

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 569

Introduced by Friesen, 34.

Read first time January 18, 2017

Committee:

1 A BILL FOR AN ACT relating to community colleges; to amend sections
2 85-1515 and 85-1517, Reissue Revised Statutes of Nebraska, and
3 section 77-3442, Revised Statutes Cumulative Supplement, 2016; to
4 establish the Community College Task Force; to change provisions for
5 community colleges to levy property taxes; to provide termination
6 dates; and to repeal the original sections.

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

1 Section 1. (1) There is hereby established the Community College
2 Task Force for the purpose of evaluating duplication of educational
3 services and funding sources for community colleges.

4 (2) The task force shall consist of nine members appointed by the
5 Executive Board of the Legislative Council as follows:

6 (a) The chairperson of the Education Committee of the Legislature;

7 (b) Two representatives from the community college system;

8 (c) One representative from a school district;

9 (d) One member of the Coordinating Commission for Postsecondary
10 Education;

11 (e) One individual with experience in workforce development;

12 (f) One individual with experience in business management; and

13 (g) Two individual property taxpayers.

14 (3) The members of the task force shall serve without compensation
15 but shall be reimbursed for their actual and necessary expenses as
16 provided in sections 81-1174 to 81-1177.

17 (4) The task force shall develop a report outlining findings related
18 to duplication of educational services, the cost of funding duplicate
19 services, and the cost of outstanding bond obligations. The report shall
20 also provide recommendations for alternative funding mechanisms for
21 community colleges. The task force shall provide the report
22 electronically to the Clerk of the Legislature, the Revenue Committee of
23 the Legislature, and the Education Committee of the Legislature on or
24 before December 1, 2018.

25 (5) The task force shall terminate on January 1, 2020.

26 Sec. 2. Section 77-3442, Revised Statutes Cumulative Supplement,
27 2016, is amended to read:

28 77-3442 (1) Property tax levies for the support of local governments
29 for fiscal years beginning on or after July 1, 1998, shall be limited to
30 the amounts set forth in this section except as provided in section
31 77-3444.

1 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
2 section, school districts and multiple-district school systems may levy a
3 maximum levy of one dollar and five cents per one hundred dollars of
4 taxable valuation of property subject to the levy.

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

11 (c) Except as provided in subdivision (2)(e) of this section, for
12 each fiscal year prior to fiscal year 2017-18, school districts that are
13 members of learning communities may levy for purposes of such districts'
14 general fund budget and special building funds a maximum combined levy of
15 the difference of one dollar and five cents on each one hundred dollars
16 of taxable property subject to the levy minus the learning community levy
17 pursuant to subdivision (2)(b) of this section for such learning
18 community.

19 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
20 of this section are amounts levied to pay for sums agreed to be paid by a
21 school district to certificated employees in exchange for a voluntary
22 termination of employment, amounts levied in compliance with sections
23 79-10,110 and 79-10,110.02, and amounts levied to pay for special
24 building funds and sinking funds established for projects commenced prior
25 to April 1, 1996, for construction, expansion, or alteration of school
26 district buildings. For purposes of this subsection, commenced means any
27 action taken by the school board on the record which commits the board to
28 expend district funds in planning, constructing, or carrying out the
29 project.

30 (e) Federal aid school districts may exceed the maximum levy
31 prescribed by subdivision (2)(a) or (2)(c) of this section only to the

1 extent necessary to qualify to receive federal aid pursuant to Title VIII
2 of Public Law 103-382, as such title existed on September 1, 2001. For
3 purposes of this subdivision, federal aid school district means any
4 school district which receives ten percent or more of the revenue for its
5 general fund budget from federal government sources pursuant to Title
6 VIII of Public Law 103-382, as such title existed on September 1, 2001.

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

14 (g) For each fiscal year, learning communities may levy a maximum
15 levy of one and one-half cents on each one hundred dollars of taxable
16 property subject to the levy for early childhood education programs for
17 children in poverty, for elementary learning center employees, for
18 contracts with other entities or individuals who are not employees of the
19 learning community for elementary learning center programs and services,
20 and for pilot projects, except that no more than ten percent of such levy
21 may be used for elementary learning center employees.

22 (3) For each fiscal year beginning prior to January 1, 2020,
23 community college areas may levy the levies provided in subdivisions (2)
24 (a) through (c) of section 85-1517, in accordance with the provisions of
25 such subdivisions. A community college area may exceed the levy provided
26 in subdivision (2)(b) of section 85-1517 by the amount necessary to
27 retire general obligation bonds assumed by the community college area or
28 issued pursuant to section 85-1515 according to the terms of such bonds
29 or for any obligation pursuant to section 85-1535 entered into prior to
30 January 1, 1997.

31 (4)(a) Natural resources districts may levy a maximum levy of four

1 and one-half cents per one hundred dollars of taxable valuation of
2 property subject to the levy.

3 (b) Natural resources districts shall also have the power and
4 authority to levy a tax equal to the dollar amount by which their
5 restricted funds budgeted to administer and implement ground water
6 management activities and integrated management activities under the
7 Nebraska Ground Water Management and Protection Act exceed their
8 restricted funds budgeted to administer and implement ground water
9 management activities and integrated management activities for FY2003-04,
10 not to exceed one cent on each one hundred dollars of taxable valuation
11 annually on all of the taxable property within the district.

12 (c) In addition, natural resources districts located in a river
13 basin, subbasin, or reach that has been determined to be fully
14 appropriated pursuant to section 46-714 or designated as overappropriated
15 pursuant to section 46-713 by the Department of Natural Resources shall
16 also have the power and authority to levy a tax equal to the dollar
17 amount by which their restricted funds budgeted to administer and
18 implement ground water management activities and integrated management
19 activities under the Nebraska Ground Water Management and Protection Act
20 exceed their restricted funds budgeted to administer and implement ground
21 water management activities and integrated management activities for
22 FY2005-06, not to exceed three cents on each one hundred dollars of
23 taxable valuation on all of the taxable property within the district for
24 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
25 2017-18.

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

30 (6)(a) Incorporated cities and villages which are not within the
31 boundaries of a municipal county may levy a maximum levy of forty-five

1 cents per one hundred dollars of taxable valuation of property subject to
2 the levy plus an additional five cents per one hundred dollars of taxable
3 valuation to provide financing for the municipality's share of revenue
4 required under an agreement or agreements executed pursuant to the
5 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
6 levy shall include amounts levied to pay for sums to support a library
7 pursuant to section 51-201, museum pursuant to section 51-501, visiting
8 community nurse, home health nurse, or home health agency pursuant to
9 section 71-1637, or statue, memorial, or monument pursuant to section
10 80-202.

11 (b) Incorporated cities and villages which are within the boundaries
12 of a municipal county may levy a maximum levy of ninety cents per one
13 hundred dollars of taxable valuation of property subject to the levy. The
14 maximum levy shall include amounts paid to a municipal county for county
15 services, amounts levied to pay for sums to support a library pursuant to
16 section 51-201, a museum pursuant to section 51-501, a visiting community
17 nurse, home health nurse, or home health agency pursuant to section
18 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

19 (7) Sanitary and improvement districts which have been in existence
20 for more than five years may levy a maximum levy of forty cents per one
21 hundred dollars of taxable valuation of property subject to the levy, and
22 sanitary and improvement districts which have been in existence for five
23 years or less shall not have a maximum levy. Unconsolidated sanitary and
24 improvement districts which have been in existence for more than five
25 years and are located in a municipal county may levy a maximum of eighty-
26 five cents per hundred dollars of taxable valuation of property subject
27 to the levy.

28 (8) Counties may levy or authorize a maximum levy of fifty cents per
29 one hundred dollars of taxable valuation of property subject to the levy,
30 except that five cents per one hundred dollars of taxable valuation of
31 property subject to the levy may only be levied to provide financing for

1 the county's share of revenue required under an agreement or agreements
2 executed pursuant to the Interlocal Cooperation Act or the Joint Public
3 Agency Act. The maximum levy shall include amounts levied to pay for sums
4 to support a library pursuant to section 51-201 or museum pursuant to
5 section 51-501. The county may allocate up to fifteen cents of its
6 authority to other political subdivisions subject to allocation of
7 property tax authority under subsection (1) of section 77-3443 and not
8 specifically covered in this section to levy taxes as authorized by law
9 which do not collectively exceed fifteen cents per one hundred dollars of
10 taxable valuation on any parcel or item of taxable property. The county
11 may allocate to one or more other political subdivisions subject to
12 allocation of property tax authority by the county under subsection (1)
13 of section 77-3443 some or all of the county's five cents per one hundred
14 dollars of valuation authorized for support of an agreement or agreements
15 to be levied by the political subdivision for the purpose of supporting
16 that political subdivision's share of revenue required under an agreement
17 or agreements executed pursuant to the Interlocal Cooperation Act or the
18 Joint Public Agency Act. If an allocation by a county would cause another
19 county to exceed its levy authority under this section, the second county
20 may exceed the levy authority in order to levy the amount allocated.

21 (9) Municipal counties may levy or authorize a maximum levy of one
22 dollar per one hundred dollars of taxable valuation of property subject
23 to the levy. The municipal county may allocate levy authority to any
24 political subdivision or entity subject to allocation under section
25 77-3443.

26 (10) Beginning July 1, 2016, rural and suburban fire protection
27 districts may levy a maximum levy of ten and one-half cents per one
28 hundred dollars of taxable valuation of property subject to the levy if
29 (a) such district is located in a county that had a levy pursuant to
30 subsection (8) of this section in the previous year of at least forty
31 cents per one hundred dollars of taxable valuation of property subject to

1 the levy or (b) for any rural or suburban fire protection district that
2 had a levy request pursuant to section 77-3443 in the previous year, the
3 county board of the county in which the greatest portion of the valuation
4 of such district is located did not authorize any levy authority to such
5 district in the previous year.

6 (11) Property tax levies (a) for judgments, except judgments or
7 orders from the Commission of Industrial Relations, obtained against a
8 political subdivision which require or obligate a political subdivision
9 to pay such judgment, to the extent such judgment is not paid by
10 liability insurance coverage of a political subdivision, (b) for
11 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)
12 for bonds as defined in section 10-134 approved according to law and
13 secured by a levy on property except as provided in section 44-4317 for
14 bonded indebtedness issued by educational service units and school
15 districts, and (d) for payments by a public airport to retire interest-
16 free loans from the Department of Aeronautics in lieu of bonded
17 indebtedness at a lower cost to the public airport are not included in
18 the levy limits established by this section.

19 (12) The limitations on tax levies provided in this section are to
20 include all other general or special levies provided by law.
21 Notwithstanding other provisions of law, the only exceptions to the
22 limits in this section are those provided by or authorized by sections
23 77-3442 to 77-3444.

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

27 (14) For purposes of sections 77-3442 to 77-3444, political
28 subdivision means a political subdivision of this state and a county
29 agricultural society.

30 (15) For school districts that file a binding resolution on or
31 before May 9, 2008, with the county assessors, county clerks, and county

1 treasurers for all counties in which the school district has territory
2 pursuant to subsection (7) of section 79-458, if the combined levies,
3 except levies for bonded indebtedness approved by the voters of the
4 school district and levies for the refinancing of such bonded
5 indebtedness, are in excess of the greater of (a) one dollar and twenty
6 cents per one hundred dollars of taxable valuation of property subject to
7 the levy or (b) the maximum levy authorized by a vote pursuant to section
8 77-3444, all school district levies, except levies for bonded
9 indebtedness approved by the voters of the school district and levies for
10 the refinancing of such bonded indebtedness, shall be considered
11 unauthorized levies under section 77-1606.

12 Sec. 3. Section 85-1515, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 85-1515 Prior to January 1, 2020, each ~~Each~~ board may issue and
15 sell revenue bonds and general obligation bonds for the purchase,
16 construction, reconstruction, equipping, demolition, or alteration of
17 capital assets, including accessibility barrier elimination project costs
18 and abatement of environmental hazards as such terms are defined in
19 section 79-10,110, and the acquisition of sites, rights-of-way,
20 easements, improvements, or appurtenances and other facilities connected
21 with the operation of the community colleges. Each board may establish in
22 its budget a capital improvement and bond sinking fund. Such fund shall
23 be used (1) first for the retirement of bonds assumed by the board in
24 accordance with the provisions of such bonds, (2) then for (a) renewal
25 work and deferred maintenance as defined in section 81-173, (b)
26 handicapped access and life safety improvements made to existing
27 structures or grounds including accessibility barrier elimination project
28 costs and abatement of environmental hazards as such terms are defined in
29 section 79-10,110, and (c) projects designed to prevent or correct a
30 waste of energy, including measures taken to utilize alternate energy
31 sources, all in accordance with the capital facilities plan of the

1 community college area, (3) then for the retirement of bonds issued
2 pursuant to this section, and (4) then for the purchasing, purchasing on
3 contract, constructing, and improving of facilities necessary to carry
4 out sections 85-1501 to 85-1540. Revenue bonds issued shall be subject to
5 sections 85-1520 to 85-1527. No general obligation bonds shall be issued
6 without the approval by a majority vote of the qualified electors of the
7 community college area voting in an election called for such purpose
8 pursuant to section 85-1518. No bonds issued under sections 85-1501 to
9 85-1540 shall be an obligation of the State of Nebraska, and no state tax
10 shall be levied to raise funds for the payment thereof or interest
11 thereon.

12 Sec. 4. Section 85-1517, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 85-1517 (1) For fiscal years 2011-12 and 2012-13:

15 (a) The board may certify to the county board of equalization of
16 each county within the community college area a tax levy not to exceed
17 ten and one-quarter cents on each one hundred dollars on the taxable
18 valuation of all property subject to the levy within the community
19 college area, uniform throughout the area, for the purpose of supporting
20 operating expenditures of the community college area;

21 (b) In addition to the levies provided in subdivisions (1)(a) and
22 (c) of this section, the board may certify to the county board of
23 equalization of each county within the community college area a tax levy
24 not to exceed one cent on each one hundred dollars on the taxable
25 valuation of all property within the community college area, uniform
26 throughout such area, for the purposes of paying off bonds issued under
27 sections 85-1520 to 85-1527 and establishing a capital improvement and
28 bond sinking fund as provided in section 85-1515. The levy provided by
29 this subdivision may be exceeded by that amount necessary to retire the
30 general obligation bonds assumed by the community college area or issued
31 pursuant to section 85-1515 according to the terms of such bonds or for

1 any obligation pursuant to section 85-1535 entered into prior to January
2 1, 1997; and

3 (c) In addition to the levies provided in subdivisions (1)(a) and
4 (b) of this section, the board may also certify to the county board of
5 equalization of each county within the community college area a tax levy
6 on each one hundred dollars on the taxable valuation of all property
7 within the community college area, uniform throughout such area, in the
8 amount which will produce funds only in the amount necessary to pay for
9 funding accessibility barrier elimination project costs and abatement of
10 environmental hazards as such terms are defined in section 79-10,110.
11 Such tax levy shall not be so certified unless approved by an affirmative
12 vote of a majority of the board taken at a public meeting of the board
13 following notice and a hearing. The board shall give at least seven days'
14 notice of such public hearing and shall publish such notice once in a
15 newspaper of general circulation in the area to be affected by the
16 increase. The proceeds of such tax levy shall be deposited in the capital
17 improvement and bond sinking fund provided for in section 85-1515 for use
18 in funding the projects authorized pursuant to this subdivision.

19 (2) For ~~fiscal year 2013-14~~ and each fiscal year beginning prior to
20 January 1, 2020 thereafter:

21 (a) The board may certify to the county board of equalization of
22 each county within the community college area a tax levy not to exceed
23 the difference between eleven and one-quarter cents and the rate levied
24 for such fiscal year pursuant to subdivision (b) of this subsection on
25 each one hundred dollars on the taxable valuation of all property subject
26 to the levy within the community college area, uniform throughout the
27 area, for the purpose of supporting operating expenditures of the
28 community college area. For purposes of calculating the amount of levy
29 authority available for operating expenditures pursuant to this
30 subdivision, the rate levied pursuant to subdivision (b) of this
31 subsection shall not include amounts to retire general obligation bonds

1 assumed by the community college area or issued pursuant to section
2 85-1515 according to the terms of such bonds or for any obligation
3 pursuant to section 85-1535 entered into prior to January 1, 1997;

4 (b) In addition to the levies provided in subdivisions (a) and (c)
5 of this subsection, the board may certify to the county board of
6 equalization of each county within the community college area a tax levy
7 not to exceed two cents on each one hundred dollars on the taxable
8 valuation of all property within the community college area, uniform
9 throughout such area, for the purposes of paying off bonds issued under
10 sections 85-1520 to 85-1527 and establishing a capital improvement and
11 bond sinking fund as provided in section 85-1515. The levy provided by
12 this subdivision may be exceeded by that amount necessary to retire
13 general obligation bonds assumed by the community college area or issued
14 pursuant to section 85-1515 according to the terms of such bonds or for
15 any obligation pursuant to section 85-1535 entered into prior to January
16 1, 1997; and

17 (c) In addition to the levies provided in subdivisions (a) and (b)
18 of this subsection, the board of a community college area with a campus
19 located on the site of a former ammunition depot may certify to the
20 county board of equalization of each county within the community college
21 area a tax levy not to exceed three-quarters of one cent on each one
22 hundred dollars on the taxable valuation of all property within the
23 community college area, uniform throughout such area, to pay for funding
24 accessibility barrier elimination project costs and abatement of
25 environmental hazards as such terms are defined in section 79-10,110.
26 Such tax levy shall not be so certified unless approved by an affirmative
27 vote of a majority of the board taken at a public meeting of the board
28 following notice and a hearing. The board shall give at least seven days'
29 notice of such public hearing and shall publish such notice once in a
30 newspaper of general circulation in the area to be affected by the
31 increase. The proceeds of such tax levy shall be deposited in the capital

1 improvement and bond sinking fund provided for in section 85-1515 for use
2 in funding accessibility barrier elimination project costs and abatement
3 of environmental hazards as such terms are defined in section 79-10,110.

4 (3) The taxes provided by this section shall be levied and assessed
5 in the same manner as other property taxes and entered on the books of
6 the county treasurer. The proceeds of the tax, as collected, shall be
7 remitted to the treasurer of the board not less frequently than once each
8 month.

9 Sec. 5. Original sections 85-1515 and 85-1517, Reissue Revised
10 Statutes of Nebraska, and section 77-3442, Revised Statutes Cumulative
11 Supplement, 2016, are repealed.