

LEGISLATIVE BILL 269

Approved by the Governor June 5, 1997

Introduced by Revenue Committee: Warner, 25, Chairperson; Coordsen, 32; Hartnett, 45; Kristensen, 37; Landis, 46; Schellpeper, 18; Wickersham, 49; Will, 8

AN ACT relating to revenue and taxation; to amend sections 3-504.02, 13-807, 14-1805, 14-1813, 71-1637, 71-1638, 77-201, 77-203, 77-913, 77-1340, 77-1601 to 77-1601.02, 77-1606 to 77-1610, 77-1613, 77-1613.01, 77-1616, 77-1706, 77-27,139.02, 77-27,139.03, 77-3442, 77-3443, 77-3444, 79-528, 79-1008, 79-1024, 79-1078, 80-202, 80-407, 81-1113, 85-1501, 85-1511, 85-1516, 85-1521, and 85-1535, Reissue Revised Statutes of Nebraska, sections 2-958, 2-2428, 3-504, 3-613, 13-318, 13-322, 13-323, 13-508, 13-518, 13-804, 13-2304, 13-2305, 13-2307, 14-1821, 18-2107, 19-3315, 22-402, 22-402.03, 22-402.04, 22-405, 22-405.01, 22-416, 22-417, 51-201, 51-501, 85-1503, 85-1515, 85-1517, and 85-1536, Revised Statutes Supplement, 1996, section 2-203.01, Revised Statutes Supplement, 1996, as amended by section 8, Legislative Bill 469, Ninety-fifth Legislature, First Session, 1997, and section 23-153, Revised Statutes Supplement, 1996, as amended by section 1, Legislative Bill 40, Ninety-fifth Legislature, First Session, 1997; to change provisions relating to determining and certifying property tax levies; to provide for joint fire protection and emergency services; to change provisions relating to weather control districts, budget documents, transit authorities, local government innovation and restructuring, and consolidation agreements and elections; to provide for taxation of replacement tangible personal property; to change the date personal property taxes are delinquent; to provide for the transfer of county assessor duties to the Property Tax Administrator; to change provisions for distribution and allocation of property tax revenue and state aid to political subdivisions; to eliminate provisions related to additional property tax levies, shade trees, county board meetings, personal property tax collection, and school district levies; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal sections 18-801 to 18-807, 77-205, 77-206, and 79-1073, Reissue Revised Statutes of Nebraska, sections 13-320 and 13-321, Revised Statutes Supplement, 1996, and section 23-278, Reissue Revised Statutes of Nebraska, as amended by section 3, Legislative Bill 40, Ninety-fifth Legislature, First Session, 1997; and to declare an emergency.

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

Section 1. Section 2-958, Revised Statutes Supplement, 1996, is amended to read:

2-958. (1) There is hereby authorized to be established a noxious weed control fund for each control authority, which fund shall be available for expenses authorized to be paid from such fund, including necessary expenses of the control authority in carrying out its duties and responsibilities under the Noxious Weed Control Act. The weed control superintendent within the county shall (a) ascertain and tabulate each year the approximate amount of land infested with noxious weeds and its location in the county, (b) ascertain and prepare all information required by the county board in the preparation of the county budget, including actual and expected revenue from all sources, cash balances, expenditures, amounts proposed to be expended during the year, and working capital, and (c) transmit such information tabulated by the control authority to the county board not later than June 1 of each year. ~~On the basis of such information, the county board may make a tax levy each year for the purpose of paying the expenses authorized to be paid from the noxious weed central fund. Funds so collected shall be deposited to such noxious weed control fund.~~

(2) There is hereby created the Noxious Weed Cash Fund. The fund shall consist of proceeds raised from fees imposed for the registration of pesticides and earmarked for the fund pursuant to section 2-2634 and any reimbursement funds for control work done pursuant to subdivision (1)(b)(vi) of section 2-954. An amount from the General Fund matching the earmarked proceeds shall be appropriated for and deposited in the Noxious Weed Cash Fund annually. The Department of Agriculture shall request matching funds from the General Fund based upon the prior year's revenue earmarked for the Noxious

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systems with multiple school districts, the county clerk shall certify to each school district the combined valuation of the school system with the multiple school districts and the proportion of valuation in each district by September 10. The county clerk shall also certify the preliminary levy based on the combined valuation and the amount requested for the school system for the prior year. The rate shall be calculated by dividing the amount requested for property taxes in the budget of the previous year by the final valuation in the political subdivision for the current year. For any political subdivision levying that received taxes in from more than one county, the county clerks of all the affected counties shall agree on clerk of the county where the office of the political subdivision is located shall set the preliminary levy. Except for school systems with multiple school districts, the preliminary levy shall be published for each political subdivision in a newspaper of general circulation in the county on or before September 15.

The preliminary levy shall be considered as the final levy as set by the county board of equalization in section 77-1601 unless changed by the political subdivision pursuant to section 77-1601.02 prior to October 15 ~~31~~. This section does not apply to levies for the retirement of bonded indebtedness approved according to law and secured with a levy on property.

Sec. 43. Section 77-1601.02, Reissue Revised Statutes of Nebraska, is amended to read:

77-1601.02. (1) Through 1997, the ~~The~~ preliminary levy certified in section 77-1601.01 shall be the final levy unless the governing body of a political subdivision passes by a majority vote a resolution or ordinance setting the levy at a different amount. Beginning in 1998, the preliminary levy certified in section 77-1601.01 shall be the final levy unless the governing body of the county, municipality, school district, sanitary and improvement district, natural resources district, educational service unit, or community college passes by a majority vote a resolution or ordinance getting the levy at a different amount. School systems with multiple school districts shall hold a hearing to approve or modify the preliminary systemwide levies on or before ~~September 15~~ October 20. For a school system with multiple districts, the school board of the Class VI school district or kindergarten through grade twelve district shall have the authority to set the tax ~~rate~~ levy for the school system. Such resolution or ordinance shall only be passed after a special public hearing called for such purpose is held and after notice is published in a newspaper of general circulation in the area of the political subdivision at least five days prior to the hearing. Any resolution setting a tax levy under this section shall be certified and forwarded to the county clerk.

(2) Any tax levy which is not in compliance with section 77-1601.01 or this section shall be construed as an unauthorized levy under section 77-1606. and certified.

Sec. 44. Section 77-1606, Reissue Revised Statutes of Nebraska, is amended to read:

77-1606. Any taxpayer may appeal from the action of the county board of equalization in making the levy, if in the judgment of such taxpayer the levy is for an unlawful or unnecessary purpose, or in excess of the requirements of a ~~county political subdivision~~, within the same time and in the same manner as appeals are now taken from the action of the county board to the Tax Equalization and Review Commission. It shall not be necessary for such taxpayer to appear before the county board of equalization at the time of the making of the levy or prior thereto in order to entitle him or her to such appeal. No appeal shall in any manner suspend the collection of any tax, nor the duties of the officers relating thereto during the pendency of the appeal, and all taxes ~~affected thereby which may be collected~~ based on such unauthorized levy or portion thereof shall be kept by the treasurer in a special fund without distribution.

Sec. 45. Section 77-1607, Reissue Revised Statutes of Nebraska, is amended to read:

77-1607. The appellant shall, within the time provided in section ~~25-1931~~ 77-5015, file a petition ~~in the district court~~ with the Tax Equalization and Review Commission setting forth the levy or levies appealed from and the amount or extent to which the appellant claims the levy or levies are illegal or excessive, and to that extent and no further shall such levy or levies be affected by such appeal. At the time of filing such petition, the appellant shall also file a copy thereof with the county treasurer and shall file ~~in the district court~~ with the commission an affidavit to the effect that he or she has filed a copy of such petition with the county treasurer.

Sec. 46. Section 77-1608, Reissue Revised Statutes of Nebraska, is amended to read:

77-1608. The ~~court~~ Tax Equalization and Review Commission shall

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of property tax levies committed to provide for principal and interest payments on the indebtedness of all incorporated municipalities, divided by the total amount of valuation subject to property tax in all incorporated municipalities for the immediately preceding fiscal year;

(3) Population means the population of a municipality as determined in section 77-3,119; and

(4) Population group means one of three groupings of municipalities for which the aid established by sections 77-27,139.01 to 77-27,139.04 is calculated based on the average per capita property tax levy calculated separately for each group. The three population groups shall be (a) municipalities with a population of five thousand inhabitants or more, (b) municipalities with a population between eight hundred and five thousand inhabitants, and (c) municipalities with a population of eight hundred inhabitants or less. ~~Qualifying municipality means any municipality whose property tax levy for operational purposes in the immediately preceding fiscal year was greater than or equal to the statewide average property tax levy for the immediately preceding fiscal year.~~

Sec. 55. Section 77-27,139.03, Reissue Revised Statutes of Nebraska, is amended to read;

77-27,139.03. (1) State aid provided to municipalities pursuant to sections 77-27,139.01 to 77-27,139.04 shall be calculated by determining the average property tax levy for operational purposes other than for principal and interest payments on the indebtedness of all incorporated municipalities.

(2) Each ~~qualifying~~ municipality shall receive state aid from the Municipal Equalization Fund equal to (a) the product of the average per capita property tax levy of the appropriate population group multiplied by the current population of the municipality minus (b) the product of the average property tax levy multiplied by the certified valuation within the incorporated municipality, except that a municipality shall not receive any aid under this section if the calculation results in a negative number.

(3) If a municipal tax levy for operational purposes was less than forty cents per one hundred dollars of valuation in the immediately preceding fiscal year, the state aid provided to such municipality shall be reduced by twenty percent for each one-cent increment the levy was below forty cents.

(4) If the amount of money in the Municipal Equalization Fund is less than the total amount of state aid for all ~~qualifying~~ municipalities as required by the allocation formula in subsection (2) of this section, the money in the fund shall be allocated on a prorated basis to such municipalities. If the amount of money in the fund is more than the total amount of state aid for municipalities as required by the allocation formula, the excess money in the fund shall be transferred to and distributed from the Municipal Infrastructure Redevelopment Fund.

Sec. 56. Section 77-3442, Reissue Revised Statutes of Nebraska, is amended to read:

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

(2)(a) Except as provided in subdivision (2)(b) of this section, school districts and multiple-district school systems may levy a maximum levy of (i) one dollar and ten cents per one hundred dollars of taxable valuation of property subject to the levy until fiscal year 2001-02 and (ii) one dollar per one hundred dollars of taxable valuation of property subject to the levy for fiscal year 2001-02 and all subsequent fiscal years. Excluded from this limitation are amounts levied to pay for sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment and amounts levied to pay for special building funds and sinking funds established for projects commenced prior to April 1, 1996, for construction, expansion, or alteration of school district buildings. For purposes of this subsection, commenced means any action taken by the school board on the record which commits the board to expend district funds in planning, constructing, or carrying out the project.

(b) Federal aid school districts may exceed the maximum levy prescribed by subdivision (2)(a) of this section only to the extent necessary to qualify to receive federal aid pursuant to Title VIII of Public Law 103-382. For the purposes of this subdivision, federal aid school district means any school district which receives ten percent or more of the revenue for its general fund budget from federal government sources pursuant to Title VIII of Public Law 103-382.

(3) Community colleges may levy a maximum levy on each one hundred dollars of taxable property subject to the levy of (a) eight cents for fiscal year 1998-99 and fiscal year 1999-2000 and (b) seven cents for fiscal year

~~2000-01 and each fiscal year thereafter, eight cents per one hundred dollars of taxable valuation subject to the levy until fiscal year 2001-02 and (b) four cents per one hundred dollars of taxable valuation of property subject to the levy for fiscal year 2001-02 and all subsequent fiscal years.~~

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

(5) Educational service units may levy a maximum levy of one and one-half cents per one hundred dollars of taxable valuation of property subject to the levy.

(6) Incorporated cities and villages may levy a maximum levy of forty-five cents per one hundred, dollars of taxable valuation of property subject to the levy plus an additional five cents per one hundred dollars of taxable valuation to provide financing for the municipality's share of revenue required under an agreement executed pursuant to the Interlocal Cooperation Act.

(7) Sanitary and improvement districts which have been in existence for more than five years may levy a maximum levy of forty cents per one hundred dollars of taxable valuation of property subject to the levy, and sanitary and improvement districts which have been in existence for five years or less shall not have a maximum levy.

(8) Counties may levy or authorize a maximum levy of fifty cents per one hundred dollars of taxable valuation of property subject to the levy, except that five cents per one hundred dollars of taxable valuation of property subject to the levy may only be levied to provide financing for the county's share of revenue required under an agreement executed pursuant to the Interlocal Cooperation Act. The county may allocate up to fifteen cents of its authority to all other political subdivisions not specifically covered in this section to levy taxes as authorized by law which do not collectively exceed fifteen cents per one hundred dollars of taxable valuation on any parcel or item of taxable property. The county may allocate to one or more other political subdivisions subject to allocation of property tax authority by the county under subsection (1) of section 77-3443 some or all of the county's five cents per one hundred dollars of valuation authorized for support of an interlocal agreement to be levied by the political subdivision for the purpose of supporting that political subdivision's share of revenue required under an agreement executed pursuant to the Interlocal Cooperation Act.

(9) Property tax levies for judgments obtained against a political subdivision which require or obligate a political subdivision to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of a political subdivision, for preexisting lease-purchase contracts approved prior to July 1, 1998, and for bonded indebtedness approved according to law and secured by a levy on property are not included in the levy limits established by this section.

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

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

Sec. 57. Section 77-3443, Reissue Revised Statutes of Nebraska, is amended to read:

77-3443. (1) All (a) political subdivisions other than school districts, community colleges, natural resources districts, educational service units, cities, villages, counties, and sanitary and improvement districts and (b) political subdivisions subject to municipal allocation under subsection (2) of this section ~~and all county agricultural societies~~ may levy taxes as authorized by law which are authorized by the county board and are counted in the county levy limit provided in section 77-3442 and which do not collectively total more than fifteen cents per one hundred dollars of taxable valuation on any parcel or item of taxable property, except that such limitation shall not apply to property tax levies for preexisting lease-purchase contracts approved prior to July 1, 1998, and for bonded indebtedness approved according to law and secured by a levy on property. The county board shall review and approve or disapprove the levy request of all political subdivisions ~~and county agricultural societies~~ subject to this section subsection. The county board may approve all or a portion of the levy request, ~~but the county board shall not and may~~ approve a levy request that would allow the requesting political subdivision ~~or county agricultural society~~ to levy a tax at a levy greater than that permitted by law. The

county board of a county which contains a transit authority created pursuant to section 14-1603 shall allocate no less than three cents per one hundred dollars of taxable property within the city subject to the levy to the transit authority if requested by such authority. The levy request must be made on or before September 30. The county board of equalization shall set certify all levies by October 15 31 to insure that the taxes levied by political subdivisions and county agricultural societies subject to this section subsection do not exceed the allowable limit for any parcel or item of taxable property. The levy allocated by the county may be exceeded as provided in section 77-3444.

(2) All city airport authorities established under the Cities Airport Authorities Act, community redevelopment authorities established under the Community Development Law, transit authorities established under the Transit Authority Law, offstreet parking districts established under the Offstreet Parking District Act, public libraries or museums organized by a city or village pursuant to section 51-201 or 51-501, cities or villages employing visiting community nurses or home health nurses or establishing home health agencies, and cities or villages erecting statues, monuments, or memorials pursuant to section 60-202 may be allocated property taxes as authorized by law which are authorized by the city or village and are counted in the city or village levy limit provided by section 77-3442, except that such limitation shall not apply to property tax levies for preexisting lease-purchase contracts approved prior to July 1, 1998, and for bonded indebtedness approved according to law and secured by a levy on property. The city council of a city which has created a transit authority pursuant to section 14-1803 shall allocate no less than three cents per one hundred dollars of taxable property subject to the levy to the transit authority if requested by such authority. The city council or village board shall review and approve or disapprove the levy request of the political subdivisions subject to this subsection. The city council or village board may approve all or a portion of the levy request and may approve a levy request that would allow a levy greater than that permitted by law. The levy request must be made on or before September 30. The city council or village board shall set all levies by October 31.

Sec. 58. Section 77-3444, Reissue Revised Statutes of Nebraska, is amended to read:

77-3444. (1) A political subdivision may exceed the limits provided in section 77-3442 by an amount not to exceed a maximum levy approved by a majority of registered voters voting in a primary, general, or special election at which the issue is placed before the registered voters. A vote to exceed the limits provided in section 77-3442 must be approved prior to September 30 of the fiscal year which is to be the first to exceed the limits. The governing body of the political subdivision may call for the submission of the issue to the voters (a) by passing a resolution calling for exceeding the limits by a vote of at least two-thirds of the members of the governing body and delivering a copy of the resolution to the county clerk or election commissioner of every county which contains all or part of the political subdivision or (b) upon receipt of a petition by the county clerk or election commissioner of every county containing all or part of the political subdivision requesting an election signed by at least five percent of the registered voters residing in the political subdivision. The resolution or petition shall include the amount of levy which would be imposed in excess of the limits provided in section 77-3442 and the duration of the excess levy. The excess levy shall not have a duration greater than five years. The county clerk or election commissioner shall place the issue on the ballot at an election as called for in the resolution or petition which is at least thirty days after receipt of the resolution or petition. The election shall be held pursuant to the Election Act. Any excess levy approved under this section shall terminate pursuant to its terms, on a vote of the governing body of the political subdivision to terminate the authority to levy more than the limits, or at the end of the fourth fiscal year following the first year in which the levy exceeded the limit, whichever is earliest.

(2) In lieu of the election procedures in subsection (1) of this section, any political subdivision subject to section 77-3443 and villages may approve a levy in excess of the limits in section 77-3442 or the allocation provided ~~by the county board~~ in section 77-3443 for a period of one year at a meeting of the residents of the political subdivision or village, called after notice is published in a newspaper of general circulation in the political subdivision or village at least twenty days prior to the meeting. At least ten percent of the registered voters residing in the political subdivision or village shall constitute a quorum for purposes of taking action to exceed the limits. If a majority of those casting votes at the meeting vote in favor of

exceeding the limits, a copy of the record of that action shall be forwarded to the county board prior to September 30 and the county board shall authorize a levy as approved by the residents for the year.

(3) For purposes of this section, when the political subdivision is a sanitary and improvement district, registered voter means a person qualified to vote as provided in section 31-735. Any election conducted under this section for a sanitary and improvement district shall be conducted and counted as provided in sections 31-735 to 31-735.06.

Sec. 59. Section 79-528, Reissue Revised Statutes of Nebraska, is amended to read;

79-528. (1) On or before July 20 in all school districts, the secretary of the school board or board of education shall deliver to the county superintendent, to be filed in the county superintendent's office, a report under oath showing the number of children from birth through twenty years of age belonging to the school district according to the census taken as provided in sections 79-524 and 79-578. The report shall identify the number of boys and the number of girls in each of the respective age categories. Each Class I school district which is part of a Class VI school district offering instruction (a) in grades kindergarten through six shall report children from birth through eleven years of age and (b) in grades kindergarten through eight shall report children from birth through thirteen years of age. Each Class VI school district offering instruction (i) in grades seven through twelve shall report children who are twelve through twenty years of age and (ii) in grades nine through twelve children who are fourteen through twenty years of age. Each Class I district which has affiliated in whole or in part shall report children from birth through thirteen years of age. Each Class I district which is not in whole or in part a part of a Class VI district and which has not affiliated in whole or in part shall report children from birth through twenty years of age. Each Class II, III, IV, or V district shall report children who are fourteen through twenty years of age residing in Class I districts or portions thereof which have affiliated with such district. The board of any district neglecting to take and report the enumeration shall be liable to the school district for all school money which such district may lose by such neglect.

(2) On or before July 15 in all school districts, the secretary of the school board or board of education shall deliver to the county superintendent, to be filed in the county superintendent's office, a report under oath described as an end-of-the-school-year annual statistical summary showing (a) the number of children attending school during the year under five years of age and also the number twenty-one years of age and older, (b) the length of time the school has been taught during the year by a qualified teacher, (c) the length of time taught by each substitute teacher, and (d) such other information as the Commissioner of Education directs.

(3) On or before October 15 in Class I school districts, the secretary of the school board shall submit to the county superintendent, to be filed in the county superintendent's office, and on or before November 1 in Class II, III, IV, V, and VI school districts, the secretary of the school board or board of education shall submit to the county superintendent and to the Commissioner of Education, to be filed in their offices, a report under oath described as the annual financial report showing (a) the amount of money received from all sources during the year and the amount of money expended by the school district during the year, (b) the rate of tax levied for all school purposes, (c) the amount of bonded indebtedness, (d) such other information as shall be necessary to fulfill the requirements of sections 79-1003, 79-1004, 79-1006, 79-1008, 79-1011 to 79-1013, 79-1015 to 79-1030, and 79-1114, and (e) such other information as the Commissioner of Education directs.

(4) On or before October 15 of each year, the secretary of each school board or board of education shall deliver to the county superintendent and to the State Department of Education the fall school district membership report, which report shall include the number of children from birth through twenty years of age enrolled in the district on the last Friday in September of a given school year. The report shall enumerate (a) resident students by grade level and nonresident students by grade level and classification, including, but not limited to, option students as defined in section 79-233, wards of the court, or contract students, (b) school district levies for the current fiscal year, (c) the amount of the levy for special building funds and sinking funds exempted under subdivision (2)(a) of section 77-3442 for projects commenced prior to April 1, 1996, and the duration of the exemptions, and ~~(c)~~ (d) total assessed valuation for the current fiscal year. When any school district fails to submit its fall school district membership report by November 1, the commissioner shall, after notice to the district and an opportunity to be heard, direct that any state aid granted pursuant to the Tax

Equity and Educational Opportunities Support Act be withheld until such time as the report is received by the department. In addition, the commissioner shall notify the county superintendent to direct the county treasurer to withhold all school money belonging to the school district until such time as the commissioner notifies the county superintendent of receipt of such report. The county treasurer shall withhold such money.

Sec. 60. Section 79-1008, Reissue Revised Statutes of Nebraska, is amended to read:

79-1008. (1) Except as provided in section 79-1011 for reorganized districts which become reorganized districts on or before June 30, 2005, and except as provided in subsections (2) through (6) of this section and sections 79-1009 and 79-1010, each district shall receive equalization aid in the amount that the total formula need of each district, as determined pursuant to subsections (5) and (6) of this section and sections 79-1006, 79-1007, 79-1013, and 79-1014, exceeds its total formula resources as determined pursuant to subsections (5) and (6) of this section and sections 79-1015 to 79-1018.

(2) A district shall not receive state aid for each of the school years 1992-93, 1993-94, and 1994-95 which is less than one hundred percent of the amount of aid received pursuant to the School Foundation and Equalization Act for school year 1989-90.

(3) No district shall receive equalization aid in an amount such that total state aid received would result in such district having a general fund tax levy of less than sixty percent of the local effort rate as computed pursuant to section 79-1015. The calculation shall be based on valuation, state aid, and levy data from the current school year, and:

(a) For the calculation of state aid in school fiscal year 1996-97 and each school fiscal year thereafter, for districts which have an adjusted valuation per formula student of less than forty percent of the statewide adjusted valuation divided by the number of formula students in the state, the calculation shall also take into consideration an amount equal to sixty percent of the local effort rate multiplied by the difference between the district's adjusted valuation per formula student and forty percent of the statewide adjusted valuation per formula student. Each district which meets the qualifications of this subdivision shall certify to the department, by the date provided in subsection (1) of section 13-508, the general fund tax request for the year in which the aid is to be paid. If such general fund tax request is not equal to at least ninety percent of the local effort rate multiplied by the adjusted valuation, the district shall not qualify for the provisions of this subdivision in the following year; and

(b) If a district identified in subdivision (a) of this subsection had actual general fund operating expenditures of more than fifteen percent above the target budget level established pursuant to section 79-1026, in the most recently available complete data year, subdivision (a) of this subsection shall not apply.

(4) For the calculation of state aid to be paid in school year 1993-94 and each school year thereafter in Class I districts which have more than one general fund levy in the current year, the department shall base the calculation on a derived general fund levy for the district computed by adding the general fund property tax yield for all portions of the district and dividing the result by the total assessed valuation of the district in hundreds.

(5) For school districts or portions thereof in Class VI school systems as defined in section 79-4,100, equalization aid to be paid in school year 1995-96 and each school year thereafter shall be computed as follows:

(a) For Class I districts, the total formula need and total formula resources shall be allocated to each Class VI school system based upon the proportion of such Class I district's adjusted valuation contained in each Class VI school system;

(b) For the Class VI district and each Class I district or portion thereof allocated pursuant to subdivision (a) of this subsection, the total formula resources shall be subtracted from the total formula need, except that the difference shall never be less than zero;

(c) Each district's total formula need, total formula resources, and difference calculated pursuant to subdivision (b) of this subsection shall be added to arrive at system formula need, system formula resources, and system total difference;

(d) System equalization aid shall equal the amount by which the system formula need exceeds system formula resources; and

(e) Each district's share of the system equalization aid shall be calculated by dividing the district's difference calculated pursuant to subdivision (b) of this subsection by the system total difference and

multiplying the result by the system equalization aid.

(6) For school districts in affiliated school systems as defined in section 79-4,100, equalization aid to be paid in school year 1992-93 and each school year thereafter shall be computed as follows:

(a) For affiliated Class I districts, the total formula need and total formula resources shall be allocated to each affiliated school system based upon the proportion of such Class I district's adjusted valuation contained in each system with which it is affiliated;

(b) For the high school district and each Class I district or portion thereof allocated pursuant to subdivision (a) of this subsection, the total formula resources shall be subtracted from the total formula need, except that the difference shall never be less than zero;

(c) Each district's total formula need, total formula resources, and difference calculated pursuant to subdivision (b) of this subsection shall be added to arrive at system formula need, system formula resources, and system total difference;

(d) System equalization aid shall equal the amount by which the system formula need exceeds system formula resources; and

(e) Each district's share of the system equalization aid shall be calculated by dividing the district's difference calculated pursuant to subdivision (b) of this subsection by the system total difference and multiplying the result by the system equalization aid.

Sec. 61. Section 79-1024, Reissue Revised Statutes of Nebraska, is amended to read:

79-1024. (1) The department may require each district to submit to the department a duplicate copy of such portions of the district's budget statement as the Commissioner of Education directs. The department may verify any data used to meet the requirements of the Tax Equity and Educational Opportunities Support Act. The Auditor of Public Accounts shall make necessary changes in the budget documents for districts to effectuate the budget limitations imposed pursuant to sections 79-1023 to 79-1030.

(2) If a school district fails to submit to the department or the auditor the budget documents required pursuant to subsection (1) of this section by the date established in subsection (1) of section 13-508 or fails to make any corrections of errors in the documents pursuant to section 13-504, the commissioner, upon notification from the auditor or upon his or her own knowledge that the required budget documents and any required corrections of errors from any school district have not been properly filed in accordance with the Nebraska Budget Act and after notice to the district and an opportunity to be heard, shall direct that any state aid granted pursuant to the Tax Equity and Educational Opportunities Support Act be withheld until such time as the required budget documents or corrections of errors are received by the department. In addition, the commissioner shall notify the county superintendent to direct the county treasurer to withhold all school money belonging to the school district until such time as the commissioner notifies the county superintendent of receipt of the required budget documents or corrections of errors. The county treasurer shall withhold such money.

Sec. 62. Section 79-1078, Reissue Revised Statutes of Nebraska, is amended to read:

79-1078. Commencing with the 1995-96 school year, the general fund property tax requirement of the Class VI school district and each Class I school district or portion thereof in a Class VI school system shall be certified to the county superintendent and county clerk for computation of a Class VI school system tax levy which shall not exceed the limit in section 77-3442. The proceeds of such levy, upon collection by the county, shall be distributed to the districts in the Class VI school system in amounts which are in proportion to the amounts of the general fund property tax requirement certified by such districts to the county superintendent and county clerk. Such levy shall be computed as follows: The sum of the property tax requirements necessary to fund the general fund property tax requirement of the Class VI school system shall be divided by the assessed valuation, in hundreds, of the system. If only a portion of a Class I district is part of the Class VI district, such Class I district's general fund property tax requirement shall be apportioned to respective portions of such Class I district for purposes of this computation based on each portion's assessed taxable valuation in relation to the total assessed valuation of the entire Class I district.

Sec. 63. Section 80-202, Reissue Revised Statutes of Nebraska, is amended to read:

80-202. The board of supervisors or commissioners of any county, the electors of any township at the annual or special township meeting, or the commissioners, council, or trustees of any city or village may by proper

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