

AMENDMENTS TO LB 1154

(Amendments to Standing Committee amendments, AM2449)

Introduced by Gay, 14.

1 1. Strike sections 5, 11, 17, and 21 and insert the
2 following new sections:

3 Sec. 5. Section 77-3442, Revised Statutes Supplement,
4 2007, is amended to read:

5 77-3442 (1) Property tax levies for the support of local
6 governments for fiscal years beginning on or after July 1, 1998,
7 shall be limited to the amounts set forth in this section except as
8 provided in section 77-3444.

9 (2) (a) Except as provided in subdivision ~~(2)(e)~~ (2)(c)
10 of this section, school districts and multiple-district school
11 systems, ~~except learning communities and school districts that are~~
12 ~~members of learning communities,~~ may levy a maximum levy of one
13 dollar and five cents per one hundred dollars of taxable valuation
14 of property subject to the levy.

15 **(b)** ~~For each fiscal year, learning communities may levy~~
16 ~~a maximum levy for the general fund budgets of member school~~
17 ~~districts equal to the local effort rate prescribed in section~~
18 ~~79-1015.01 for such fiscal year. The proceeds from the levy~~
19 ~~pursuant to this subdivision shall be distributed pursuant to~~
20 ~~section 79-1073.~~

21 **(c)** ~~Except as provided in subdivision (2)(e) of this~~
22 ~~section, for each fiscal year, school districts that are members~~

1 of learning communities may levy for purposes of such districts/
2 general fund budget and special building funds a maximum combined
3 levy of the difference of one dollar and five cents on each one
4 hundred dollars of taxable property subject to the levy minus
5 the learning community levies pursuant to subdivisions ~~(2)(b)~~ and
6 ~~(2)(g)~~ of this section for such learning community.

7 ~~(d)~~ (b) Excluded from the limitations in subdivisions
8 subdivision (2)(a) and ~~(2)(e)~~ of this section are amounts levied
9 to pay for sums agreed to be paid by a school district to
10 certificated employees in exchange for a voluntary termination of
11 employment and amounts levied to pay for special building funds and
12 sinking funds established for projects commenced prior to April 1,
13 1996, for construction, expansion, or alteration of school district
14 buildings. For purposes of this subsection, commenced means any
15 action taken by the school board on the record which commits
16 the board to expend district funds in planning, constructing, or
17 carrying out the project.

18 ~~(e)~~ (c) Federal aid school districts may exceed the
19 maximum levy prescribed by subdivision (2)(a) ~~or~~ ~~(2)(e)~~ of this
20 section only to the extent necessary to qualify to receive
21 federal aid pursuant to Title VIII of Public Law 103-382, as
22 such title existed on September 1, 2001. For purposes of this
23 subdivision, federal aid school district means any school district
24 which receives ten percent or more of the revenue for its general
25 fund budget from federal government sources pursuant to Title VIII
26 of Public Law 103-382, as such title existed on September 1, 2001.

27 ~~(f)~~ (d) For school fiscal year 2002-03 through school

1 fiscal year 2007-08, school districts and multiple-district school
2 systems may, upon a three-fourths majority vote of the school board
3 of the school district, the board of the unified system, or the
4 school board of the high school district of the multiple-district
5 school system that is not a unified system, exceed the maximum
6 levy prescribed by subdivision (2)(a) of this section in an amount
7 equal to the net difference between the amount of state aid that
8 would have been provided under the Tax Equity and Educational
9 Opportunities Support Act without the temporary aid adjustment
10 factor as defined in section 79-1003 for the ensuing school fiscal
11 year for the school district or multiple-district school system
12 and the amount provided with the temporary aid adjustment factor.
13 The State Department of Education shall certify to the school
14 districts and multiple-district school systems the amount by which
15 the maximum levy may be exceeded for the next school fiscal year
16 pursuant to this subdivision ~~(f)~~ (d) of this subsection on or
17 before February 15 for school fiscal years 2004-05 through 2007-08.

18 ~~(g) For each fiscal year, learning communities may levy a~~
19 ~~maximum levy of two cents on each one hundred dollars of taxable~~
20 ~~property subject to the levy for special building funds for member~~
21 ~~school districts. The proceeds from the levy pursuant to this~~
22 ~~subdivision shall be distributed pursuant to section 79-1073.01.~~

23 ~~(h)~~ (e) For each fiscal year, learning communities may
24 levy a maximum levy of five cents on each one hundred dollars of
25 taxable property subject to the levy for elementary learning center
26 facilities and for up to fifty percent of the estimated cost for
27 capital projects approved by the learning community coordinating

1 council pursuant to section 79-2111.

2 (3) Community colleges may levy a maximum levy calculated
3 pursuant to the Community College Foundation and Equalization Aid
4 Act on each one hundred dollars of taxable property subject to the
5 levy.

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

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

19 (c) In addition, natural resources districts located in
20 a river basin, subbasin, or reach that has been determined to
21 be fully appropriated pursuant to section 46-714 or designated
22 as overappropriated pursuant to section 46-713 by the Department
23 of Natural Resources shall also have the power and authority to
24 levy a tax equal to the dollar amount by which their restricted
25 funds budgeted to administer and implement ground water management
26 activities and integrated management activities under the Nebraska
27 Ground Water Management and Protection Act exceed their restricted

1 funds budgeted to administer and implement ground water management
2 activities and integrated management activities for FY2005-06, not
3 to exceed three cents on each one hundred dollars of taxable
4 valuation on all of the taxable property within the district for
5 fiscal year 2006-07 and each fiscal year thereafter through fiscal
6 year 2011-12.

7 (5) ~~Educational service units~~ Any educational service
8 unit authorized to levy a property tax pursuant to section 79-1225
9 may levy a maximum levy of one and one-half cents per one hundred
10 dollars of taxable valuation of property subject to the levy.

11 (6) (a) Incorporated cities and villages which are not
12 within the boundaries of a municipal county may levy a maximum levy
13 of forty-five cents per one hundred dollars of taxable valuation
14 of property subject to the levy plus an additional five cents per
15 one hundred dollars of taxable valuation to provide financing for
16 the municipality's share of revenue required under an agreement
17 or agreements executed pursuant to the Interlocal Cooperation Act
18 or the Joint Public Agency Act. The maximum levy shall include
19 amounts levied to pay for sums to support a library pursuant
20 to section 51-201, museum pursuant to section 51-501, visiting
21 community nurse, home health nurse, or home health agency pursuant
22 to section 71-1637, or statue, memorial, or monument pursuant to
23 section 80-202.

24 (b) Incorporated cities and villages which are within the
25 boundaries of a municipal county may levy a maximum levy of ninety
26 cents per one hundred dollars of taxable valuation of property
27 subject to the levy. The maximum levy shall include amounts paid

1 to a municipal county for county services, amounts levied to pay
2 for sums to support a library pursuant to section 51-201, a museum
3 pursuant to section 51-501, a visiting community nurse, home health
4 nurse, or home health agency pursuant to section 71-1637, or a
5 statue, memorial, or monument pursuant to section 80-202.

6 (7) Sanitary and improvement districts which have been in
7 existence for more than five years may levy a maximum levy of forty
8 cents per one hundred dollars of taxable valuation of property
9 subject to the levy, and sanitary and improvement districts which
10 have been in existence for five years or less shall not have
11 a maximum levy. Unconsolidated sanitary and improvement districts
12 which have been in existence for more than five years and are
13 located in a municipal county may levy a maximum of eighty-five
14 cents per hundred dollars of taxable valuation of property subject
15 to the levy.

16 (8) Counties may levy or authorize a maximum levy of
17 fifty cents per one hundred dollars of taxable valuation of
18 property subject to the levy, except that five cents per one
19 hundred dollars of taxable valuation of property subject to the
20 levy may only be levied to provide financing for the county's
21 share of revenue required under an agreement or agreements executed
22 pursuant to the Interlocal Cooperation Act or the Joint Public
23 Agency Act. The maximum levy shall include amounts levied to pay
24 for sums to support a library pursuant to section 51-201 or museum
25 pursuant to section 51-501. The county may allocate up to fifteen
26 cents of its authority to other political subdivisions subject
27 to allocation of property tax authority under subsection (1) of

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

16 (9) Municipal counties may levy or authorize a maximum
17 levy of one dollar per one hundred dollars of taxable valuation
18 of property subject to the levy. The municipal county may allocate
19 levy authority to any political subdivision or entity subject to
20 allocation under section 77-3443.

21 (10) Property tax levies for judgments, except judgments
22 or orders from the Commission of Industrial Relations, obtained
23 against a political subdivision which require or obligate a
24 political subdivision to pay such judgment, to the extent such
25 judgment is not paid by liability insurance coverage of a
26 political subdivision, for preexisting lease-purchase contracts
27 approved prior to July 1, 1998, for bonded indebtedness approved

1 according to law and secured by a levy on property, and for
2 payments by a public airport to retire interest-free loans from the
3 Department of Aeronautics in lieu of bonded indebtedness at a lower
4 cost to the public airport are not included in the levy limits
5 established by this section.

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

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

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

17 Sec. 10. Section 79-1003, Revised Statutes Supplement,
18 2007, is amended to read:

19 79-1003 For purposes of the Tax Equity and Educational
20 Opportunities Support Act:

21 (1) Adjusted general fund operating expenditures means
22 (a) for school fiscal years before school fiscal year 2007-08,
23 general fund operating expenditures as calculated pursuant
24 to subdivision (24) of this section minus the transportation
25 allowance and minus the special receipts allowance, (b) for
26 school fiscal year 2007-08, general fund operating expenditures
27 as calculated pursuant to subdivision (24) of this section minus

1 the sum of the transportation, special receipts, and distance
2 education and telecommunications allowances, and (c) for school
3 fiscal year 2008-09 and each school fiscal year thereafter,
4 the difference of the product of the general fund operating
5 expenditures as calculated pursuant to subdivision (24) of this
6 section multiplied by the cost growth factor for the school
7 district's cost grouping calculated pursuant to section 79-1007.10
8 minus the transportation allowance, special receipts allowance,
9 poverty allowance, limited English proficiency allowance, distance
10 education and telecommunications allowance, elementary class size
11 allowance, and focus school and program allowance;

12 (2) Adjusted valuation means the assessed valuation of
13 taxable property of each local system in the state, adjusted
14 pursuant to the adjustment factors described in section 79-1016.
15 Adjusted valuation means the adjusted valuation for the property
16 tax year ending during the school fiscal year immediately preceding
17 the school fiscal year in which the aid based upon that value is
18 to be paid. For purposes of determining the local effort rate yield
19 pursuant to section 79-1015.01, adjusted valuation does not include
20 the value of any property which a court, by a final judgment from
21 which no appeal is taken, has declared to be nontaxable or exempt
22 from taxation;

23 (3) Allocated income tax funds means the amount of
24 assistance paid to a local system pursuant to section 79-1005.01 or
25 79-1005.02 as adjusted by the minimum levy adjustment pursuant to
26 section 79-1008.02;

27 (4) Average daily attendance of a student who resides on

1 Indian land means average daily attendance of a student who resides
2 on Indian land from the most recent data available on November 1
3 preceding the school fiscal year in which aid is to be paid;

4 (5) Average daily membership means the average daily
5 membership for grades kindergarten through twelve attributable to
6 the local system, as provided in each district's annual statistical
7 summary, and includes the proportionate share of students enrolled
8 in a public school instructional program on less than a full-time
9 basis;

10 (6) Base fiscal year means the first school fiscal year
11 following the school fiscal year in which the reorganization or
12 unification occurred;

13 (7) Board means the school board of each school district;

14 (8) Categorical funds means funds limited to a specific
15 purpose by federal or state law, including, but not limited to,
16 Title I funds, Title VI funds, federal vocational education funds,
17 federal school lunch funds, Indian education funds, Head Start
18 funds, and funds from the Education Innovation Fund;

19 (9) Consolidate means to voluntarily reduce the number of
20 school districts providing education to a grade group and does not
21 include dissolution pursuant to section 79-498;

22 (10) Converted contract means an expired contract that
23 was in effect for at least fifteen years for the education of
24 students in a nonresident district in exchange for tuition from
25 the resident district when the expiration of such contract results
26 in the nonresident district educating students who would have been
27 covered by the contract if the contract were still in effect

1 as option students pursuant to the enrollment option program
2 established in section 79-234;

3 (11) Converted contract option students means students
4 who will be option students pursuant to the enrollment option
5 program established in section 79-234 for the school fiscal year
6 for which aid is being calculated and who would have been covered
7 by a converted contract if the contract were still in effect and
8 such school fiscal year is the first school fiscal year for which
9 such contract is not in effect;

10 (12) Department means the State Department of Education;

11 (13) Distance education and telecommunications allowance
12 means, for state aid calculated for school fiscal year 2007-08
13 and each school fiscal year thereafter, eighty-five percent of
14 the difference of the costs for (a) telecommunications services,
15 (b) access to data transmission networks that transmit data to
16 and from the school district, and (c) the transmission of data
17 on such networks paid by the school districts in the local
18 system as reported on the annual financial report for the most
19 recently available complete data year minus the receipts from the
20 federal Universal Service Fund pursuant to section 254 of the
21 Telecommunications Act of 1996, 47 U.S.C. 254, as such section
22 existed on January 1, 2006, for the school districts in the local
23 system as reported on the annual financial report for the most
24 recently available complete data year;

25 (14) District means any Class I, II, III, IV, V, or VI
26 school district;

27 (15) Ensuing school fiscal year means the school fiscal

1 year following the current school fiscal year;

2 (16) Equalization aid means the amount of assistance
3 calculated to be paid to a local system pursuant to sections
4 79-1008.01 to 79-1022 and 79-1022.02;

5 (17) Fall membership means the total membership in
6 kindergarten through grade twelve attributable to the local system
7 as reported on the fall school district membership reports for each
8 district pursuant to section 79-528;

9 (18) Fiscal year means the state fiscal year which is the
10 period from July 1 to the following June 30;

11 (19) Formula students means (a) for state aid certified
12 pursuant to section 79-1022, the sum of fall membership from the
13 school fiscal year immediately preceding the school fiscal year in
14 which the aid is to be paid, multiplied by the average ratio of
15 average daily membership to fall membership for the second school
16 fiscal year immediately preceding the school fiscal year in which
17 aid is to be paid and the prior two school fiscal years, plus
18 qualified early childhood education fall membership plus tuitioned
19 students from the school fiscal year immediately preceding the
20 school fiscal year in which the aid is to be paid and (b) for final
21 calculation of state aid pursuant to section 79-1065, the sum of
22 average daily membership plus qualified early childhood education
23 average daily membership plus tuitioned students from the school
24 fiscal year immediately preceding the school fiscal year in which
25 the aid was paid;

26 (20) Free lunch and free milk student means a student
27 who qualified for free lunches or free milk from the most recent

1 data available on November 1 of the school fiscal year immediately
2 preceding the school fiscal year in which aid is to be paid;

3 (21) Full-day kindergarten means kindergarten offered by
4 a district for at least one thousand thirty-two instructional
5 hours;

6 (22) General fund budget of expenditures means the total
7 budget of disbursements and transfers for general fund purposes as
8 certified in the budget statement adopted pursuant to the Nebraska
9 Budget Act, except that for purposes of the limitation imposed in
10 section 79-1023, the calculation of Class I total allowable general
11 fund budget of expenditures minus the special education budget of
12 expenditures pursuant to section 79-1083.03, and the calculation
13 pursuant to subdivision (2) of section 79-1027.01, the general fund
14 budget of expenditures does not include any special grant funds,
15 exclusive of local matching funds, received by a district subject
16 to the approval of the department;

17 (23) General fund expenditures means all expenditures
18 from the general fund;

19 (24) General fund operating expenditures means the total
20 general fund expenditures minus categorical funds, tuition paid,
21 transportation fees paid to other districts, adult education,
22 summer school, community services, redemption of the principal
23 portion of general fund debt service, retirement incentive plans,
24 staff development assistance, and transfers from other funds into
25 the general fund for the second school fiscal year immediately
26 preceding the school fiscal year in which aid is to be paid as
27 reported on the annual financial report prior to December 1 of the

1 school fiscal year immediately preceding the school fiscal year in
2 which aid is to be paid;

3 (25) High school district means a school district
4 providing instruction in at least grades nine through twelve;

5 (26) Income tax liability means the amount of the
6 reported income tax liability for resident individuals pursuant
7 to the Nebraska Revenue Act of 1967 less all nonrefundable credits
8 earned and refunds made;

9 (27) Income tax receipts means the amount of income tax
10 collected pursuant to the Nebraska Revenue Act of 1967 less all
11 nonrefundable credits earned and refunds made;

12 (28) Limited English proficiency student means a student
13 with limited English proficiency from the most recent data
14 available on November 1 of the school fiscal year preceding
15 the school fiscal year in which aid is to be paid;

16 (29) Local system means a Class VI district and the
17 associated Class I districts or a Class II, III, IV, or V district
18 and any affiliated Class I districts or portions of Class I
19 districts. ~~and for school fiscal year 2008-09 and each school~~
20 ~~fiscal year thereafter, a learning community or a Class II, III,~~
21 ~~IV, or V district that is not a member of a learning community.~~
22 The membership, expenditures, and resources of Class I districts
23 that are affiliated with multiple high school districts will be
24 attributed to local systems based on the percent of the Class I
25 valuation that is affiliated with each high school district;

26 (30) Low-income child means (a) for school fiscal years
27 prior to 2008-09, a child under nineteen years of age living in

1 a household having an annual adjusted gross income of fifteen
2 thousand dollars or less for the second calendar year preceding
3 the beginning of the school fiscal year for which aid is being
4 calculated and (b) for school fiscal year 2008-09 and each school
5 fiscal year thereafter, a child under nineteen years of age living
6 in a household having an annual adjusted gross income for the
7 second calendar year preceding the beginning of the school fiscal
8 year for which aid is being calculated equal to or less than the
9 maximum household income that would allow a student from a family
10 of four people to be a free lunch and free milk student during the
11 school fiscal year immediately preceding the school fiscal year for
12 which aid is being calculated;

13 (31) Low-income students means the number of low-income
14 children within the local system multiplied by the ratio of the
15 formula students in the local system divided by the total children
16 under nineteen years of age residing in the local system as derived
17 from income tax information;

18 (32) Most recently available complete data year means
19 the most recent single school fiscal year for which the annual
20 financial report, fall school district membership report, annual
21 statistical summary, Nebraska income tax liability by school
22 district for the calendar year in which the majority of the school
23 fiscal year falls, and adjusted valuation data are available;

24 (33) Poverty students means the number of low-income
25 students or the number of students who are free lunch and free milk
26 students in a local system, whichever is greater;

27 (34) Qualified early childhood education average daily

1 membership means the product of the average daily membership for
2 school fiscal year 2006-07 and each school fiscal year thereafter
3 of students who will be eligible to attend kindergarten the
4 following school year and are enrolled in an early childhood
5 education program approved by the department pursuant to section
6 79-1103 for such school district for such school year if: (a)
7 The program is receiving a grant pursuant to such section for the
8 third year; (b) the program has already received grants pursuant to
9 such section for three years; or (c) the program has been approved
10 pursuant to subsection (5) of section 79-1103 for such school year
11 and the two preceding school years, including any such students
12 in portions of any of such programs receiving an expansion grant,
13 multiplied by the ratio of the actual instructional hours of the
14 program divided by one thousand thirty-two;

15 (35) Qualified early childhood education fall membership
16 means the product of membership on the last Friday in September
17 2006 and each year thereafter of students who will be eligible
18 to attend kindergarten the following school year and are enrolled
19 in an early childhood education program approved by the department
20 pursuant to section 79-1103 for such school district for such
21 school year if: (a) The program is receiving a grant pursuant
22 to such section for the third year; (b) the program has already
23 received grants pursuant to such section for three years; or (c)
24 the program has been approved pursuant to subsection (5) of section
25 79-1103 for such school year and the two preceding school years,
26 including any such students in portions of any of such programs
27 receiving an expansion grant, multiplied by the ratio of the

1 planned instructional hours of the program divided by one thousand
2 thirty-two;

3 (36) Regular route transportation means the
4 transportation of students on regularly scheduled daily routes to
5 and from the attendance center;

6 (37) Reorganized district means any district involved
7 in a consolidation and currently educating students following
8 consolidation;

9 (38) School year or school fiscal year means the fiscal
10 year of a school district as defined in section 79-1091;

11 (39) Special education means specially designed
12 kindergarten through grade twelve instruction pursuant to section
13 79-1125, and includes special education transportation;

14 (40) Special grant funds means the budgeted receipts for
15 grants, including, but not limited to, Title I funds, Title VI
16 funds, funds from the Education Innovation Fund, reimbursements
17 for wards of the court, short-term borrowings including, but
18 not limited to, registered warrants and tax anticipation notes,
19 interfund loans, insurance settlements, and reimbursements to
20 county government for previous overpayment. The state board shall
21 approve a listing of grants that qualify as special grant funds;

22 (41) Special receipts allowance means the amount of
23 special education, state ward, and accelerated or differentiated
24 curriculum program receipts included in local system formula
25 resources under subdivisions (7), (8), (16), and (17) of section
26 79-1018.01 attributable to the school district;

27 (42) State aid means the amount of assistance paid to a

1 district pursuant to the Tax Equity and Educational Opportunities
2 Support Act;

3 (43) State board means the State Board of Education;

4 (44) State support means all funds provided to districts
5 by the State of Nebraska for the general fund support of elementary
6 and secondary education;

7 (45) Temporary aid adjustment factor means (a) for school
8 fiscal years before school fiscal year 2007-08, one and one-fourth
9 percent of the sum of the local system's transportation allowance,
10 the local system's special receipts allowance, and the product
11 of the local system's adjusted formula students multiplied by
12 the average formula cost per student in the local system's
13 cost grouping and (b) for school fiscal year 2007-08, one and
14 one-fourth percent of the sum of the local system's transportation
15 allowance, special receipts allowance, and distance education and
16 telecommunications allowance and the product of the local system's
17 adjusted formula students multiplied by the average formula cost
18 per student in the local system's cost grouping;

19 (46) Transportation allowance means the lesser of (a)
20 each local system's general fund expenditures for regular route
21 transportation and in lieu of transportation expenditures pursuant
22 to section 79-611 in the second school fiscal year immediately
23 preceding the school fiscal year in which aid is to be paid,
24 but not including special education transportation expenditures or
25 other expenditures previously excluded from general fund operating
26 expenditures, or (b) the number of miles traveled in the second
27 school fiscal year immediately preceding the school fiscal year in

1 which aid is to be paid by vehicles owned, leased, or contracted
2 by the district or the districts in the local system for the
3 purpose of regular route transportation multiplied by four hundred
4 percent of the mileage rate established by the Department of
5 Administrative Services pursuant to section 81-1176 as of January 1
6 of the most recently available complete data year added to in lieu
7 of transportation expenditures pursuant to section 79-611 from the
8 same data year;

9 (47) Tuition receipts from converted contracts means
10 tuition receipts received by a district from another district
11 in the most recently available complete data year pursuant to a
12 converted contract prior to the expiration of the contract; and

13 (48) Tuitioned students means students in kindergarten
14 through grade twelve of the district whose tuition is paid by the
15 district to some other district or education agency.

16 Sec. 11. Section 79-1008.01, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 79-1008.01 (1) Except as provided in subsection (2) of
19 this section and sections 79-1008.02 to 79-1010, each local system
20 shall receive equalization aid in the amount that the total formula
21 need of each local system, as determined pursuant to sections
22 79-1007.01 to 79-1007.10, exceeds its total formula resources as
23 determined pursuant to sections 79-1015.01 to 79-1018.01.

24 (2) Except as provided in section 79-1008.02, a local
25 system shall not receive state aid for any school fiscal year,
26 except school fiscal years 2002-03 through 2007-08, which is less
27 than an amount equal to the difference of eighty-five percent of

1 the amount of aid certified in the preceding school fiscal year
2 minus an amount equal to any increase in the adjusted valuation
3 between the adjusted valuation used for the certification of aid in
4 the preceding school fiscal year and the adjusted valuation used
5 for the aid being calculated multiplied by the maximum levy, for
6 the school fiscal year for which aid is being certified, pursuant
7 to subdivision (2)(a) ~~or (b)~~ of section 77-3442 without a vote
8 pursuant to section 77-3444.

9 (3) Except as provided in section 79-1008.02, a local
10 system shall not receive state aid for school fiscal years
11 2002-03 through 2007-08 which is less than an amount equal to
12 the difference of eighty-three and three-fourths percent of the
13 amount of aid certified in the preceding school fiscal year minus
14 an amount equal to any increase in the adjusted valuation between
15 the adjusted valuation used for the certification of aid in the
16 preceding school fiscal year and the adjusted valuation used for
17 the aid being calculated multiplied by the maximum levy, for the
18 school fiscal year for which aid is being certified, pursuant to
19 subdivision (2)(a) of section 77-3442 without a vote pursuant to
20 section 77-3444.

21 (4) Except as provided in subsection (2) or (3) of this
22 section, no local system may receive equalization aid such that,
23 when total aid is added to a levy ten cents less than the maximum
24 levy, for the school fiscal year for which aid is being certified,
25 pursuant to subdivision (2)(a) ~~or (b)~~ of section 77-3442 without a
26 vote pursuant to section 77-3444, multiplied by the local system's
27 adjusted valuation, would result in total local system revenue from

1 state aid plus property tax receipts which exceeds the total of:

2 (a) The sum of state aid, receipts from other school
3 districts related to annexation, and property tax receipts received
4 by the local system during the preceding school fiscal year
5 multiplied by the total of (i) 1.01 plus (ii) the applicable
6 allowable growth rate for the local system calculated pursuant
7 to section 79-1026 as determined for the school fiscal year
8 immediately preceding the school fiscal year when aid is to be
9 distributed plus (iii) the percentage growth in formula students
10 from the certification of state aid for the immediately preceding
11 school fiscal year to the formula students for the certification
12 of state aid for the current school fiscal year, except that the
13 percentage growth shall not be less than zero;

14 (b) Unused budget authority authorized pursuant to
15 section 79-1030 for all school districts in the local system;

16 (c) The difference between the other actual receipts
17 included in local system formula resources for the certification
18 of state aid in the preceding school fiscal year and other
19 actual receipts included in local system formula resources for the
20 certification of state aid for the current school fiscal year,
21 except that such difference shall not be less than zero; and

22 (d) The absolute value of any negative prior year
23 adjustment pursuant to section 79-1065.

24 For local systems that have reorganized, state aid,
25 property tax receipts, and number of formula students shall
26 be attributed based on valuation. The formation of a learning
27 community shall be considered a reorganization for purposes of

1 this subsection. The revenue from property tax receipts shall be
2 calculated by multiplying the reported general fund common levy by
3 the assessed valuation subject to the levy divided by one hundred.

4 (5) For all school fiscal years except school fiscal
5 years 2002-03 through 2007-08, the aid that is not distributed
6 through equalization based on subsection (4) of this section
7 shall be distributed through this subsection to the extent local
8 systems qualify for such distributions. Local systems qualify
9 for distribution under this subsection if they have nine hundred
10 or less formula students and adjusted general fund operating
11 expenditures per formula student less than the average for all
12 local systems with nine hundred or less formula students. The aid
13 shall be distributed proportionally to qualifying districts based
14 on the dollar amount each local system's calculated state aid plus
15 the product of a levy of one dollar multiplied by the assessed
16 valuation divided by one hundred is below ninety percent of state
17 aid plus property tax receipts received by the local system during
18 the preceding school fiscal year. No system shall receive aid
19 pursuant to this subsection such that the calculated state aid plus
20 the product of a levy of one dollar multiplied by the assessed
21 valuation divided by one hundred is ninety percent or more of state
22 aid plus property tax receipts received by the local system during
23 the preceding school fiscal year.

24 (6) For school fiscal years 2002-03 through 2007-08,
25 the aid that is not distributed through equalization based on
26 subsection (3) of this section shall be distributed through
27 this subsection to the extent local systems qualify for such

1 distributions. Local systems qualify for distribution under this
2 subsection if they have nine hundred or less formula students and
3 adjusted general fund operating expenditures per formula student
4 less than the average for all local systems with nine hundred or
5 less formula students. The aid shall be distributed proportionally
6 to qualifying districts based on the dollar amount each local
7 system's calculated state aid plus the product of a levy equal to
8 the maximum levy, for the school fiscal year for which aid is being
9 certified, pursuant to subdivision (2)(a) ~~or (b)~~ of section 77-3442
10 without a vote pursuant to section 77-3444, multiplied by the
11 assessed valuation is below eighty-eight and three-fourths percent
12 of state aid plus property tax receipts received by the local
13 system during the preceding school fiscal year. No system shall
14 receive aid pursuant to this subsection such that the calculated
15 state aid plus the product of a levy equal to the maximum levy, for
16 the school fiscal year for which aid is being certified, pursuant
17 to subdivision (2)(a) ~~or (b)~~ of section 77-3442 without a vote
18 pursuant to section 77-3444, multiplied by the assessed valuation
19 is eighty-eight and three-fourths percent or more of state aid
20 plus property tax receipts received by the local system during the
21 preceding school fiscal year.

22 Sec. 12. Section 79-1008.02, Revised Statutes Supplement,
23 2007, is amended to read:

24 79-1008.02 A minimum levy adjustment shall be calculated
25 and applied to any local system that has a general fund common
26 levy for the fiscal year during which aid is certified that
27 is less than the maximum levy, for such fiscal year for such

1 local system, allowed pursuant to subdivision (2)(a) ~~or (b)~~ of
2 section 77-3442 without a vote pursuant to section 77-3444 less
3 ~~two ten cents for learning communities and less ten cents for all~~
4 ~~other local systems.~~ To calculate the minimum levy adjustment, the
5 department shall subtract the local system general fund common levy
6 for such fiscal year for such local system from the maximum levy
7 allowed pursuant to subdivision (2)(a) ~~or (b)~~ of section 77-3442
8 without a vote pursuant to section 77-3444 less two ten cents ~~for~~
9 ~~learning communities and less ten cents for all other local systems~~
10 and multiply the result by the local system's adjusted valuation
11 divided by one hundred. The minimum levy adjustment shall be added
12 to the formula resources of the local system for the determination
13 of equalization aid pursuant to section 79-1008.01. If the minimum
14 levy adjustment is greater than or equal to the allocated income
15 tax funds calculated pursuant to section 79-1005.01 or 79-1005.02,
16 the local system shall not receive allocated income tax funds. If
17 the minimum levy adjustment is less than the allocated income tax
18 funds calculated pursuant to section 79-1005.01 or 79-1005.02, the
19 local system shall receive allocated income tax funds in the amount
20 of the difference between the allocated income tax funds calculated
21 pursuant to section 79-1005.01 or 79-1005.02 and the minimum levy
22 adjustment. ~~This section does not apply to the calculation of aid~~
23 ~~for a local system containing a learning community for the first~~
24 ~~school fiscal year for which aid is calculated for such local~~
25 ~~system.~~

26 Sec. 13. Section 79-1015.01, Revised Statutes Supplement,
27 2007, is amended to read:

1 79-1015.01 (1) Local system formula resources shall
2 include local effort rate yield which shall be computed as
3 prescribed in this section.

4 (2) For state aid certified pursuant to section 79-1022,
5 the local effort rate shall be the maximum levy, for the school
6 fiscal year for which aid is being certified, authorized pursuant
7 to subdivision (2)(a) ~~or (e)~~ of section 77-3442 less ten cents.
8 For the final calculation of state aid pursuant to section 79-1065,
9 the local effort rate shall be the rate which, when multiplied
10 by the total adjusted valuation of all taxable property in local
11 systems receiving equalization aid pursuant to the Tax Equity and
12 Educational Opportunities Support Act, will produce the amount
13 needed to support the total formula need of such local systems
14 when added to state aid appropriated by the Legislature and other
15 actual receipts of local systems described in section 79-1018.01.
16 The local effort rate yield shall be determined by multiplying each
17 local system's total adjusted valuation by the local effort rate.

18 Sec. 14. Section 79-1022, Revised Statutes Supplement,
19 2007, is amended to read:

20 79-1022 (1) On or before February 1 of each year, the
21 department shall determine the amounts to be distributed to each
22 local system and each district pursuant to the Tax Equity and
23 Educational Opportunities Support Act and shall certify the amounts
24 to the Director of Administrative Services, the Auditor of Public
25 Accounts, ~~each learning community,~~ and each district. The amount
26 to be distributed to each district ~~that is not a member of a~~
27 ~~learning community~~ from the amount certified for a local system

1 shall be proportional based on the weighted formula students
2 attributed to each district in the local system. ~~For the first~~
3 ~~five complete school fiscal years for a learning community,~~ the
4 amount to be distributed to each district that is a member of
5 such learning community shall be determined pursuant to section
6 ~~79-1015.~~ For each school fiscal year thereafter, the amount to
7 be distributed to each district that is a member of a learning
8 community from the amount certified for the local system shall
9 be proportional based on the formula needs calculated for each
10 district in the local system. On or before February 1 of each
11 year, the department shall report the necessary funding level to
12 the Governor, the Appropriations Committee of the Legislature,
13 and the Education Committee of the Legislature. Certified state
14 aid amounts, including adjustments pursuant to section 79-1065.02,
15 shall be shown as budgeted non-property-tax receipts and deducted
16 prior to calculating the property tax request in the district's
17 general fund budget statement as provided to the Auditor of Public
18 Accounts pursuant to section 79-1024.

19 (2) Except as provided in subsection (8) of section
20 79-1016 and sections 79-1033 and 79-1065.02, the amounts certified
21 pursuant to subsection (1) of this section shall be distributed in
22 ten as nearly as possible equal payments on the last business day
23 of each month beginning in September of each ensuing school fiscal
24 year and ending in June of the following year, except that when a
25 school district is to receive a monthly payment of less than one
26 thousand dollars, such payment shall be one lump-sum payment on
27 the last business day of December during the ensuing school fiscal

1 year.

2 Sec. 16. Section 79-10,120, Revised Statutes Supplement,
3 2007, is amended to read:

4 79-10,120 The school board or board of education of a
5 Class II, III, IV, V, or VI school district may establish a
6 special fund for purposes of acquiring sites for school buildings
7 or teacherages, purchasing existing buildings for use as school
8 buildings or teacherages, including the sites upon which such
9 buildings are located, and the erection, alteration, equipping,
10 and furnishing of school buildings or teacherages and additions
11 to school buildings for elementary and high school grades and for
12 no other purpose. ~~For school districts that are not members of~~
13 ~~learning communities, the~~ The fund shall be established from the
14 proceeds of an annual levy, to be determined by the board, of
15 not to exceed fourteen cents on each one hundred dollars upon
16 the taxable value of all taxable property in the district which
17 shall be in addition to any other taxes authorized to be levied
18 for school purposes. Such tax shall be levied and collected as
19 are other taxes for school purposes. ~~For school districts that are~~
20 ~~members of a learning community, such fund shall be established~~
21 ~~from the proceeds of the learning community special building funds~~
22 ~~levy directed to the school district for such purpose pursuant~~
23 ~~to subdivision (2)(g) of section 77-3442 and the proceeds of any~~
24 ~~school district special building fund levy pursuant to subdivision~~
25 ~~(2)(e) of section 77-3442.~~

26 Sec. 17. Section 79-10,126, Revised Statutes Cumulative
27 Supplement, 2006, is amended to read:

1 79-10,126 A Class V school district ~~that is not a~~
2 ~~member of a learning community~~ shall establish (1) for the general
3 operation of the schools, such fund as will result from an annual
4 levy of such rate of tax upon the taxable value of all the
5 taxable property in such school district as the board of education
6 determines to be necessary for such purpose, (2) a fund resulting
7 from an annual amount of tax to be determined by the board of
8 education of not to exceed fourteen cents on each one hundred
9 dollars upon the taxable value of all the taxable property in the
10 district for the purpose of acquiring sites of school buildings
11 and the erection, alteration, equipping, and furnishing of school
12 buildings and additions to school buildings, which tax levy shall
13 be used for no other purposes, and (3) a further fund resulting
14 from an annual amount of tax to be determined by the board of
15 education to pay interest on and retiring, funding, or servicing of
16 bonded indebtedness of the district.

17 Sec. 23. Section 79-2104, Revised Statutes Supplement,
18 2007, is amended to read:

19 79-2104 A learning community coordinating council shall
20 have the authority to:

21 ~~(1) Levy and distribute a common levy for the general~~
22 ~~funds of member school districts pursuant to sections 77-3442 and~~
23 ~~79-1073;~~

24 ~~(2) Levy and distribute a common levy for the special~~
25 ~~building funds of member school districts pursuant to sections~~
26 ~~77-3442 and 79-1073.01;~~

27 ~~(3)~~ (1) Levy for capital projects approved by the

1 learning community coordinating council pursuant to sections
2 77-3442 and 79-2111;

3 ~~(4)~~ (2) Collect, analyze, and report data and
4 information, including, but not limited to, information provided by
5 a school district pursuant to subsection (5) of section 79-201;

6 ~~(5)~~ (3) Approve focus schools and focus programs to be
7 operated by member school districts;

8 ~~(6)~~ (4) Adopt, approve, and implement an integration
9 and a diversity plan which shall include open enrollment and may
10 include focus schools, focus programs, and magnet schools, and
11 pathways pursuant to section 79-2110;

12 ~~(7)~~ (5) Administer the open enrollment provisions in
13 section 79-2110 for the learning community as part of a diversity
14 plan developed by the council to provide educational opportunities
15 which will result in increased diversity in schools across the
16 learning community;

17 ~~(8)~~ (6) Annually conduct school fairs to provide
18 students and parents the opportunity to explore the educational
19 opportunities available at each school in the learning community
20 and develop other methods for encouraging access to such
21 information and promotional materials;

22 ~~(9)~~ (7) Develop and approve reorganization plans for
23 submission pursuant to the Learning Community Reorganization Act;

24 ~~(10)~~ (8) Establish and administer elementary learning
25 centers through achievement subcouncils pursuant to sections
26 79-2112 to 79-2114;

27 ~~(11)~~ (9) Administer the learning community funds

1 distributed to the learning community pursuant to section 79-2111;

2 ~~(12)~~ (10) Approve or disapprove poverty plans and limited

3 English proficiency plans for member school districts through

4 achievement subcouncils established under section 79-2117;

5 ~~(13)~~ (11) Establish a procedure for receiving community

6 input and complaints regarding the learning community; and

7 ~~(14)~~ (12) Establish a procedure to assist parents,

8 citizens, and member school districts in accessing an approved

9 center pursuant to the Dispute Resolution Act to resolve disputes

10 involving member school districts or the learning community. Such

11 procedure ~~shall~~ may include payment by the learning community for

12 ~~such~~ some mediation services.

13 Sec. 27. Section 79-2111, Revised Statutes Supplement,

14 2007, is amended to read:

15 79-2111 (1) A learning community may levy a maximum levy

16 pursuant to subdivision ~~(2)(h)~~ (2)(e) of section 77-3442 for the

17 purchase, construction, or remodeling of elementary learning center

18 facilities and up to fifty percent of the estimated costs for

19 capital projects approved pursuant to this section. The proceeds

20 from such levy shall be used for elementary learning center

21 facilities and for one-time reductions of the bonded indebtedness

22 required for approved projects up to fifty percent of the estimated

23 cost of the approved project. The funds used for reductions of

24 bonded indebtedness shall be transferred to the school district

25 for which the project was approved and shall be deposited in such

26 school district's special building fund for use on such project.

27 (2) The learning community may approve pursuant to this

1 section funding for capital projects which will include the
2 purchase, construction, or remodeling of facilities for ~~(a)~~ a
3 focus school or program designed to meet the requirements of
4 section 79-769_ ~~or (b) a school or program that will otherwise~~
5 ~~specifically attract a more economically and culturally diverse~~
6 ~~student body than would otherwise attend a school or program in a~~
7 ~~facility at that location.~~ Such approval shall include an estimated
8 cost for the project and shall state the amount that will be
9 provided by the learning community for such project.

10 (3) If, within the ten years following receipt of the
11 funding for a capital project pursuant to this section, a school
12 district receiving such funding uses the facility purchased,
13 constructed, or remodeled with such funding for purposes other
14 than those stated to qualify for the funds, the school district
15 shall repay such funds to the learning community with interest at
16 the rate prescribed in section 45-104.02 accruing from the date
17 the funds were transferred to the school district's building fund
18 as of the last date the facility was used for such purpose as
19 determined by the learning community coordinating council or the
20 date that the learning community coordinating council determines
21 that the facility will not be used for such purpose or that
22 such facility will not be purchased, constructed, or remodeled
23 for such purpose. Interest shall continue to accrue on outstanding
24 balances until the repayment has been completed. The remaining
25 terms of repayment shall be determined by the learning community
26 coordinating council. The learning community coordinating council
27 may waive such repayment if the facility is used for a different

1 ~~(a) focus school or program or (b) school or program that will~~
2 ~~specifically attract a more economically and culturally diverse~~
3 ~~student body than would attend a school or program in a facility at~~
4 ~~that location for a period of time that will result in the use of~~
5 ~~the facility for qualifying purposes for a total of at least ten~~
6 ~~years.~~

7 Sec. 35. The following sections are outright repealed:
8 Sections 79-1015, 79-1073, 79-1073.01, and 79-10,126.01, Revised
9 Statutes Supplement, 2007.

10 2. On page 65, line 26, strike "79-1073,".

11 3. Renumber the remaining sections and correct internal
12 references and the repealer accordingly.