

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1099

Introduced by Wickersham, 49

Read first time January 15, 2002

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 13-520 and 79-1029, Revised Statutes Supplement, 2000,
3 and sections 13-519 and 79-1028, Revised Statutes
4 Supplement, 2001; to change budget limitations as
5 prescribed; to provide an operative date; to repeal the
6 original sections; and to declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-519, Revised Statutes Supplement,
2 2001, is amended to read:

3 13-519. (1) For fiscal years beginning on or after July
4 1, 1996, and before July 1, 1997, no governmental unit shall adopt
5 a budget containing a total of budgeted restricted funds more than
6 the last prior year's total of budgeted restricted funds plus
7 population growth plus two percent expressed in dollars. For
8 cities of the first and second class and villages, restricted funds
9 shall be reduced to take into account the fourteen-month fiscal
10 year for 1995-96. For fiscal years beginning on or after July 1,
11 1997, and before July 1, 1998, no governmental unit shall adopt a
12 budget containing a total of budgeted restricted funds more than
13 the last prior year's total of budgeted restricted funds plus
14 population growth expressed in dollars. For all fiscal years
15 beginning on or after July 1, 1998, no governmental unit shall
16 adopt a budget containing a total of budgeted restricted funds more
17 than the last prior year's total of budgeted restricted funds plus
18 allowable growth plus the basic allowable growth percentage of the
19 base limitation established under section 77-3446.

20 (2) For all fiscal years beginning on or after July 1,
21 1998, and before July 1, 1999, the last prior year's total of
22 restricted funds shall be the last prior year's total of restricted
23 funds not excluding restricted funds budgeted for acquisition or
24 replacement of tangible personal property with a useful life of
25 five years or more in the last prior year or the year before the
26 last prior year, whichever excluded the most, plus restricted funds
27 budgeted to pay for lease-purchase contracts approved on or after
28 July 1, 1997, and before July 1, 1998, to the extent the lease

1 payments are not budgeted restricted funds for fiscal year 1997-98.
2 For all fiscal years beginning on or after July 1, 2001, and before
3 July 1, 2002, the last prior year's total of restricted funds shall
4 be the last prior year's total of restricted funds plus any amount
5 budgeted to be received from the Natural Resources Enhancement Fund
6 in fiscal year 1999-2000.

7 (3) For all fiscal years beginning on or after July 1,
8 2003, the current year's total of restricted funds shall be
9 adjusted by subtracting an amount equal to the last prior year's
10 total receipts of motor vehicle taxes minus the prior year's
11 budgeted receipts of motor vehicle taxes.

12 (4) If a governmental unit transfers the financial
13 responsibility of providing a service financed in whole or in part
14 with restricted funds to another governmental unit or the state,
15 the amount of restricted funds associated with providing the
16 service shall be subtracted from the last prior year's total of
17 budgeted restricted funds for the previous provider and may be
18 added to the last prior year's total of restricted funds for the
19 new provider. For governmental units that have consolidated, the
20 calculations made under this section for consolidating units shall
21 be made based on the combined total of restricted funds,
22 population, or full-time equivalent students of each governmental
23 unit.

24 ~~(2)~~ (5) In addition to the ~~increase~~ other increases
25 allowed in ~~subsection (1)~~ of this section, for fiscal years
26 beginning on or after July 1, 1998, and before July 1, 1999, a
27 governmental unit may increase its budget of restricted funds no
28 more than four percent to create or increase an existing qualified

1 sinking fund or funds upon the affirmative vote of at least
2 seventy-five percent of the governing body. Any unused authority
3 granted in this subsection may not be carried forward under section
4 13-521.

5 ~~(3)~~ (6) A governmental unit may exceed the limit provided
6 in ~~subsection (1)~~ of this section for a fiscal year by up to an
7 additional one percent upon the affirmative vote of at least
8 seventy-five percent of the governing body.

9 ~~(4)~~ (7) A governmental unit may exceed the applicable
10 allowable growth percentage otherwise prescribed in this section by
11 an amount approved by a majority of legal voters voting on the
12 issue at a special election called for such purpose upon the
13 recommendation of the governing body or upon the receipt by the
14 county clerk or election commissioner of a petition requesting an
15 election signed by at least five percent of the legal voters of the
16 governmental unit. The recommendation of the governing body or the
17 petition of the legal voters shall include the amount and
18 percentage by which the governing body would increase its budgeted
19 restricted funds for the ensuing year over and above the current
20 year's budgeted restricted funds. The county clerk or election
21 commissioner shall call for a special election on the issue within
22 fifteen days after the receipt of such governing body
23 recommendation or legal voter petition. The election shall be held
24 pursuant to the Election Act, and all costs shall be paid by the
25 governing body. The issue may be approved on the same question as
26 a vote to exceed the levy limits provided in section 77-3444.

27 ~~(5)~~ (8) In lieu of the election procedures in subsection
28 ~~(4)~~ (7) of this section, any governmental unit may exceed the

1 allowable growth percentage otherwise prescribed in this section by
2 an amount approved by a majority of legal voters voting at a
3 meeting of the residents of the governmental unit, called after
4 notice is published in a newspaper of general circulation in the
5 governmental unit at least twenty days prior to the meeting. At
6 least ten percent of the registered voters residing in the
7 governmental unit shall constitute a quorum for purposes of taking
8 action to exceed the allowable growth percentage. If a majority of
9 the registered voters present at the meeting vote in favor of
10 exceeding the allowable growth percentage, a copy of the record of
11 that action shall be forwarded to the Auditor of Public Accounts
12 along with the budget documents. The issue to exceed the allowable
13 growth percentage may be approved at the same meeting as a vote to
14 exceed the limits or final levy allocation provided in section
15 77-3444.

16 Sec. 2. Section 13-520, Revised Statutes Supplement,
17 2000, is amended to read:

18 13-520. The limitations in section 13-519 shall not
19 apply to (1) restricted funds budgeted for capital improvements,
20 (2) restricted funds expended from a qualified sinking fund for
21 acquisition or replacement of tangible personal property with a
22 useful life of five years or more, (3) restricted funds pledged to
23 retire bonded indebtedness, used by a public airport to retire
24 interest-free loans from the Department of Aeronautics in lieu of
25 bonded indebtedness at a lower cost to the public airport, or used
26 to pay other financial instruments that are approved and agreed to
27 before July 1, 1999, in the same manner as bonds by a governing
28 body created under section 35-501, (4) restricted funds budgeted in

1 support of a service which is the subject of an agreement or a
2 modification of an existing agreement whether operated by one of
3 the parties to the agreement or by an independent joint entity or
4 joint public agency, except that, beginning with fiscal years
5 beginning on or after July 1, 2002, such agreements or
6 modifications shall not include contracts to purchase goods or
7 services if the goods or services purchased are made generally
8 available to the public by the other party to the agreement, (5)
9 restricted funds budgeted to pay for repairs to infrastructure
10 damaged by a natural disaster which is declared a disaster
11 emergency pursuant to the Emergency Management Act, or (6)
12 restricted funds budgeted to pay for judgments, except judgments or
13 orders from the Commission of Industrial Relations, obtained
14 against a governmental unit which require or obligate a
15 governmental unit to pay such judgment, to the extent such judgment
16 is not paid by liability insurance coverage of a governmental unit.

17 Sec. 3. Section 79-1028, Revised Statutes Supplement,
18 2001, is amended to read:

19 79-1028. (1) A Class II, III, IV, V, or VI school
20 district may exceed the local system's allowable growth rate for
21 (a) expenditures in support of a service which is the subject of an
22 agreement or a modification of an existing agreement whether
23 operated by one of the parties to the agreement or an independent
24 joint entity or joint public agency, except that, beginning with
25 fiscal years beginning on or after July 1, 2002, such agreements or
26 modifications shall not include contracts to purchase goods or
27 services if the goods or services are made generally available to
28 the public by the other party to the agreement, (b) expenditures to

1 pay for repairs to infrastructure damaged by a natural disaster
 2 which is declared a disaster emergency pursuant to the Emergency
 3 Management Act, (c) expenditures to pay for judgments, except
 4 judgments or orders from the Commission of Industrial Relations,
 5 obtained against a school district which require or obligate a
 6 school district to pay such judgment, to the extent such judgment
 7 is not paid by liability insurance coverage of a school district,
 8 (d) expenditures to pay for sums agreed to be paid by a school
 9 district to certificated employees in exchange for a voluntary
 10 termination of employment, or (e) expenditures to pay for
 11 lease-purchase contracts approved on or after July 1, 1997, and
 12 before July 1, 1998, to the extent the lease payments were not
 13 budgeted expenditures for fiscal year 1997-98.

14 (2) A Class II, III, IV, V, or VI district may exceed its
 15 applicable allowable growth rate by a specific dollar amount if the
 16 district projects an increase in formula students in the district
 17 over the current school year greater than twenty-five students or
 18 greater than those listed in the schedule provided in this
 19 subsection, whichever is less. Districts shall project increases
 20 in formula students on forms prescribed by the department. The
 21 department shall approve, deny, or modify the projected increases.

22	Average daily	Projected increase
23	membership of	of formula students
24	district	by percentage
25	0 - 50	10
26	50.01 - 250	5
27	250.01 - 1,000	3
28	1,000.01 and over	1

1 The department shall compute the district's estimated
2 allowable budget per pupil using the budgeted general fund
3 expenditures found on the budget statement for the current school
4 year divided by the number of formula students in the current
5 school year and multiplied by the district's applicable allowable
6 growth rate. The resulting allowable budget per pupil shall be
7 multiplied by the projected formula students to arrive at the
8 estimated budget needs for the ensuing year. The department shall
9 allow the district to increase its general fund budget of
10 expenditures for the ensuing school year by the amount necessary to
11 fund the estimated budget needs of the district as computed
12 pursuant to this subsection. On or before February 1, the
13 department shall make available to districts which have been
14 allowed additional growth pursuant to this subsection the necessary
15 document to recalculate the actual formula students of such
16 district. Such document shall be filed with the department under
17 subsection (1) of section 79-1024.

18 (3) A Class II, III, IV, V, or VI district may exceed its
19 applicable allowable growth rate by a specific dollar amount if
20 construction, expansion, or alteration of district buildings will
21 cause an increase in building operation and maintenance costs of at
22 least five percent. The department shall document the projected
23 increase in building operation and maintenance costs and may allow
24 a Class II, III, IV, V, or VI district to exceed the local system's
25 applicable allowable growth percentage by the amount necessary to
26 fund such increased costs. The department shall compute the actual
27 increased costs for the school year and shall, if needed, modify
28 the local system's applicable allowable growth rate for the ensuing

1 school year.

2 (4) A Class II, III, IV, V, or VI district may exceed its
3 applicable allowable growth rate by a specific dollar amount if the
4 district demonstrates to the satisfaction of the department that it
5 will exceed its applicable allowable growth rate as a result of
6 costs pursuant to the Retirement Incentive Plan authorized in
7 section 79-855 or the Staff Development Assistance authorized in
8 section 79-856. The department shall compute the amount by which
9 the increased cost of such program or programs exceeds the
10 district's applicable allowable growth rate and shall allow the
11 district to increase its general fund expenditures by such amount
12 for that fiscal year.

13 Sec. 4. Section 79-1029, Revised Statutes Supplement,
14 2000, is amended to read:

15 79-1029. (1) A Class II, III, IV, V, or VI district may
16 exceed the ~~basic~~ applicable allowable growth rate prescribed in
17 section ~~79-1025~~ 79-1026 upon an affirmative vote of at least
18 seventy-five percent of the board. The total growth shall not
19 exceed the applicable allowable growth percentage certified for the
20 local system under section 79-1026 plus one percent. The vote
21 shall be taken at a public meeting of the board following a special
22 public hearing called for the purpose of receiving testimony on
23 such proposed increase. The board shall give at least five
24 calendar days' notice of such public hearing and shall publish such
25 notice at least once in a newspaper of general circulation in the
26 local system.

27 (2) A Class II, III, IV, V, or VI district may exceed the
28 applicable allowable growth percentage prescribed in section

1 79-1026 by an amount approved by a majority of legal voters voting
2 on the issue at a primary, general, or special election called for
3 such purpose upon the recommendation of the board or upon the
4 receipt by the county clerk or election commissioner of a petition
5 requesting an election signed by at least five percent of the legal
6 voters of the district. The recommendation of the board or the
7 petition of the legal voters shall include the amount and
8 percentage by which the board would increase its general fund
9 budget of expenditures for the ensuing school year over and above
10 the current year's general fund budget of expenditures. The county
11 clerk or election commissioner shall place the question on the
12 primary or general election ballot or call for a special election
13 on the issue after the receipt of such board recommendation or
14 legal voter petition. The election shall be held pursuant to the
15 Election Act or section 77-3444, and all costs for a special
16 election shall be paid by the district. A vote to exceed the
17 applicable allowable growth percentage may be approved on the same
18 question as a vote to exceed the levy limits provided in section
19 77-3444.

20 Sec. 5. This act becomes operative on July 1, 2002.

21 Sec. 6. Original sections 13-520 and 79-1029, Revised
22 Statutes Supplement, 2000, and sections 13-519 and 79-1028, Revised
23 Statutes Supplement, 2001, are repealed.

24 Sec. 7. Since an emergency exists, this act takes effect
25 when passed and approved according to law.