

Session Laws

LEGISLATIVE BILL 1063

Approved by the Governor March 18, 1992

Introduced by Warner, 25; Landis, 46; Withem, 14, at the request of the Governor

AN ACT relating to revenue and taxation; to amend sections 2-2444, 13-501, 13-503, 13-508, 13-509, 14-1821, 15-808, 16-702, 17-955, 17-957, 18-2107, 21-17,126, 23-104, 23-132, 23-227, 23-250, 23-259, 23-320.07, 23-3201, 23-3501, 23-3502, 23-3515, 23-3552, 31-333, 31-410.01, 31-411.02, 31-447, 31-513, 31-711, 31-739, 31-773, 31-779, 32-4,114, 35-507, 39-1518, 39-1621, 46-541, 46-542, 46-543, 46-544, 46-631, 77-101, 77-103, 77-398, 77-399, 77-3,100, 77-505, 77-506, 77-507.01, 77-508, 77-604, 77-908, 77-1201, 77-1202, 77-1209, 77-1209.02, 77-1209.03, 77-1211, 77-1219, 77-1229, 77-1229.01, 77-1232, 77-1233.02, 77-1233.04, 77-1233.05, 77-1236, 77-1238, 77-1239, 77-1240.01, 77-1241.01, 77-1248, 77-1249, 77-1301, 77-1301.07, 77-1301.12, 77-1303, 77-1311.01, 77-1315, 77-1317, 77-1338, 77-1342, 77-1502, 77-1503.01, 77-1514, 77-1601, 77-1612, 77-1613, 77-1617, 77-1618, 77-1703, 77-1704, 77-1802, 77-1803, 77-1804, 77-1806, 77-1807, 77-1808, 77-1810, 77-1812, 77-1814, 77-1815, 77-1818, 77-1820, 77-1823, 77-1824, 77-1826, 77-1827, 77-1829, 77-1830, 77-1831, 77-1832, 77-1833, 77-1834, 77-1836, 77-1842, 77-1845, 77-1846, 77-1847, 77-1848, 77-1856, 77-1904, 77-1906, 77-1907, 77-1909, 77-1910, 77-1911, 77-1912, 77-1914, 77-1915, 77-1916, 77-1917, 77-1918, 77-2734.03, 77-27,136, 77-27,137, 77-27,139, 77-3402, 77-3411, 77-3701, 79-547.03, 79-1007, 79-1372, and 79-2210, Reissue Revised Statutes of Nebraska, 1943, section 79-903, Revised Statutes Supplement, 1990, sections 77-112, 77-201, 77-202, 77-509, 77-510, 77-1301.01, 77-1504, 77-1506.02, 77-1510, 77-1736.06, 77-2708, 77-3437, 77-3438, 77-3439, 77-3440, 77-3441, 79-2203, 79-3814, 79-3816, 79-3818, and 79-3819, Revised Statutes Supplement, 1991, sections 77-2701 and 77-2703, Revised Statutes

Supplement, 1991, as amended by sections 3 and 25, respectively, Legislative Bill 871, Ninety-second Legislature, Second Session, 1992, Laws 1981, LB 81, section 6, and Laws 1981, LB 81, section 5, as amended by Laws 1986, LB 124, section 3, and Laws 1991, LB 137, section 2; to change dates and other provisions relating to listing, valuation of, levy on, and levy certification for property for taxation purposes; to eliminate references to actual value and intangible property; to define and redefine terms; to provide alternate methods for taxation of personal property; to change exemptions from the Nebraska Budget Act; to provide powers and duties for county clerks acting as ex officio county assessors; to impose a fee on fertilizers and soil conditioners; to provide for and eliminate property tax exemptions; to provide for taxation of improvements on leased lands and mobile homes as real property; to change and eliminate penalties; to change provisions relating to removal or demolition of real property; to change provisions relating to property tax refunds; to provide for refunds of sales and use taxes paid on agricultural machinery and equipment; to change the collection fee for sales and use tax collectors; to change provisions relating to a tax credit; to change state aid for counties; to change provisions relating to limitations on political subdivision budgets and the Tax Equity and Educational Opportunities Support Act; to change and provide termination dates; to correct and change operative date and repealer provisions; to eliminate provisions on tax commissioners for cities of the primary class, the applicability of prior legislation, and mobile home stickers; to harmonize provisions; to provide duties for the Revisor of Statutes; to provide operative dates; to provide for inseverability; to repeal the original sections, and also sections 13-514, 15-318, 15-319, 15-320, 15-321, 77-103.01, 77-202.46, 77-202.47, 77-1209.04, 77-1209.05, 77-1212, 77-1725, 77-27,140, 77-3702, 77-3703, 77-3704, and 77-3705, Reissue Revised Statutes of Nebraska, 1943; and to declare an emergency.

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county treasurer. The proceeds of such tax, as collected, shall be remitted to the treasurer of the board not less frequently than once each month.

Sec. 202. That section 79-3814, Revised Statutes Supplement, 1991, be amended to read as follows:

79-3814. (1) Except as provided in subsection (2) of this section, beginning with budgets adopted for school year 1990-91, no district shall increase its general fund budget of expenditures more than the applicable allowable growth percentage. The Legislature shall annually establish an allowable growth range which shall be expressed as basic allowable growth rates plus a specified number of percentage points. The Legislature shall set the basic allowable growth rates based on projections of available state revenue and the cost of living and cost of education from nationally accepted cost indexes which shall be provided by the Nebraska Economic Forecasting Advisory Board, the Legislative Fiscal Analyst, the Department of Revenue, and the State Department of Education.

(2) Notwithstanding any of the provisions of subsection (1) of this section and sections 79-3815 to 79-3821 for budgets adopted for school ~~year~~ fiscal years 1991-92 through 1994-95, the general fund budget of expenditures of each district shall not exceed the general fund budget of expenditures adopted for ~~school year 1990-91~~ the immediately preceding school fiscal year unless a district, pursuant to the procedures and requirements specified in subsection (1) of section 79-3820, by an affirmative vote of seventy-five percent of the school board, votes to exceed such limitation, in which case the budget limitations and all other provisions of subsection (1) of this section and sections 79-3815 to 79-3821 shall apply.

Sec. 203. That section 79-3816, Revised Statutes Supplement, 1991, be amended to read as follows:

79-3616. Beginning with school fiscal year 1990-91 and each school fiscal year thereafter, the basic allowable growth rate for general fund expenditures other than expenditures for special education shall be four percent and the allowable growth range shall be from four percent to six and one-half percent. The budget authority for special education shall be the actual anticipated expenditures for special education subject to the approval of the state board. Such budget authority shall be used only for special education expenditures. ~~The basic allowable growth rate~~

~~for budgeted general fund expenditures for special education shall be the average of each district's growth in actual expenditures for special education for the most recently available two year period but shall not be less than the district's allowable growth rate computed pursuant to subdivision (3) of section 79-3817 nor more than two times the statewide average growth in actual expenditures for special education for the same two year period.~~

Sec. 204. That section 79-3818, Revised Statutes Supplement, 1991, be amended to read as follows:

79-3818. Beginning with the budget adopted for the 1990-91 school fiscal year, no district shall adopt a budget, which includes contingency funds, depreciation funds, and necessary general fund cash reserves, exceeding the applicable allowable reserve percentages of total general fund budget of expenditures as specified in the ~~following~~ following schedule set forth in this section.

Average daily membership of district	Allowable reserve percentage
0-471	50
471.01-3,044	40
3,044.01-10,000	30
10,000.01 and over	25
<u>0 - 471</u>	45
<u>471.01 - 3,044</u>	35
<u>3,044.01 - 10,000</u>	25
<u>10,000.01 and over</u>	20

On or before July 1 of each year, the department shall determine and certify each district's applicable allowable reserve percentage.

Each district with combined necessary general fund cash reserves, depreciation funds, and contingency funds less than the applicable allowable reserve percentage specified in this section may, notwithstanding the district's applicable allowable growth percentage, increase its necessary general fund cash reserves by an amount which will increase its combined necessary general fund cash reserves, depreciation funds, and contingency funds by two percent of its total general fund budget of expenditures, except that (1) a district shall not increase such necessary general fund cash reserves when such increase will result in total necessary general fund cash reserves, depreciation funds, and contingency funds which exceed the applicable allowable reserve percentage and (2) a

district may increase such necessary general fund cash reserves in excess of such two percent limitation due to projected increases in federal funds.

Sec. 205. That section 79-3819, Revised Statutes Supplement, 1991, be amended to read as follows:

79-3819. A district may exceed its applicable allowable growth rate by a specific dollar amount in the situations described in this section.

(1) A district demonstrates to the satisfaction of the state board that a new program is required by state or federal law or an existing program mandated by state or federal law has been expanded as a result of changes in such state or federal law. For purposes of this ~~subdivision~~ subsection, a final order of a court from which no appeal is taken which requires reimbursement by a district of property taxes to a taxpayer shall be considered a new program required by state or federal law but shall not be included as part of the general fund budget of expenditures for purposes of section 79-3814.

(2) The district projects an increase in formula students in the district over the current school year greater than twenty-five students or greater than those listed in the schedule provided in this subsection, whichever is less. Districts shall project increases in formula students on forms prescribed by the department. The state board shall approve, deny, or modify ~~any the~~ projected increases, ~~greater than these listed in the following schedule~~.

Average daily membership of district	Projected increase of formula student by percentage
0 - 50	10
50.01 - 250	5
250.01 - 1,000	3
1,000.01 and over	1

The department shall compute the district's estimated allowable budget per pupil using the budgeted general fund expenditures found on the budget statement for the current school year divided by the number of formula students in the current school year and multiplied by the district's applicable allowable growth rate. The resulting allowable budget per pupil shall be multiplied by the projected formula students to arrive at the estimated budget needs for the ensuing year. The department shall allow the district to increase its general fund budget of expenditures for the ensuing school year by the amount necessary to fund the

estimated budget needs of the district as computed pursuant to this ~~subdivision~~ subsection. On or before July 1 of each year, the department shall make needed revisions in the applicable allowable growth rate of districts which have been allowed additional growth pursuant to this ~~subdivision~~ subsection to reflect the actual formula students of such district and shall certify such revisions to each district.

(3) Construction, expansion, or alteration of district buildings will cause an increase in building operation and maintenance costs of at least five percent. The department shall document the projected increase in building operation and maintenance costs and may allow a district to exceed its applicable allowable growth percentage by the amount necessary to fund such increased costs. The department shall compute the actual increased costs for the school year and shall, if needed, modify the district's applicable allowable growth rate for the ensuing school year.

~~(4) A district demonstrates to the satisfaction of the state board that additional special education students will enroll in the district for the ensuing school year and will result in an increase in budgeted general fund expenditures for special education. The department shall determine the amount by which a district may exceed its applicable allowable growth rate for special education expenditures based on projected additional special education costs to the district.~~

~~(5) For the ensuing school year a district is bound by the terms of a long-term collective bargaining contract negotiated prior to July 10, 1990, and during a preceding school year to raise employee salaries by a percentage greater than such district's applicable allowable growth rate. The department shall compute the amount by which the increase in employee salaries exceeds the district's applicable allowable growth rate and shall allow the district to increase its general fund budget of expenditures by such amount.~~

Sec. 206. That Laws 1981, LB 81, section 5, as amended by Laws 1986, LB 124, section 3, and Laws 1991, LB 137, section 2, be amended to read as follows:

Sec. 5. Section 6 of this act as amended by section 207 of this act shall become operative on January 1, 1995. The other sections of this act shall become come operative on their effective date.

Sec. 207. That Laws 1981, LB 81, section 6, be amended to read as follows:

Sec. 6. That sections 46-614 to 46-630 and

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