasurer. The State Treasurer shall transfer the difference between the
11 two certified amounts to the Cash Reserve Fund.

12 (iii) If the amount calculated under subdivision (3)(b)(i)(A) of
13 this section is a positive number but the amount calculated under
14 subdivision (3)(b)(i)(B) of this section is a negative number, the Tax
15 Commissioner shall certify the amount determined under subdivision (3)(b)
16 (i)(A) of this section to the State Treasurer and the State Treasurer
17 shall transfer such certified amount to the Cash Reserve Fund.

18 (c) If the balance of the Cash Reserve Fund is five hundred million
19 dollars or more:

20 (i) The Tax Commissioner shall determine:

21 (A) Actual General Fund net receipts for the most recently completed
22 fiscal year minus estimated General Fund net receipts for such fiscal
23 year as certified pursuant to sections 77-4601 and 77-4603; and

24 (B) Actual General Fund net receipts for the most recently completed
25 fiscal year minus one hundred three and one-half percent of actual
26 General Fund net receipts for the prior fiscal year.

27 (ii) If the amounts calculated under subdivisions (3)(c)(i)(A) and
28 (3)(c)(i)(B) of this section are both positive numbers, the Tax
29 Commissioner shall certify (A) the amount determined under subdivision
30 (3)(c)(i)(A) of this section and (B) the amount determined under
31 subdivision (3)(c)(i)(B) of this section to the State Treasurer. The

1 State Treasurer shall transfer the difference between the two certified
2 amounts to the Cash Reserve Fund.

3 (iii) If the amount calculated under subdivision (3)(c)(i)(A) of
4 this section is a positive number but the amount calculated under
5 subdivision (3)(c)(i)(B) of this section is a negative number, the Tax
6 Commissioner shall certify the amount determined under subdivision (3)(c)
7 (i)(A) of this section to the State Treasurer and the State Treasurer
8 shall transfer such certified amount to the Cash Reserve Fund.

9 (4)(a) Within fifteen days after the end of fiscal year 2021-22
10 ~~2023-24~~ and each fiscal year thereafter, the Tax Commissioner shall
11 determine the following:

12 (i) Actual General Fund net receipts for the most recently completed
13 fiscal year minus estimated General Fund net receipts for such fiscal
14 year as certified pursuant to sections 77-4601 and 77-4603; and

15 (ii) Fifty percent of the product of actual General Fund net
16 receipts for the most recently completed fiscal year times the difference
17 between the annual percentage increase in the actual General Fund net
18 receipts for the most recently completed fiscal year and the average
19 annual percentage increase in the actual General Fund net receipts over
20 the twenty previous fiscal years, excluding the year in which the annual
21 percentage change in actual General Fund net receipts is the lowest.

22 (b) If the number determined under subdivision (4)(a)(i) of this
23 section is a positive number, the Tax Commissioner shall immediately
24 certify the greater of the two numbers determined under subdivision (4)
25 (a) of this section to the director. The State Treasurer shall transfer
26 the certified amount from the General Fund to the Cash Reserve Fund upon
27 certification by the director of such amount. The transfer shall be made
28 according to the following schedule:

29 (i) An amount equal to the amount determined under subdivision (4)
30 (a)(i) of this section shall be transferred immediately; and

31 (ii) The remainder, if any, shall be transferred by the end of the

1 subsequent fiscal year.

2 (c) If the transfer required under subdivision (4)(b) of this
3 section causes the balance in the Cash Reserve Fund to exceed sixteen
4 percent of the total budgeted General Fund expenditures for the current
5 fiscal year, such transfer shall be reduced so that the balance of the
6 Cash Reserve Fund does not exceed such amount.

7 (d) Nothing in this subsection prohibits the balance in the Cash
8 Reserve Fund from exceeding sixteen percent of the total budgeted General
9 Fund expenditures each fiscal year if the Legislature determines it
10 necessary to prepare for and respond to budgetary requirements which may
11 include, but are not limited to, capital construction projects and
12 responses to emergencies.

13 Sec. 7. Section 77-6703, Revised Statutes Supplement, 2021, is
14 amended to read:

15 77-6703 (1) For taxable years beginning or deemed to begin on or
16 after January 1, 2020, and before January 1, 2022, under the Internal
17 Revenue Code of 1986, as amended, there shall be allowed to each eligible
18 taxpayer a refundable credit against the income tax imposed by the
19 Nebraska Revenue Act of 1967 or against the franchise tax imposed by
20 sections 77-3801 to 77-3807. The credit shall be equal to the credit
21 percentage for the taxable year, as set by the department under
22 subsection (2) of this section, multiplied by the amount of school
23 district taxes paid by the eligible taxpayer during such taxable year.

24 (2)(a) For taxable years beginning or deemed to begin during
25 calendar year 2020, the department shall set the credit percentage so
26 that the total amount of credits for such taxable years shall be one
27 hundred twenty-five million dollars; and

28 (b) For taxable years beginning or deemed to begin during calendar
29 year 2021, the department shall set the credit percentage so that the
30 total amount of credits for such taxable years shall be one hundred
31 twenty-five million dollars plus either (i) the amount calculated for

1 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
2 (ii) the amount calculated for such calendar year under subdivision (3)
3 (c)(ii)(B) of section 77-4602, whichever is applicable. ÷

4 ~~(c) For taxable years beginning or deemed to begin during calendar~~
5 ~~year 2022, the department shall set the credit percentage so that the~~
6 ~~total amount of credits for such taxable years shall be the maximum~~
7 ~~amount of credits allowed under subdivision (2)(b) of this section plus~~
8 ~~either (i) the amount calculated for such calendar year under subdivision~~
9 ~~(3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such~~
10 ~~calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,~~
11 ~~whichever is applicable;~~

12 ~~(d) For taxable years beginning or deemed to begin during calendar~~
13 ~~year 2023, the department shall set the credit percentage so that the~~
14 ~~total amount of credits for such taxable years shall be the maximum~~
15 ~~amount of credits allowed under subdivision (2)(c) of this section plus~~
16 ~~either (i) the amount calculated for such calendar year under subdivision~~
17 ~~(3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such~~
18 ~~calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,~~
19 ~~whichever is applicable;~~

20 ~~(e) For taxable years beginning or deemed to begin during calendar~~
21 ~~year 2024, the department shall set the credit percentage so that the~~
22 ~~total amount of credits for such taxable years shall be three hundred~~
23 ~~seventy-five million dollars; and~~

24 ~~(f) For taxable years beginning or deemed to begin during calendar~~
25 ~~year 2025 and each calendar year thereafter, the department shall set the~~
26 ~~credit percentage so that the total amount of credits for such taxable~~
27 ~~years shall be the maximum amount of credits allowed in the prior year~~
28 ~~increased by the allowable growth percentage.~~

29 (3) If the school district taxes are paid by a corporation having an
30 election in effect under subchapter S of the Internal Revenue Code, a
31 partnership, a limited liability company, a trust, or an estate, the

1 amount of school district taxes paid during the taxable year may be
2 allocated to the shareholders, partners, members, or beneficiaries in the
3 same proportion that income is distributed for taxable years beginning or
4 deemed to begin before January 1, 2021, and before January 1, 2022, under
5 the Internal Revenue Code of 1986, as amended. The department shall
6 provide forms and schedules necessary for verifying eligibility for the
7 credit provided in this section and for allocating the school district
8 taxes paid. For taxable years beginning or deemed to begin on or after
9 January 1, 2021, under the Internal Revenue Code of 1986, as amended, the
10 refundable credit shall be claimed by the corporation having an election
11 in effect under subchapter S of the Internal Revenue Code, the
12 partnership, the limited liability company, the trust, or the estate that
13 paid the school district taxes.

14 (4) For any fiscal year or short year taxpayer, the credit may be
15 claimed in the first taxable year that begins following the calendar year
16 for which the credit percentage was determined. The credit shall be taken
17 for the school district taxes paid by the taxpayer during the immediately
18 preceding calendar year.

19 (5) For the first taxable year beginning or deemed to begin on or
20 after January 1, 2021, and before January 1, 2022, under the Internal
21 Revenue Code of 1986, as amended, for a corporation having an election in
22 effect under subchapter S of the Internal Revenue Code, a partnership, a
23 limited liability company, a trust, or an estate that paid school
24 district taxes in calendar year 2020 but did not claim the credit
25 directly or allocate such school district taxes to the shareholders,
26 partners, members, or beneficiaries as permitted under subsection (3) of
27 this section, there shall be allowed an additional refundable credit.
28 This credit shall be equal to six percent, multiplied by the amount of
29 school district taxes paid during 2020 by the eligible taxpayer.

30 (6) It is the intent of the Legislature that the total dollar amount
31 saved each fiscal year due to the elimination of credits under the

1 Nebraska Property Tax Incentive Act be used to increase the appropriation
2 to the State Department of Education for the Tax Equity and Educational
3 Opportunities Support Act by such amount for fiscal year 2022-23 and each
4 fiscal year thereafter.

5 Sec. 8. Section 79-525, Revised Statutes Cumulative Supplement,
6 2020, is amended to read:

7 79-525 The school board or board of education of a Class III or IV
8 school district shall (1) provide the necessary appendages for the
9 schoolhouse, (2) keep the same in good condition and repair during the
10 time school is taught in the schoolhouse, and (3) keep an accurate
11 account of all expenses incurred. Such account shall be prepared by the
12 secretary, audited by the president and treasurer, and, on their written
13 order, paid out of the general school fund or a special building fund, as
14 appropriate.

15 Sec. 9. Section 79-528, Revised Statutes Cumulative Supplement,
16 2020, is amended to read:

17 79-528 (1)(a) On or before July 20 in all school districts, the
18 superintendent shall file with the State Department of Education a report
19 showing the number of children from five through eighteen years of age
20 belonging to the school district according to the census taken as
21 provided in sections 79-524 and 79-578.

22 (b) The board of any district neglecting to take and report the
23 enumeration shall be liable to the school district for all school money
24 which such district may lose by such neglect.

25 (2) On or before June 30 the superintendent of each school district
26 shall file with the Commissioner of Education a report described as an
27 end-of-the-school-year annual statistical summary showing (a) the number
28 of children attending school during the year under five years of age, (b)
29 the length of time the school has been taught during the year by a
30 qualified teacher, (c) the length of time taught by each substitute
31 teacher, and (d) such other information as the Commissioner of Education

1 directs.

2 (3) On or before November 1 the superintendent of each school
3 district shall submit to the Commissioner of Education a report described
4 as the annual financial report showing (a) ~~(i)~~ the amount of money
5 received from all sources during the year and the amount of money
6 expended by the school district during the year, (b) ~~(ii)~~ the amount of
7 bonded indebtedness, (c) ~~(iii)~~ such other information as shall be
8 necessary to fulfill the requirements of the Tax Equity and Educational
9 Opportunities Support Act and section 79-1114, and (d) ~~(iv)~~ such other
10 information as the Commissioner of Education directs.

11 (4)(a) On or before October 15 of each year, the superintendent of
12 each school district shall file with the commissioner the fall school
13 district membership report, which report shall include the number of
14 children from birth through twenty years of age enrolled in the district
15 on October 1 of a given school year. The report shall enumerate (i)
16 students by grade level, (ii) school district levies and total assessed
17 valuation for the current fiscal year, (iii) students enrolled in the
18 district as option students, resident students enrolled in another
19 district as option students, students enrolled in the district as open
20 enrollment students, and resident students enrolled in another district
21 as open enrollment students, and (iv) such other information as the
22 Commissioner of Education directs.

23 ~~(b) On or before October 15 of each year prior to 2017, each~~
24 ~~learning community coordinating council shall issue to the department a~~
25 ~~report which enumerates the learning community levies pursuant to~~
26 ~~subdivision (2)(b) of section 77-3442 and total assessed valuation for~~
27 ~~the current fiscal year.~~

28 (b) ~~(e)~~ When any school district fails to submit its fall membership
29 report by November 1, the commissioner shall, after notice to the
30 district and an opportunity to be heard, direct that any state aid
31 granted pursuant to the Tax Equity and Educational Opportunities Support

1 Act be withheld until such time as the report is received by the
2 department. In addition, the commissioner shall direct the county
3 treasurer to withhold all school money belonging to the school district
4 until such time as the commissioner notifies the county treasurer of
5 receipt of such report. The county treasurer shall withhold such money.

6 Sec. 10. Section 79-1001, Revised Statutes Cumulative Supplement,
7 2020, is amended to read:

8 79-1001 Sections 79-1001 to 79-1033 and section 12 of this act shall
9 be known and may be cited as the Tax Equity and Educational Opportunities
10 Support Act.

11 Sec. 11. Section 79-1003, Revised Statutes Supplement, 2021, is
12 amended to read:

13 79-1003 For purposes of the Tax Equity and Educational Opportunities
14 Support Act:

15 (1) Adjusted general fund operating expenditures means the
16 difference of the general fund operating expenditures increased by the
17 cost growth factor calculated pursuant to section 79-1007.10, minus the
18 transportation allowance, special receipts allowance, poverty allowance,
19 limited English proficiency allowance, distance education and
20 telecommunications allowance, elementary site allowance, summer school
21 allowance, community achievement plan allowance, and focus school and
22 program allowance;

23 (2) Adjusted valuation means the assessed valuation of taxable
24 property of each local system in the state, adjusted pursuant to the
25 adjustment factors described in section 79-1016. Adjusted valuation means
26 the adjusted valuation for the property tax year ending during the school
27 fiscal year immediately preceding the school fiscal year in which the aid
28 based upon that value is to be paid. For purposes of determining the
29 local effort rate yield pursuant to section 79-1015.01, adjusted
30 valuation does not include the value of any property which a court, by a
31 final judgment from which no appeal is taken, has declared to be

1 nontaxable or exempt from taxation;

2 (3) Allocated income tax funds means the amount of assistance paid
3 to a local system pursuant to section 79-1005.01;

4 (4) Average daily membership means the average daily membership for
5 grades kindergarten through twelve attributable to the local system, as
6 provided in each district's annual statistical summary, and includes the
7 proportionate share of students enrolled in a public school instructional
8 program on less than a full-time basis;

9 (5) Base fiscal year means the first school fiscal year following
10 the school fiscal year in which the reorganization or unification
11 occurred;

12 (6) Board means the school board of each school district;

13 (7) Categorical funds means funds limited to a specific purpose by
14 federal or state law, including, but not limited to, Title I funds, Title
15 VI funds, federal career and technical education funds, federal school
16 lunch funds, Indian education funds, Head Start funds, and funds received
17 prior to July 1, 2022, from the Nebraska Education Improvement Fund;

18 (8) Consolidate means to voluntarily reduce the number of school
19 districts providing education to a grade group and does not include
20 dissolution pursuant to section 79-498;

21 (9) Converted contract means an expired contract that was in effect
22 for at least fifteen school years beginning prior to school year 2012-13
23 for the education of students in a nonresident district in exchange for
24 tuition from the resident district when the expiration of such contract
25 results in the nonresident district educating students, who would have
26 been covered by the contract if the contract were still in effect, as
27 option students pursuant to the enrollment option program established in
28 section 79-234;

29 (10) Converted contract option student means a student who will be
30 an option student pursuant to the enrollment option program established
31 in section 79-234 for the school fiscal year for which aid is being

1 calculated and who would have been covered by a converted contract if the
2 contract were still in effect and such school fiscal year is the first
3 school fiscal year for which such contract is not in effect;

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

5 (12) District means any school district or unified system as defined
6 in section 79-4,108;

7 (13) Ensuing school fiscal year means the school fiscal year
8 following the current school fiscal year;

9 (14) Equalization aid means the amount of assistance calculated to
10 be paid to a local system pursuant to section 79-1008.01;

11 (15) Fall membership means the total membership in kindergarten
12 through grade twelve attributable to the local system as reported on the
13 fall school district membership reports for each district pursuant to
14 section 79-528;

15 (16) Fiscal year means the state fiscal year which is the period
16 from July 1 to the following June 30;

17 (17) Formula students means:

18 (a) For state aid certified pursuant to section 79-1022, the sum of
19 the product of fall membership from the school fiscal year immediately
20 preceding the school fiscal year in which the aid is to be paid
21 multiplied by the average ratio of average daily membership to fall
22 membership for the second school fiscal year immediately preceding the
23 school fiscal year in which the aid is to be paid and the prior two
24 school fiscal years plus sixty percent of the qualified early childhood
25 education fall membership plus tuitioned students from the school fiscal
26 year immediately preceding the school fiscal year in which aid is to be
27 paid minus the product of the number of students enrolled in kindergarten
28 that is not full-day kindergarten from the fall membership multiplied by
29 0.5; and

30 (b) For the final calculation of state aid pursuant to section
31 79-1065, the sum of average daily membership plus sixty percent of the

1 qualified early childhood education average daily membership plus
2 tuitioned students minus the product of the number of students enrolled
3 in kindergarten that is not full-day kindergarten from the average daily
4 membership multiplied by 0.5 from the school fiscal year immediately
5 preceding the school fiscal year in which aid was paid;

6 (18) Free lunch and free milk calculated students means, using the
7 most recent data available on November 1 of the school fiscal year
8 immediately preceding the school fiscal year in which aid is to be paid,
9 (a) for schools that did not provide free meals to all students pursuant
10 to the community eligibility provision, students who individually
11 qualified for free lunches or free milk pursuant to the federal Richard
12 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
13 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
14 and sections existed on January 1, 2021, and rules and regulations
15 adopted thereunder, plus (b) for schools that provided free meals to all
16 students pursuant to the community eligibility provision, the greater of
17 the number of students in such school who individually qualified for free
18 lunch or free milk using the most recent school fiscal year for which the
19 school did not provide free meals to all students pursuant to the
20 community eligibility provision or one hundred ten percent of the product
21 of the students who qualified for free meals at such school pursuant to
22 the community eligibility provision multiplied by the identified student
23 percentage calculated pursuant to such federal provision, except that the
24 free lunch and free milk calculated students for any school pursuant to
25 subdivision (18)(b) of this section shall not exceed one hundred percent
26 of the students qualified for free meals at such school pursuant to the
27 community eligibility provision;

28 (19) Full-day kindergarten means kindergarten offered by a district
29 for at least one thousand thirty-two instructional hours;

30 (20) General fund budget of expenditures means the total budget of
31 disbursements and transfers for general fund purposes as certified in the

1 budget statement adopted pursuant to the Nebraska Budget Act, except that
2 for purposes of the limitation imposed in section 79-1023, the general
3 fund budget of expenditures does not include any special grant funds,
4 exclusive of local matching funds, received by a district;

5 (21) General fund expenditures means all expenditures from the
6 general fund;

7 (22) General fund operating expenditures means, for state aid
8 calculated for each school fiscal year, as reported on the annual
9 financial report for the second school fiscal year immediately preceding
10 the school fiscal year in which aid is to be paid, the total general fund
11 expenditures minus (a) the amount of all receipts to the general fund, to
12 the extent that such receipts are not included in local system formula
13 resources, from early childhood education tuition, summer school tuition,
14 educational entities as defined in section 79-1201.01 for providing
15 distance education courses through the Educational Service Unit
16 Coordinating Council to such educational entities, private foundations,
17 individuals, associations, charitable organizations, the textbook loan
18 program authorized by section 79-734, federal impact aid, and levy
19 override elections pursuant to section 77-3444, (b) the amount of
20 expenditures for categorical funds, tuition paid to other school
21 districts, tuition paid to postsecondary institutions for college credit,
22 transportation fees paid to other districts, adult education, community
23 services, redemption of the principal portion of general fund debt
24 service, retirement incentive plans authorized by section 79-855, and
25 staff development assistance authorized by section 79-856, (c) the amount
26 of any transfers from the general fund to any bond fund and transfers
27 from other funds into the general fund, (d) any legal expenses in excess
28 of fifteen-hundredths of one percent of the formula need for the school
29 fiscal year in which the expenses occurred, (e) expenditures to pay for
30 incentives agreed to be paid by a school district to certificated
31 employees in exchange for a voluntary termination of employment for which

1 the State Board of Education approved an exclusion pursuant to
2 subdivision (1)(h), (i), (j), or (k) of section 79-1028.01, (f)(i)
3 expenditures to pay for employer contributions pursuant to subsection (2)
4 of section 79-958 to the School Employees Retirement System of the State
5 of Nebraska to the extent that such expenditures exceed the employer
6 contributions under such subsection that would have been made at a
7 contribution rate of seven and thirty-five hundredths percent or (ii)
8 expenditures to pay for school district contributions pursuant to
9 subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the retirement
10 system established pursuant to the Class V School Employees Retirement
11 Act to the extent that such expenditures exceed the school district
12 contributions under such subdivision that would have been made at a
13 contribution rate of seven and thirty-seven hundredths percent, and (g)
14 any amounts paid by the district for lobbyist fees and expenses reported
15 to the Clerk of the Legislature pursuant to section 49-1483.

16 For purposes of this subdivision (22) of this section, receipts from
17 levy override elections shall equal ninety-nine percent of the difference
18 of the total general fund levy minus the maximum levy authorized pursuant
19 to subdivision (2)(a) of section 77-3442 ~~a levy of one dollar and five~~
20 ~~cents per one hundred dollars of taxable valuation~~ multiplied by the
21 assessed valuation for school districts that have voted pursuant to
22 section 77-3444 to override the maximum levy provided pursuant to section
23 77-3442;

24 (23) Income tax liability means the amount of the reported income
25 tax liability for resident individuals pursuant to the Nebraska Revenue
26 Act of 1967 less all nonrefundable credits earned and refunds made;

27 (24) Income tax receipts means the amount of income tax collected
28 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
29 credits earned and refunds made;

30 (25) Limited English proficiency students means the number of
31 students with limited English proficiency in a district from the most

1 recent data available on November 1 of the school fiscal year preceding
2 the school fiscal year in which aid is to be paid plus the difference of
3 such students with limited English proficiency minus the average number
4 of limited English proficiency students for such district, prior to such
5 addition, for the three immediately preceding school fiscal years if such
6 difference is greater than zero;

7 (26) Local system means a unified system or a school district;

8 (27) Low-income child means a child under nineteen years of age
9 living in a household having an annual adjusted gross income for the
10 second calendar year preceding the beginning of the school fiscal year
11 for which aid is being calculated equal to or less than the maximum
12 household income pursuant to sections 9(b)(1) and 17(c)(4) of the Richard
13 B. Russell National School Lunch Act, 42 U.S.C. 1758(b)(1) and 42 U.S.C.
14 1766(c)(4), respectively, and sections 3(a)(6) and 4(e)(1)(A) of the
15 Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6) and 42 U.S.C. 1773(e)
16 (1)(A), respectively, as such acts and sections existed on January 1,
17 2021, for a household of that size that would have allowed the child to
18 meet the income qualifications for free meals during the school fiscal
19 year immediately preceding the school fiscal year for which aid is being
20 calculated;

21 (28) Low-income students means the number of low-income children
22 within the district multiplied by the ratio of the formula students in
23 the district divided by the total children under nineteen years of age
24 residing in the district as derived from income tax information;

25 (29) Most recently available complete data year means the most
26 recent single school fiscal year for which the annual financial report,
27 fall school district membership report, annual statistical summary,
28 Nebraska income tax liability by school district for the calendar year in
29 which the majority of the school fiscal year falls, and adjusted
30 valuation data are available;

31 (30) Poverty students means the unadjusted poverty students plus the

1 difference of such unadjusted poverty students minus the average number
2 of poverty students for such district, prior to such addition, for the
3 three immediately preceding school fiscal years if such difference is
4 greater than zero;

5 (31) Qualified early childhood education average daily membership
6 means the product of the average daily membership of students who will be
7 eligible to attend kindergarten the following school year and are
8 enrolled in an early childhood education program approved by the
9 department pursuant to section 79-1103 for such school district for such
10 school year multiplied by the ratio of the actual instructional hours of
11 the program divided by one thousand thirty-two if: (a) The program is
12 receiving a grant pursuant to such section for the third year; (b) the
13 program has already received grants pursuant to such section for three
14 years; or (c) the program has been approved pursuant to subsection (5) of
15 section 79-1103 for such school year and the two preceding school years,
16 including any such students in portions of any of such programs receiving
17 an expansion grant;

18 (32) Qualified early childhood education fall membership means the
19 product of membership on October 1 of each school year of students who
20 will be eligible to attend kindergarten the following school year and are
21 enrolled in an early childhood education program approved by the
22 department pursuant to section 79-1103 for such school district for such
23 school year multiplied by the ratio of the planned instructional hours of
24 the program divided by one thousand thirty-two if: (a) The program is
25 receiving a grant pursuant to such section for the third year; (b) the
26 program has already received grants pursuant to such section for three
27 years; or (c) the program has been approved pursuant to subsection (5) of
28 section 79-1103 for such school year and the two preceding school years,
29 including any such students in portions of any of such programs receiving
30 an expansion grant;

31 (33) Regular route transportation means the transportation of

1 students on regularly scheduled daily routes to and from the schools such
2 students attend;

3 (34) Reorganized district means any district involved in a
4 consolidation and currently educating students following consolidation;

5 (35) School year or school fiscal year means the fiscal year of a
6 school district as defined in section 79-1091;

7 (36) Sparse local system means a local system that is not a very
8 sparse local system but which meets the following criteria:

9 (a)(i) Less than two students per square mile in the county in which
10 each high school is located, based on the school district census, (ii)
11 less than one formula student per square mile in the local system, and
12 (iii) more than ten miles between each high school and the next closest
13 high school on paved roads;

14 (b)(i) Less than one and one-half formula students per square mile
15 in the local system and (ii) more than fifteen miles between each high
16 school and the next closest high school on paved roads;

17 (c)(i) Less than one and one-half formula students per square mile
18 in the local system and (ii) more than two hundred seventy-five square
19 miles in the local system; or

20 (d)(i) Less than two formula students per square mile in the local
21 system and (ii) the local system includes an area equal to ninety-five
22 percent or more of the square miles in the largest county in which a high
23 school is located in the local system;

24 (37) Special education means specially designed kindergarten through
25 grade twelve instruction pursuant to section 79-1125, and includes
26 special education transportation;

27 (38) Special grant funds means the budgeted receipts for grants,
28 including, but not limited to, categorical funds, reimbursements for
29 wards of the court, short-term borrowings including, but not limited to,
30 registered warrants and tax anticipation notes, interfund loans,
31 insurance settlements, and reimbursements to county government for

1 previous overpayment. The state board shall approve a listing of grants
2 that qualify as special grant funds;

3 (39) State aid means the amount of assistance paid to a district
4 pursuant to the Tax Equity and Educational Opportunities Support Act;

5 (40) State board means the State Board of Education;

6 (41) State support means all funds provided to districts by the
7 State of Nebraska for the general fund support of elementary and
8 secondary education;

9 (42) Statewide average basic funding per formula student means the
10 statewide total basic funding for all districts divided by the statewide
11 total formula students for all districts;

12 (43) Statewide average general fund operating expenditures per
13 formula student means the statewide total general fund operating
14 expenditures for all districts divided by the statewide total formula
15 students for all districts;

16 (44) Teacher has the definition found in section 79-101;

17 (45) Tuition receipts from converted contracts means tuition
18 receipts received by a district from another district in the most
19 recently available complete data year pursuant to a converted contract
20 prior to the expiration of the contract;

21 (46) Tuitioned students means students in kindergarten through grade
22 twelve of the district whose tuition is paid by the district to some
23 other district or education agency;

24 (47) Unadjusted poverty students means the greater of the number of
25 low-income students or the free lunch and free milk calculated students
26 in a district; and

27 (48) Very sparse local system means a local system that has:

28 (a)(i) Less than one-half student per square mile in each county in
29 which each high school is located based on the school district census,
30 (ii) less than one formula student per square mile in the local system,
31 and (iii) more than fifteen miles between the high school and the next

1 closest high school on paved roads; or

2 (b)(i) More than four hundred fifty square miles in the local
3 system, (ii) less than one-half student per square mile in the local
4 system, and (iii) more than fifteen miles between each high school and
5 the next closest high school on paved roads.

6 Sec. 12. (1) The Education Stabilization Base Aid Trust Fund is
7 created. The fund shall consist of money credited to the fund pursuant to
8 section 77-27,132 and money transferred to the fund by the Legislature,
9 and all such money shall be held in trust solely for the purposes of
10 paying state aid pursuant to the Tax Equity and Educational Opportunities
11 Support Act. Any excess money in the fund shall be reserved for future
12 payments of such state aid.

13 (2) It is the intent of the Legislature that the State Treasurer
14 shall transfer a monthly amount from the General Fund to the Education
15 Stabilization Base Aid Trust Fund beginning in July 2022. It is further
16 the intent of the Legislature that such monthly amount shall match the
17 total amount of money credited to the Education Stabilization Base Aid
18 Trust Fund during such month pursuant to section 77-27,132.

19 (3) Any money in the Education Stabilization Base Aid Trust Fund
20 available for investment shall be invested by the state investment
21 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
22 State Funds Investment Act, and the earnings, if any, shall be credited
23 to the fund.

24 Sec. 13. Section 79-1024, Revised Statutes Cumulative Supplement,
25 2020, is amended to read:

26 79-1024 (1) The department may require each district to submit to
27 the department a duplicate copy of such portions of the district's budget
28 statement as the Commissioner of Education directs. The department may
29 verify any data used to meet the requirements of the Tax Equity and
30 Educational Opportunities Support Act. The Auditor of Public Accounts
31 shall review each district's budget statement for statutory compliance,

1 make necessary changes in the budget documents for districts to
2 effectuate the budget limitations imposed pursuant to sections 79-1023 to
3 79-1030, and notify the Commissioner of Education of any district failing
4 to submit to the auditor the budget documents required pursuant to this
5 subsection by the date established in subsection (1) of section 13-508 or
6 failing to make any corrections of errors in the documents pursuant to
7 section 13-504 or 13-511.

8 (2) If a school district fails to submit to the department or the
9 auditor the budget documents required pursuant to subsection (1) of this
10 section by the date established in subsection (1) of section 13-508 or
11 fails to make any corrections of errors in the documents pursuant to
12 section 13-504 or 13-511, the commissioner, upon notification from the
13 auditor or upon his or her own knowledge that the required budget
14 documents and any required corrections of errors from any school district
15 have not been properly filed in accordance with the Nebraska Budget Act
16 and after notice to the district and an opportunity to be heard, shall
17 direct that any state aid granted pursuant to the Tax Equity and
18 Educational Opportunities Support Act be withheld until such time as the
19 required budget documents or corrections of errors are received by the
20 auditor and the department. In addition, the commissioner shall direct
21 the county treasurer to withhold all school money belonging to the school
22 district until such time as the commissioner notifies the county
23 treasurer of receipt of the required budget documents or corrections of
24 errors. The county treasurer shall withhold such money. ~~For school~~
25 ~~districts that are members of learning communities, a determination of~~
26 ~~school money belonging to the district shall be based on the~~
27 ~~proportionate share of property tax receipts allocated to the school~~
28 ~~district by the learning community coordinating council for school fiscal~~
29 ~~years prior to school fiscal year 2017-18, and the county treasurer shall~~
30 ~~withhold any such school money in the possession of the county treasurer~~
31 ~~from the school district.~~ If the school district does not comply with

1 this section prior to the end of the state's biennium following the
2 biennium which included the fiscal year for which state aid was
3 calculated, the state aid funds shall revert to the General Fund. The
4 amount of any reverted funds shall be included in data provided to the
5 Governor in accordance with section 79-1031. The board of any district
6 failing to submit to the department or the auditor the budget documents
7 required pursuant to this section by the date established in subsection
8 (1) of section 13-508 or failing to make any corrections of errors in the
9 documents pursuant to section 13-504 or 13-511 shall be liable to the
10 school district for all school money which such district may lose by such
11 failing.

12 Sec. 14. Section 79-1041, Revised Statutes Cumulative Supplement,
13 2020, is amended to read:

14 79-1041 ~~Each county treasurer of a county with territory in a~~
15 ~~learning community shall distribute any funds collected by such county~~
16 ~~treasurer from the common general fund levy of such learning community to~~
17 ~~each member school district pursuant to section 79-1073 at least once~~
18 ~~each month.~~

19 Each county treasurer shall, upon request of a majority of the
20 members of the school board or board of education in any school district,
21 at least once each month distribute to the district any funds collected
22 by such county treasurer for school purposes.

23 Sec. 15. Section 79-1081, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 79-1081 The tax for bond interest for a Class IV school district
26 shall in no one year exceed such amount as will, with the balance on hand
27 in such fund, be sufficient to pay the bond interest as it becomes due.
28 The tax for the bond sinking fund shall not exceed a sum sufficient to
29 pay the principal of such bonds as it becomes due or to pay each year
30 such number of the bonds as will retire them all at or before their
31 maturity. The amount of tax levied for the retirement plan fund and for

1 general school purposes shall be without restriction, except that the
2 combination of all such levies shall not exceed the limits in section
3 77-3442 and such levies aggregate school tax levy for all purposes shall
4 not in any one year exceed such rate as shall be necessary to provide the
5 sums reported in the estimate returned in accordance with section
6 79-1085. The total amount of tax levied for all special building funds
7 ~~the building and equipment fund~~ shall not ~~in any one year~~ exceed fourteen
8 ~~cents on each one hundred dollars within~~ the limits provided in section
9 77-3442.

10 Sec. 16. Section 79-1082, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 79-1082 The ~~aggregate school~~ tax levies for a Class V school
13 district, including the levy for special building funds ~~the site and~~
14 ~~building fund~~ as authorized by section 79-10,126, shall be subject to the
15 limits provided in section 77-3442.

16 Sec. 17. Section 79-10,110, Revised Statutes Cumulative Supplement,
17 2020, is amended to read:

18 79-10,110 (1) Prior to April 19, 2016, after making a determination
19 that an actual or potential environmental hazard or accessibility barrier
20 exists, that a life safety code violation exists, or that expenditures
21 are needed for indoor air quality or mold abatement and prevention within
22 the school buildings or grounds under its control, a school board may
23 make and deliver to the county clerk of such county in which any part of
24 the school district is situated, not later than the date provided in
25 section 13-508, an itemized estimate of the amounts necessary to be
26 expended for the abatement of such environmental hazard, for
27 accessibility barrier elimination, or for modifications for life safety
28 code violations, indoor air quality, or mold abatement and prevention in
29 such school buildings or grounds. The board shall designate the
30 particular environmental hazard abatement project, accessibility barrier
31 elimination project, or modification for life safety code violations,

1 indoor air quality, or mold abatement and prevention for which the tax
2 levy provided for by this section will be expended, the period of years,
3 which shall not exceed ten years, for which the tax will be levied for
4 such project, and the estimated amount of the levy for each year of the
5 period based on the taxable valuation of the district at the time of
6 issuance.

7 (2) Prior to April 19, 2016, after a public hearing, a school board
8 may undertake any qualified capital purpose in any qualified zone academy
9 under its control and may levy a tax as provided in this section to repay
10 a qualified zone academy bond issued for such undertaking. The board
11 shall designate: (a) The particular qualified capital purpose for which
12 the qualified zone academy bond was issued and for which the tax levy
13 provided for by this section will be expended; (b) the period of years
14 for which the tax will be levied to repay such qualified zone academy
15 bond, not exceeding the maturity term for such qualified zone academy
16 bond established pursuant to federal law or, for any such bond issued
17 prior to May 20, 2009, fifteen years; and (c) the estimated amount of the
18 levy for each year of the period based on the taxable valuation of the
19 district at the time of issuance. The hearing required by this subsection
20 shall be held only after notice of such hearing has been published for
21 three consecutive weeks prior to the hearing in a legal newspaper
22 published or of general circulation in the school district.

23 (3) Prior to April 19, 2016, after a public hearing, a school board
24 may undertake any American Recovery and Reinvestment Act of 2009 purpose
25 and may levy a tax to repay any American Recovery and Reinvestment Act of
26 2009 bond issued for such undertaking. The board shall designate: (a) The
27 American Recovery and Reinvestment Act of 2009 purpose for which the
28 American Recovery and Reinvestment Act of 2009 bond will be issued and
29 for which the tax levy provided by this section will be expended; (b) the
30 period of years for which the tax will be levied to repay such American
31 Recovery and Reinvestment Act of 2009 bond, not exceeding the maturity

1 term for the type of American Recovery and Reinvestment Act of 2009 bond
2 established pursuant to federal law or, if no such term is established,
3 thirty years; and (c) the estimated amount of the levy for each year of
4 such period based on the taxable valuation of the district at the time of
5 issuance. Prior to the public hearing, the school board shall prepare an
6 itemized estimate of the amounts necessary to be expended for the
7 American Recovery and Reinvestment Act of 2009 purpose. The hearing
8 required by this subsection shall be held only after notice of such
9 hearing has been published for three consecutive weeks prior to the
10 hearing in a legal newspaper published or of general circulation in the
11 school district.

12 (4) Prior to April 19, 2016, the board may designate more than one
13 project under subsection (1) of this section, more than one qualified
14 capital purpose under subsection (2) of this section, or more than one
15 American Recovery and Reinvestment Act of 2009 purpose under subsection
16 (3) of this section and levy a tax pursuant to this section for each such
17 project, qualified capital purpose, or American Recovery and Reinvestment
18 Act of 2009 purpose, concurrently or consecutively, as the case may be,
19 if the aggregate levy in each year and the duration of each such levy
20 will not exceed the limitations specified in this section. Each levy for
21 a project, a qualified capital purpose, or an American Recovery and
22 Reinvestment Act of 2009 purpose which is authorized by this section may
23 be imposed for such duration as the board specifies, notwithstanding the
24 contemporaneous existence or subsequent imposition of any other levy for
25 another project, qualified capital purpose, or American Recovery and
26 Reinvestment Act of 2009 purpose imposed pursuant to this section and
27 notwithstanding the subsequent issuance by the district of bonded
28 indebtedness payable from its general fund levy.

29 (5) The county clerk shall levy such taxes within the limits
30 prescribed in subdivisions (2)(b) and (c) of section 77-3442, not to
31 exceed five and one-fifth cents per one hundred dollars of taxable

1 valuation on the taxable property of the district necessary to (a) cover
2 the environmental hazard abatement or accessibility barrier elimination
3 project costs or costs for modification for life safety code violations,
4 indoor air quality, or mold abatement and prevention itemized by the
5 board pursuant to subsection (1) of this section and (b) repay any
6 qualified zone academy bonds or American Recovery and Reinvestment Act of
7 2009 bonds pursuant to subsection (2) or (3) of this section. Such taxes
8 shall be collected by the county treasurer at the same time and in the
9 same manner as county taxes are collected and when collected shall be
10 paid to the treasurer of the district and used to cover the project
11 costs.

12 (6) Each board which submits an itemized estimate shall establish an
13 environmental hazard abatement and accessibility barrier elimination
14 project account, a life safety code modification project account, an
15 indoor air quality project account, or a mold abatement and prevention
16 project account, each board which undertakes a qualified capital purpose
17 shall establish a qualified capital purpose undertaking account, within
18 the qualified capital purpose undertaking fund, and each board which
19 undertakes an American Recovery and Reinvestment Act of 2009 purpose
20 shall establish an American Recovery and Reinvestment Act of 2009 purpose
21 undertaking account. Taxes collected pursuant to this section shall be
22 credited to the appropriate account to cover the project or undertaking
23 costs. Such estimates may be presented to the county clerk and taxes
24 levied accordingly.

25 (7) For purposes of this section:

26 (a) Abatement includes, but is not limited to, any inspection and
27 testing regarding environmental hazards, any maintenance to reduce,
28 lessen, put an end to, diminish, moderate, decrease, control, dispose of,
29 or eliminate environmental hazards, any removal or encapsulation of
30 environmentally hazardous material or property, any related restoration
31 or replacement of material or property, any related architectural and

1 engineering services, and any other action to reduce or eliminate
2 environmental hazards in the school buildings or on the school grounds
3 under the board's control, except that abatement does not include the
4 encapsulation of any material containing more than one percent friable
5 asbestos;

6 (b) Accessibility barrier means anything which impedes entry into,
7 exit from, or use of any building or facility by all people;

8 (c) Accessibility barrier elimination includes, but is not limited
9 to, inspection for and removal of accessibility barriers, maintenance to
10 reduce, lessen, put an end to, diminish, control, dispose of, or
11 eliminate accessibility barriers, related restoration or replacement of
12 facilities or property, any related architectural and engineering
13 services, and any other action to eliminate accessibility barriers in the
14 school buildings or grounds under the board's control;

15 (d) American Recovery and Reinvestment Act of 2009 bond means any
16 type or form of bond permitted by the federal American Recovery and
17 Reinvestment Act of 2009, as such act or bond may be amended and
18 supplemented, including the federal Hiring Incentives to Restore
19 Employment Act, as amended and supplemented, for use by schools, except
20 qualified zone academy bonds;

21 (e) American Recovery and Reinvestment Act of 2009 purpose means any
22 construction of a new public school facility or the acquisition of land
23 on which such a facility is to be constructed or any expansion,
24 rehabilitation, modernization, renovation, or repair of any existing
25 school facilities financed in whole or in part with an American Recovery
26 and Reinvestment Act of 2009 bond;

27 (f) Environmental hazard means any contamination of the air, water,
28 or land surface or subsurface caused by any substance adversely affecting
29 human health or safety if such substance has been declared hazardous by a
30 federal or state statute, rule, or regulation;

31 (g) Modification for indoor air quality includes, but is not limited

1 to, any inspection and testing regarding indoor air quality, any
2 maintenance to reduce, lessen, put an end to, diminish, moderate,
3 decrease, control, dispose of, or eliminate indoor air quality problems,
4 any related restoration or replacement of material or related
5 architectural and engineering services, and any other action to reduce or
6 eliminate indoor air quality problems or to enhance air quality
7 conditions in new or existing school buildings or on school grounds under
8 the control of a school board;

9 (h) Modification for life safety code violation includes, but is not
10 limited to, any inspection and testing regarding life safety codes, any
11 maintenance to reduce, lessen, put an end to, diminish, moderate,
12 decrease, control, dispose of, or eliminate life safety hazards, any
13 related restoration or replacement of material or property, any related
14 architectural and engineering services, and any other action to reduce or
15 eliminate life safety hazards in new or existing school buildings or on
16 school grounds under the control of a school board;

17 (i) Modification for mold abatement and prevention includes, but is
18 not limited to, any inspection and testing regarding mold abatement and
19 prevention, any maintenance to reduce, lessen, put an end to, diminish,
20 moderate, decrease, control, dispose of, or eliminate mold problems, any
21 related restoration or replacement of material or related architectural
22 and engineering services, and any other action to reduce or eliminate
23 mold problems or to enhance air quality conditions in new or existing
24 school buildings or on school grounds under the control of a school
25 board;

26 (j) Qualified capital purpose means (i) rehabilitating or repairing
27 the public school facility in which the qualified zone academy is
28 established or (ii) providing equipment for use at such qualified zone
29 academy;

30 (k) Qualified zone academy has the meaning found in (i) 26 U.S.C.
31 1397E(d)(4), as such section existed on October 3, 2008, for qualified

1 zone academy bonds issued on or before such date, and (ii) 26 U.S.C.
2 54E(d)(1), as such section existed on October 4, 2008, for qualified zone
3 academy bonds issued on or after such date;

4 (1) Qualified zone academy allocation means the allocation of the
5 qualified zone academy bond limitation by the State Department of
6 Education to the qualified zone academies pursuant to (i) 26 U.S.C.
7 1397E(e)(2), as such section existed on October 3, 2008, for allocations
8 relating to qualified zone academy bonds issued on or before such date,
9 and (ii) 26 U.S.C. 54E(c)(2), as such section existed on October 4, 2008,
10 for allocations relating to qualified zone academy bonds issued on or
11 after such date; and

12 (m) Qualified zone academy bond has the meaning found in (i) 26
13 U.S.C. 1397E(d)(1), as such section existed on October 3, 2008, for such
14 bonds issued on or before such date, and (ii) 26 U.S.C. 54E(a), as such
15 section existed on and after October 4, 2008, for such bonds issued on or
16 after such date, as such section or bonds may be amended or supplemented.

17 (8) Accessibility barrier elimination project costs includes, but is
18 not limited to, inspection, maintenance, accounting, emergency services,
19 consultation, or any other action to reduce or eliminate accessibility
20 barriers.

21 (9)(a) For the purpose of paying amounts necessary for the abatement
22 of environmental hazards, for accessibility barrier elimination, for
23 modifications for life safety code violations, indoor air quality, or
24 mold abatement and prevention, for a qualified capital purpose, or for an
25 American Recovery and Reinvestment Act of 2009 purpose, the board may
26 borrow money, establish a sinking fund, and issue bonds and other
27 evidences of indebtedness of the district, which bonds and other
28 evidences of indebtedness shall be secured by and payable from an
29 irrevocable pledge by the district of amounts received in respect of the
30 tax levy provided for by this section and any other funds of the district
31 available therefor. Bonds issued for a qualified capital purpose or an

1 American Recovery and Reinvestment Act of 2009 purpose shall be limited
2 to the type or types of bonds authorized for each purpose in subsections
3 (2) and (3) of this section, respectively. Bonds and other evidences of
4 indebtedness issued by a district pursuant to this subsection shall be
5 payable from the levy for special building funds authorized pursuant to
6 subdivisions (2)(b) and (c) of section 77-3442 and shall not constitute a
7 general obligation of the district or be payable from any portion of its
8 general fund levy.

9 (b) A district may, to the extent allowed under subdivisions (2)(b)
10 and (c) of section 77-3442, exceed the maximum levy of five and one-fifth
11 cents per one hundred dollars of taxable valuation authorized by
12 subsection (5) of this section in any year in which (i) the taxable
13 valuation of the district is lower than the taxable valuation in the year
14 in which the district last issued bonds pursuant to this section and (ii)
15 such maximum levy is insufficient to meet the combined annual principal
16 and interest obligations for all bonds issued pursuant to this section.
17 The amount generated from a district's levy in excess of the maximum levy
18 upon the taxable valuation of the district authorized by subsection (5)
19 of this section shall not exceed the combined annual principal and
20 interest obligations for such bonds minus the amount generated by levying
21 the maximum levy upon the taxable valuation of the district and minus any
22 federal payments or subsidies associated with such bonds.

23 (10) The total principal amount of bonds for modifications to
24 correct life safety code violations, for indoor air quality problems, for
25 mold abatement and prevention, or for an American Recovery and
26 Reinvestment Act of 2009 purpose which may be issued pursuant to this
27 section shall not exceed the total amount specified in the itemized
28 estimate described in subsections (1) and (3) of this section.

29 (11) The total principal amount of qualified zone academy bonds
30 which may be issued pursuant to this section for qualified capital
31 purposes with respect to a qualified zone academy shall not exceed the

1 qualified zone academy allocation granted to the board by the department.
2 The total amount that may be financed by qualified zone academy bonds
3 pursuant to this section for qualified purposes with respect to a
4 qualified zone academy shall not exceed seven and one-half million
5 dollars statewide in a single year. In any year that the Nebraska
6 qualified zone academy allocations exceed seven and one-half million
7 dollars for qualified capital purposes to be financed with qualified zone
8 academy bonds issued pursuant to this section, (a) the department shall
9 reduce such allocations proportionally such that the statewide total for
10 such allocations equals seven and one-half million dollars and (b) the
11 difference between the Nebraska allocation and seven and one-half million
12 dollars shall be available to qualified zone academies for requests that
13 will be financed with qualified zone academy bonds issued without the
14 benefit of this section.

15 Nothing in this section directs the State Department of Education to
16 give any preference to allocation requests that will be financed with
17 qualified zone academy bonds issued pursuant to this section.

18 (12) The State Department of Education shall establish procedures
19 for allocating bond authority to school boards as may be necessary
20 pursuant to an American Recovery and Reinvestment Act of 2009 bond.

21 Sec. 18. Section 79-10,110.02, Revised Statutes Cumulative
22 Supplement, 2020, is amended to read:

23 79-10,110.02 (1) On and after April 19, 2016, the school board of
24 any school district may make a determination that an additional property
25 tax levy is necessary for a specific abatement project to address an
26 actual or potential environmental hazard, accessibility barrier, life
27 safety code violation, life safety hazard, or mold which exists within
28 one or more existing school buildings or the school grounds of existing
29 school buildings controlled by the school district. Such determination
30 shall not include abatement projects related to the acquisition of new
31 property, the construction of a new building, the expansion of an

1 existing building, or the remodeling of an existing building for purposes
2 other than the abatement of environmental hazards, accessibility
3 barriers, life safety code violations, life safety hazards, or mold. Upon
4 such determination, the school board may, not later than the date
5 provided in section 13-508, make and deliver to the county clerk of such
6 county in which any part of the school district is situated an itemized
7 estimate of the amounts necessary to be expended for such abatement
8 project, any insurance proceeds or other anticipated funds that will be
9 received by the school district related to the abatement project, the
10 period of years for which the property tax will be levied for such
11 project, and the estimated amount of the levy for each year of the period
12 based on the taxable valuation of the district at the time of issuance.
13 The period of years for such levy shall not exceed ten years and the levy
14 for such project when combined with all other levies pursuant to this
15 section and section 79-10,110 shall not exceed three cents per one
16 hundred dollars of taxable valuation or the limits prescribed in
17 subdivisions (2)(b) and (c) of section 77-3442. Nothing in this section
18 shall affect levies pursuant to section 79-10,110.

19 (2) The county clerk shall levy such taxes and such taxes shall be
20 collected by the county treasurer at the same time and in the same manner
21 as county taxes are collected and when collected shall be paid to the
22 treasurer of the district. A separate abatement project account shall be
23 established for each project by the school district. Taxes collected
24 pursuant to this section shall be credited to the appropriate account to
25 cover the project costs.

26 (3) For purposes of this section:

27 (a) Abatement includes, but is not limited to, any related
28 inspection and testing, any maintenance to reduce, lessen, put an end to,
29 diminish, moderate, decrease, control, dispose of, eliminate, or remove
30 the issue causing the need for abatement, any related restoration or
31 replacement of material or property, any related architectural and

1 engineering services, and any other action to reduce or eliminate the
2 issue causing the need for abatement in existing school buildings or on
3 the school grounds of existing school buildings under the board's
4 control;

5 (b) Accessibility barrier means anything which impedes entry into,
6 exit from, or use of any building or facility by all people; and

7 (c) Environmental hazard means any contamination of the air, water,
8 or land surface or subsurface caused by any substance adversely affecting
9 human health or safety if such substance has been declared hazardous by a
10 federal or state statute, rule, or regulation.

11 (4) For the purpose of paying amounts necessary for the abatement
12 project, the board may borrow money, establish a sinking fund, and issue
13 bonds and other evidences of indebtedness of the district, which bonds
14 and other evidences of indebtedness shall be secured by and payable from
15 an irrevocable pledge by the district of amounts received in respect of
16 the tax levy provided for by this section and any other funds of the
17 district available therefor. Bonds and other evidences of indebtedness
18 issued by a district pursuant to this subsection shall be payable from
19 the levy for special building funds authorized pursuant to subdivisions
20 (2)(b) and (c) of section 77-3442 and shall not constitute a general
21 obligation of the district or be payable from any portion of its general
22 fund levy. The total principal amount of bonds for abatement projects
23 pursuant to this section shall not exceed the total amount specified in
24 the itemized estimate described in subsection (1) of this section.

25 (5) A district may, to the extent allowed under subdivisions (2)(b)
26 and (c) of section 77-3442, exceed the maximum levy of three cents per
27 one hundred dollars of taxable valuation authorized by this section in
28 any year in which (a) the taxable valuation of the district is lower than
29 the taxable valuation in the year in which the district last issued bonds
30 pursuant to this section and (b) such maximum levy is insufficient to
31 meet the combined annual principal and interest obligations for all bonds

1 issued pursuant to this section and section 79-10,110. The amount
2 generated from a district's levy in excess of three cents per one hundred
3 dollars of taxable valuation shall not exceed the combined annual
4 principal and interest obligations for such bonds minus the amount
5 generated by levying three cents per one hundred dollars of taxable
6 valuation.

7 Sec. 19. Section 79-10,120, Revised Statutes Cumulative Supplement,
8 2020, is amended to read:

9 79-10,120 The school board or board of education of any school
10 district may establish a special fund for purposes of acquiring sites for
11 school buildings or teacherages, purchasing existing buildings for use as
12 school buildings or teacherages, including the sites upon which such
13 buildings are located, and the erection, alteration, equipping, and
14 furnishing of school buildings or teacherages and additions to school
15 buildings for elementary and high school grades and for no other purpose.
16 The fund shall be established from the proceeds of an annual levy, to be
17 determined by the board, ~~of~~ not to exceed the limits pursuant to
18 subdivisions (2)(b) and (c) of section 77-3442 ~~fourteen cents on each one~~
19 ~~hundred dollars upon the taxable value of all taxable property in the~~
20 ~~district which shall be in addition to any other taxes authorized to be~~
21 ~~levied for school purposes.~~ Such tax shall be levied and collected as are
22 other taxes for school purposes.

23 Sec. 20. Section 79-10,126, Revised Statutes Cumulative Supplement,
24 2020, is amended to read:

25 79-10,126 For school fiscal year 2017-18 and each school fiscal year
26 thereafter, each Class V school district shall establish (1) for the
27 general operation of the schools, such fund as will result from an annual
28 levy of such rate of tax upon the taxable value of all the taxable
29 property in such school district as the board of education determines to
30 be necessary for such purpose and within the limits prescribed in
31 subdivision (2)(a) of section 77-3442, (2) a fund resulting from an

1 annual amount of tax to be determined by the board of education, ~~of not~~
2 to exceed the limits prescribed in subdivisions (2)(b) and (c) of section
3 77-3442, fourteen cents on each one hundred dollars upon the taxable
4 value of all the taxable property in the district for the purpose of
5 acquiring sites of school buildings and the erection, alteration,
6 equipping, and furnishing of school buildings and additions to school
7 buildings, which tax levy shall be used for no other purposes, and (3) a
8 further fund resulting from an annual amount of tax to be determined by
9 the board of education to pay interest on and retiring, funding, or
10 servicing of bonded indebtedness approved by the legal voters of the
11 district.

12 Sec. 21. Section 79-2104, Revised Statutes Cumulative Supplement,
13 2020, is amended to read:

14 79-2104 A learning community coordinating council shall have the
15 authority to:

16 ~~(1) For fiscal years prior to fiscal year 2017-18, levy a common~~
17 ~~levy for the general funds of member school districts pursuant to~~
18 ~~sections 77-3442 and 79-1073;~~

19 ~~(1)~~ (2) Levy for elementary learning center facility leases, for
20 remodeling of leased elementary learning center facilities, and for up to
21 fifty percent of the estimated cost for focus school or program capital
22 projects approved by the learning community coordinating council pursuant
23 to subdivision (2)(f) of section 77-3442 and section 79-2111;

24 ~~(2)~~ (3) Levy for early childhood education programs for children in
25 poverty, for elementary learning center employees, for contracts with
26 other entities or individuals who are not employees of the learning
27 community for elementary learning center programs and services, and for
28 pilot projects pursuant to subdivision (2)(g) of section 77-3442, except
29 that not more than ten percent of such levy may be used for elementary
30 learning center employees;

31 (3) (4) Develop, submit, administer, and evaluate community

1 achievement plans in collaboration with the advisory committee,
2 educational service units serving member school districts, member school
3 districts, and the student achievement coordinator or other department
4 staff designated by the Commissioner of Education;

5 (4) ~~(5)~~ Collect, analyze, and report data and information,
6 including, but not limited to, information provided by a school district
7 pursuant to subsection (5) of section 79-201;

8 (5) ~~(6)~~ Approve focus schools and focus programs to be operated by
9 member school districts;

10 (6) ~~(7)~~ Adopt, approve, and implement a diversity plan pursuant to
11 sections 79-2110 and 79-2118;

12 (7) ~~(8)~~ Through school year 2016-17, administer the open enrollment
13 provisions in section 79-2110 for the learning community as part of a
14 diversity plan developed by the council to provide educational
15 opportunities which will result in increased diversity in schools across
16 the learning community;

17 (8) ~~(9)~~ Annually conduct school fairs to provide students and
18 parents the opportunity to explore the educational opportunities
19 available at each school in the learning community and develop other
20 methods for encouraging access to such information and promotional
21 materials;

22 (9) ~~(10)~~ Develop procedures for determining best practices for
23 addressing student achievement barriers and for disseminating such
24 practices within the learning community and to other school districts;

25 (10) ~~(11)~~ Establish and administer elementary learning centers
26 through achievement subcouncils pursuant to sections 79-2112 to 79-2114;

27 (11) ~~(12)~~ Administer the learning community funds distributed to the
28 learning community pursuant to section 79-2111;

29 (12) ~~(13)~~ Establish a procedure for receiving community input and
30 complaints regarding the learning community;

31 (13) ~~(14)~~ Establish a procedure to assist parents, citizens, and

1 member school districts in accessing an approved center pursuant to the
2 Dispute Resolution Act to resolve disputes involving member school
3 districts or the learning community. Such procedure may include payment
4 by the learning community for some mediation services;

5 (14) ~~(15)~~ Establish and administer pilot projects related to
6 enhancing the academic achievement of elementary students, particularly
7 students who face challenges in the educational environment due to
8 factors such as poverty, limited English skills, and mobility;

9 (15) ~~(16)~~ Provide funding to public or private entities engaged in
10 the juvenile justice system providing pre-filing and diversion programming
11 designed to reduce excessive absenteeism and unnecessary involvement with
12 the juvenile justice system; and

13 (16) ~~(17)~~ Hold public hearings at its discretion in response to
14 issues raised by residents regarding the learning community, a member
15 school district, and academic achievement.

16 Sec. 22. Section 79-2404, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 79-2404 If the school board of any school district or the board of
19 any educational service unit fails to timely file a copy of an approved
20 contract, or contract amendment, for superintendent services or
21 educational service unit administrator services with the State Department
22 of Education as required in section 79-2403, the Commissioner of
23 Education, after notice to the board president and either the
24 superintendent or educational service unit administrator and an
25 opportunity to be heard, shall direct that any state aid granted pursuant
26 to the Tax Equity and Educational Opportunities Support Act to the school
27 district or core services and technology infrastructure funds granted
28 pursuant to section 79-1241.03 to the educational service unit be
29 withheld until such time as the contract or amendment is received by the
30 department. In addition, the commissioner shall direct each county
31 treasurer of a county with territory in the school district or

1 educational service unit to withhold all money belonging to the school
2 district or educational service unit until such time as the commissioner
3 notifies such county treasurer of receipt of such contract or amendment.
4 Each such county treasurer shall withhold such money.—~~For school~~
5 ~~districts that are members of learning communities, a determination of~~
6 ~~school money belonging to the school district shall be based on the~~
7 ~~proportionate share of property tax receipts allocated to the school~~
8 ~~district pursuant to section 79-1073 in addition to the other property~~
9 ~~tax receipts belonging to the school district.~~ If the board does not
10 comply with this section prior to October 1 following the school fiscal
11 year for which the state aid or core services and technology
12 infrastructure funding was calculated, the funds shall revert to the
13 General Fund. The amount of any reverted funds shall be included in data
14 provided to the Governor, the Appropriations Committee of the
15 Legislature, and the Education Committee of the Legislature in accordance
16 with section 79-1031.

17 Sec. 23. Section 81-12,193, Revised Statutes Cumulative Supplement,
18 2020, is amended to read:

19 81-12,193 (1) The Nebraska Transformational Project Fund is hereby
20 created. The fund shall receive money from application fees paid under
21 the Nebraska Transformational Projects Act and from appropriations from
22 the Legislature, grants, private contributions, repayments of matching
23 funds, and all other sources. Any money in the fund available for
24 investment shall be invested by the state investment officer pursuant to
25 the Nebraska Capital Expansion Act and the Nebraska State Funds
26 Investment Act.

27 (2) It is the intent of the Legislature that the State Treasurer
28 shall transfer an amount not to exceed three hundred million dollars to
29 the Nebraska Transformational Project Fund. Such transfers shall only
30 occur after the applicant has been selected for participation in the
31 program described in Title VII, Subtitle C, section 740 of Public Law

1 116-92 and commitments totaling one billion three hundred million dollars
2 in total investment, including only federal dollars and private
3 donations, have been secured. In no case shall any transfer occur before
4 fiscal year 2025-26 ~~or before the total amount of refundable credits~~
5 ~~granted annually under the Nebraska Property Tax Incentive Act reaches~~
6 ~~three hundred seventy-five million dollars.~~ Distributions shall only be
7 made from the fund in amounts equal to the amount of private dollars
8 received by the applicant for the project.

9 (3) Any money remaining in the fund after all obligations have been
10 met shall be transferred to the General Fund.

11 Sec. 24. Original sections 70-651.04, 79-1081, 79-1082, and
12 79-2404, Reissue Revised Statutes of Nebraska, sections 79-525, 79-528,
13 79-1001, 79-1024, 79-1041, 79-10,110, 79-10,110.02, 79-10,120, 79-10,126,
14 79-2104, and 81-12,193, Revised Statutes Cumulative Supplement, 2020, and
15 sections 77-1736.06, 77-27,132, 77-3442, 77-4212, 77-4602, 77-6703, and
16 79-1003, Revised Statutes Supplement, 2021, are repealed.

17 Sec. 25. The following sections are outright repealed: Sections
18 79-1073 and 79-10,126.01, Revised Statutes Cumulative Supplement, 2020.

19 Sec. 26. Since an emergency exists, this act takes effect when
20 passed and approved according to law.