

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 118

Introduced by Avery, 28; Cornett, 45.

Read first time January 06, 2011

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 71-5326 and 77-27,136, Reissue Revised Statutes of
3 Nebraska, and section 13-518, Revised Statutes Cumulative
4 Supplement, 2010; to eliminate provisions relating to aid
5 to natural resources districts; to harmonize provisions;
6 to provide an operative date; to repeal the original
7 sections; to outright repeal section 77-27,137.02,
8 Revised Statutes Cumulative Supplement, 2010; and to
9 declare an emergency.

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

1 Section 1. Section 13-518, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

3 13-518 For purposes of sections 13-518 to 13-522:

4 (1) Allowable growth means (a) for governmental units
5 other than community colleges, the percentage increase in taxable
6 valuation in excess of the base limitation established under section
7 77-3446, if any, due to improvements to real property as a result of
8 new construction, additions to existing buildings, any improvements
9 to real property which increase the value of such property, and any
10 increase in valuation due to annexation and any personal property
11 valuation over the prior year and (b) for community colleges, (i) for
12 fiscal years prior to fiscal year 2003-04, for fiscal years after
13 fiscal year 2004-05 until fiscal year 2007-08, and for fiscal year
14 2010-11 and each fiscal year thereafter, the percentage increase in
15 excess of the base limitation, if any, in full-time equivalent
16 students from the second year to the first year preceding the year
17 for which the budget is being determined, (ii) for fiscal year
18 2003-04 and fiscal year 2004-05, the percentage increase in full-time
19 equivalent students from the second year to the first year preceding
20 the year for which the budget is being determined, and (iii) for
21 fiscal year 2007-08 through fiscal year 2009-10, community college
22 areas may exceed the base limitation to equal base revenue need
23 calculated pursuant to section 85-2223;

24 (2) Capital improvements means (a) acquisition of real
25 property or (b) acquisition, construction, or extension of any

1 improvements on real property;

2 (3) Governing body has the same meaning as in section
3 13-503;

4 (4) Governmental unit means every political subdivision
5 which has authority to levy a property tax or authority to request
6 levy authority under section 77-3443 except sanitary and improvement
7 districts which have been in existence for five years or less and
8 school districts;

9 (5) Qualified sinking fund means a fund or funds
10 maintained separately from the general fund to pay for acquisition or
11 replacement of tangible personal property with a useful life of five
12 years or more which is to be undertaken in the future but is to be
13 paid for in part or in total in advance using periodic payments into
14 the fund. The term includes sinking funds under subdivision (13) of
15 section 35-508 for firefighting and rescue equipment or apparatus;

16 (6) Restricted funds means (a) property tax, excluding
17 any amounts refunded to taxpayers, (b) payments in lieu of property
18 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)
19 state aid, (f) transfers of surpluses from any user fee, permit fee,
20 or regulatory fee if the fee surplus is transferred to fund a service
21 or function not directly related to the fee and the costs of the
22 activity funded from the fee, (g) any funds excluded from restricted
23 funds for the prior year because they were budgeted for capital
24 improvements but which were not spent and are not expected to be
25 spent for capital improvements, (h) the tax provided in sections

1 77-27,223 to 77-27,227 beginning in the second fiscal year in which
2 the county will receive a full year of receipts, and (i) any excess
3 tax collections returned to the county under section 77-1776. Funds
4 received pursuant to the nameplate capacity tax levied under section
5 77-6203 for the first five years after a wind energy generation
6 facility has been commissioned are nonrestricted funds; and

7 (7) State aid means:

8 (a) For all governmental units, state aid paid pursuant
9 to sections 60-3,202 and 77-3523;

10 (b) For municipalities, state aid to municipalities paid
11 pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190,
12 77-27,136, and 77-27,139.04 and insurance premium tax paid to
13 municipalities;

14 (c) For counties, (i) until July 1, 2011, state aid to
15 counties paid pursuant to sections 39-2501 to 39-2520, 47-119.01,
16 60-3,184 to 60-3,190, 77-27,136, and 77-3618, insurance premium tax
17 paid to counties, and reimbursements to counties from funds
18 appropriated pursuant to section 29-3933, and (ii) beginning on July
19 1, 2011, state aid to counties paid pursuant to sections 39-2501 to
20 39-2520, 60-3,184 to 60-3,190, and 77-27,137.03, insurance premium
21 tax paid to counties, and reimbursements to counties from funds
22 appropriated pursuant to section 29-3933;

23 (d) For community colleges, state aid to community
24 colleges paid pursuant to the Community College Foundation and
25 Equalization Aid Act or, for fiscal year 2010-11, pursuant to section

1 90-517;

2 ~~(e) For natural resources districts, state aid to natural~~
3 ~~resources districts paid pursuant to section 77-27,136;~~

4 ~~(f)~~—(e) For educational service units, state aid
5 appropriated under sections 79-1241.01 to 79-1241.03; and

6 ~~(g)~~—(f) For local public health departments as defined in
7 section 71-1626, state aid as distributed under section 71-1628.08.

8 Sec. 2. Section 71-5326, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 71-5326 If a municipality, or county, ~~or natural~~
11 ~~resources district~~ fails to make any payment pursuant to a loan
12 within sixty days of the date due, such payment shall be deducted
13 from the amount of aid to municipalities, or counties, ~~or natural~~
14 ~~resources districts~~ to which the municipality, or county, ~~or natural~~
15 ~~resources district~~ is entitled under sections 77-27,136 to
16 77-27,137.03. Such amount shall be paid directly to the fund from
17 which the loan was made.

18 Sec. 3. Section 77-27,136, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 77-27,136 The Legislature may appropriate funds collected
21 by a general sales tax and income tax for aid to incorporated
22 municipalities, and counties, ~~, and natural resources districts.~~

23 Sec. 4. This act becomes operative on July 1, 2011.

24 Sec. 5. Original sections 71-5326 and 77-27,136, Reissue
25 Revised Statutes of Nebraska, and section 13-518, Revised Statutes

1 Cumulative Supplement, 2010, are repealed.

2 Sec. 6. The following section is outright repealed:

3 Section 77-27,137.02, Revised Statutes Cumulative Supplement, 2010.

4 Sec. 7. Since an emergency exists, this act takes effect

5 when passed and approved according to law.