

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 191

Introduced by La Grone, 49.

Read first time January 11, 2019

Committee:

1 A BILL FOR AN ACT relating to state and local government; to amend
2 section 77-1601.02, Reissue Revised Statutes of Nebraska, and
3 sections 13-519 and 13-520, Revised Statutes Cumulative Supplement,
4 2018; to change provisions relating to budget limitations and
5 procedures and property tax request public hearing notice
6 requirements as prescribed; and to repeal the original sections.

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

1 Section 1. Section 13-519, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 13-519 (1)(a) Subject to subdivisions (1)(b) and (c) of this
4 section, for all fiscal years beginning on or after July 1, 1998, no
5 governmental unit shall adopt a budget containing a total of budgeted
6 restricted funds more than the last prior year's total of budgeted
7 restricted funds plus allowable growth plus the basic allowable growth
8 percentage of the base limitation established under section 77-3446. For
9 the second fiscal year in which a county will receive a full year of
10 receipts from the tax imposed in sections 77-27,223 to 77-27,227, the
11 prior year's total of restricted funds shall be the prior year's total of
12 restricted funds plus the total receipts from the tax imposed in sections
13 77-27,223 to 77-27,227 in the prior year. If a governmental unit
14 transfers the financial responsibility of providing a service financed in
15 whole or in part with restricted funds to another governmental unit or
16 the state, the amount of restricted funds associated with providing the
17 service shall be subtracted from the last prior year's total of budgeted
18 restricted funds for the previous provider and may be added to the last
19 prior year's total of restricted funds for the new provider. For
20 governmental units that have consolidated, the calculations made under
21 this section for consolidating units shall be made based on the combined
22 total of restricted funds, population, or full-time equivalent students
23 of each governmental unit.

24 (b) For all fiscal years beginning on or after July 1, 2008,
25 educational service units may exceed the limitations of subdivision (1)
26 (a) of this section to the extent that one hundred ten percent of the
27 needs for the educational service unit calculated pursuant to section
28 79-1241.03 exceeds the budgeted restricted funds allowed pursuant to
29 subdivision (1)(a) of this section.

30 (c) For fiscal year 2017-18, the last prior year's total of
31 restricted funds for counties shall be the last prior year's total of

1 restricted funds less the last prior year's restricted funds budgeted by
2 counties under sections 39-2501 to 39-2520, plus the last prior year's
3 amount of restricted funds budgeted by counties under sections 39-2501 to
4 39-2520 to be used for capital improvements.

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

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

26 (4) In lieu of the election procedures in subsection (3) of this
27 section, any governmental unit may, for a period of one year, exceed the
28 allowable growth percentage otherwise prescribed in this section by an
29 amount approved by a majority of legal voters voting at a meeting of the
30 residents of the governmental unit, called after notice is published in a
31 newspaper of general circulation in the governmental unit at least twenty

1 days prior to the meeting. At least ten percent of the registered voters
2 residing in the governmental unit shall constitute a quorum for purposes
3 of taking action to exceed the allowable growth percentage. If a majority
4 of the registered voters present at the meeting vote in favor of
5 exceeding the allowable growth percentage, a copy of the record of that
6 action shall be forwarded to the Auditor of Public Accounts along with
7 the budget documents. The issue to exceed the allowable growth percentage
8 may be approved at the same meeting as a vote to exceed the limits or
9 final levy allocation provided in section 77-3444.

10 Sec. 2. Section 13-520, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 13-520 The limitations in section 13-519 shall not apply to (1)
13 restricted funds budgeted for capital improvements, (2) restricted funds
14 expended from a qualified sinking fund for acquisition or replacement of
15 tangible personal property with a useful life of five years or more, (3)
16 restricted funds pledged to retire bonds as defined in subdivision (1) of
17 section 10-134 and approved according to law, (4) restricted funds bonded
18 ~~indebtedness~~, used by a public airport to retire interest-free loans from
19 the Division of Aeronautics of the Department of Transportation in lieu
20 of bonded indebtedness at a lower cost to the public airport, (5) or used
21 ~~to pay other financial instruments that are approved and agreed to before~~
22 ~~July 1, 1999, in the same manner as bonds by a governing body created~~
23 ~~under section 35-501, (4) restricted funds budgeted in support of a~~
24 service which is the subject of an agreement or a modification of an
25 existing agreement whether operated by one of the parties to the
26 agreement or by an independent joint entity or joint public agency, (6)
27 ~~(5) restricted funds budgeted to pay for repairs to infrastructure~~
28 damaged by a natural disaster which is declared a disaster emergency
29 pursuant to the Emergency Management Act, (7) (6) restricted funds
30 budgeted to pay for judgments, except judgments or orders from the
31 Commission of Industrial Relations, obtained against a governmental unit

1 which require or obligate a governmental unit to pay such judgment, to
2 the extent such judgment is not paid by liability insurance coverage of a
3 governmental unit, or (8) ~~(7)~~ the dollar amount by which restricted funds
4 budgeted by a natural resources district to administer and implement
5 ground water management activities and integrated management activities
6 under the Nebraska Ground Water Management and Protection Act exceed its
7 restricted funds budgeted to administer and implement ground water
8 management activities and integrated management activities for FY2003-04.

9 Sec. 3. Section 77-1601.02, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 77-1601.02 (1) The property tax request for the prior year shall be
12 the property tax request for the current year for purposes of the levy
13 set by the county board of equalization in section 77-1601 unless the
14 governing body of the county, municipality, school district, learning
15 community, sanitary and improvement district, natural resources district,
16 educational service unit, or community college passes by a majority vote
17 a resolution or ordinance setting the tax request at a different amount.
18 Such resolution or ordinance shall only be passed after a special public
19 hearing called for such purpose is held and after notice is published in
20 a newspaper of general circulation in the area of the political
21 subdivision at least four calendar ~~five~~ days prior to the hearing. For
22 purposes of such notice, the four calendar days shall include the day of
23 publication but not the day of hearing. The hearing notice shall contain
24 the following information: The dollar amount of the prior year's tax
25 request and the property tax rate that was necessary to fund that tax
26 request; the property tax rate that would be necessary to fund last
27 year's tax request if applied to the current year's valuation; and the
28 proposed dollar amount of the tax request for the current year and the
29 property tax rate that will be necessary to fund that tax request. Any
30 resolution setting a tax request under this section shall be certified
31 and forwarded to the county clerk on or before October 13 of the year for

1 which the tax request is to apply.

2 (2) Any levy which is not in compliance with this section and
3 section 77-1601 shall be construed as an unauthorized levy under section
4 77-1606.

5 Sec. 4. Original section 77-1601.02, Reissue Revised Statutes of
6 Nebraska, and sections 13-519 and 13-520, Revised Statutes Cumulative
7 Supplement, 2018, are repealed.