

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 651

Introduced by Davis, 43; Wallman, 30.

Read first time January 23, 2013

Committee:

A BILL

1 FOR AN ACT relating to community colleges; to amend sections 13-503,
2 13-518, 18-2115, 72-2302, 72-2303, 72-2304, 72-2306,
3 77-1601.02, 77-3443, and 85-1516, Reissue Revised
4 Statutes of Nebraska, and sections 77-3442, 77-3445,
5 85-1402, 85-1412, 85-1418, 85-1501.01, 85-1503, 85-1511,
6 85-1517, and 85-1540, Revised Statutes Cumulative
7 Supplement, 2012; to eliminate property tax levying
8 authority as prescribed; to provide for state funding of
9 community colleges; to eliminate the Community College
10 Aid Act; to harmonize provisions; to provide operative
11 dates; to repeal the original sections; and to outright
12 repeal sections 85-2231, 85-2232, 85-2233, 85-2234,
13 85-2235, 85-2236, and 85-2237, Revised Statutes
14 Cumulative Supplement, 2012.

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

1 Section 1. Section 13-503, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-503 For purposes of the Nebraska Budget Act, unless
4 the context otherwise requires:

5 (1) Governing body shall mean the governing body of any
6 county agricultural society, elected county fair board, joint airport
7 authority formed under the Joint Airport Authorities Act, city or
8 county airport authority, bridge commission created pursuant to
9 section 39-868, cemetery district, city, village, municipal county,
10 ~~community college, community~~ redevelopment authority, county,
11 drainage or levee district, educational service unit, rural or
12 suburban fire protection district, historical society, hospital
13 district, irrigation district, learning community, natural resources
14 district, nonprofit county historical association or society for
15 which a tax is levied under subsection (1) of section 23-355.01,
16 public building commission, railroad transportation safety district,
17 reclamation district, road improvement district, rural water
18 district, school district, sanitary and improvement district,
19 township, offstreet parking district, transit authority, metropolitan
20 utilities district, Educational Service Unit Coordinating Council,
21 and political subdivision with the authority to have a property tax
22 request, with the authority to levy a toll, or that receives state
23 aid;

24 (2) Levying board shall mean any governing body which has
25 the power or duty to levy a tax;

1 (3) Fiscal year shall mean the twelve-month period used
2 by each governing body in determining and carrying on its financial
3 and taxing affairs;

4 (4) Tax shall mean any general or special tax levied
5 against persons, property, or business for public purposes as
6 provided by law but shall not include any special assessment;

7 (5) Auditor shall mean the Auditor of Public Accounts;

8 (6) Cash reserve shall mean funds required for the period
9 before revenue would become available for expenditure but shall not
10 include funds held in any special reserve fund;

11 (7) Public funds shall mean all money, including nontax
12 money, used in the operation and functions of governing bodies. For
13 purposes of a county, city, or village which has a lottery
14 established under the Nebraska County and City Lottery Act, only
15 those net proceeds which are actually received by the county, city,
16 or village from a licensed lottery operator shall be considered
17 public funds, and public funds shall not include amounts awarded as
18 prizes;

19 (8) Adopted budget statement shall mean a proposed budget
20 statement which has been adopted or amended and adopted as provided
21 in section 13-506. Such term shall include additions, if any, to an
22 adopted budget statement made by a revised budget which has been
23 adopted as provided in section 13-511;

24 (9) Special reserve fund shall mean any special fund set
25 aside by the governing body for a particular purpose and not

1 available for expenditure for any other purpose. Funds created for
2 (a) the retirement of bonded indebtedness, (b) the funding of
3 employee pension plans, (c) the purposes of the Political
4 Subdivisions Self-Funding Benefits Act, (d) the purposes of the Local
5 Option Municipal Economic Development Act, (e) voter-approved sinking
6 funds, or (f) statutorily authorized sinking funds shall be
7 considered special reserve funds;

8 (10) Biennial period shall mean the two fiscal years
9 comprising a biennium commencing in odd-numbered or even-numbered
10 years used by a city in determining and carrying on its financial and
11 taxing affairs; and

12 (11) Biennial budget shall mean a budget by a city of the
13 primary or metropolitan class that adopts a charter provision
14 providing for a biennial period to determine and carry on the city's
15 financial and taxing affairs.

16 Sec. 2. Section 13-518, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 13-518 For purposes of sections 13-518 to 13-522:

19 (1) Allowable growth means (a) for governmental units
20 other than community colleges, the percentage increase in taxable
21 valuation in excess of the base limitation established under section
22 77-3446, if any, due to improvements to real property as a result of
23 new construction, additions to existing buildings, any improvements
24 to real property which increase the value of such property, and any
25 increase in valuation due to annexation and any personal property

1 valuation over the prior year and (b) for community colleges, through
2 fiscal year 2014-15, the percentage increase in excess of the base
3 limitation, if any, in full-time equivalent students from the second
4 year to the first year preceding the year for which the budget is
5 being determined;

6 (2) Capital improvements means (a) acquisition of real
7 property or (b) acquisition, construction, or extension of any
8 improvements on real property;

9 (3) Governing body has the same meaning as in section
10 13-503;

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

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

23 (6) Restricted funds means (a) property tax, excluding
24 any amounts refunded to taxpayers, (b) payments in lieu of property
25 taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e)

1 state aid, (f) transfers of surpluses from any user fee, permit fee,
2 or regulatory fee if the fee surplus is transferred to fund a service
3 or function not directly related to the fee and the costs of the
4 activity funded from the fee, (g) any funds excluded from restricted
5 funds for the prior year because they were budgeted for capital
6 improvements but which were not spent and are not expected to be
7 spent for capital improvements, (h) the tax provided in sections
8 77-27,223 to 77-27,227 beginning in the second fiscal year in which
9 the county will receive a full year of receipts, and (i) any excess
10 tax collections returned to the county under section 77-1776. Funds
11 received pursuant to the nameplate capacity tax levied under section
12 77-6203 for the first five years after a wind energy generation
13 facility has been commissioned are nonrestricted funds; and

14 (7) State aid means:

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

17 (b) For municipalities, state aid to municipalities paid
18 pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3,190, and
19 77-27,139.04 and insurance premium tax paid to municipalities;

20 (c) For counties, state aid to counties paid pursuant to
21 sections 39-2501 to 39-2520 and 60-3,184 to 60-3,190, insurance
22 premium tax paid to counties, and reimbursements to counties from
23 funds appropriated pursuant to section 29-3933;

24 (d) For community colleges, (i) for fiscal years 2010-11,
25 2011-12, and 2012-13, state aid to community colleges paid pursuant

1 to section 90-517 and (ii) for fiscal ~~year 2013-14~~ and each fiscal
2 ~~year thereafter, years 2013-14 and 2014-15,~~ state aid to community
3 colleges paid pursuant to the Community College Aid Act;

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

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

8 Sec. 3. Section 18-2115, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 18-2115 (1) The governing body of the city shall hold a
11 public hearing on any redevelopment plan or substantial modification
12 thereof recommended by the authority, after reasonable public notice
13 thereof by publication at least once a week for two consecutive weeks
14 in a legal newspaper of general circulation in the community, the
15 time of the hearing to be at least ten days from the last
16 publication. The notice shall describe the time, date, place, and
17 purpose of the hearing and shall specifically identify the area to be
18 redeveloped under the plan. All interested parties shall be afforded
19 at such public hearing a reasonable opportunity to express their
20 views respecting the proposed redevelopment plan.

21 (2) Except as provided in subsection (3) of this section,
22 the governing body of the city or such other division of the city or
23 person as the governing body shall designate shall, at least ten days
24 prior to the public hearing required by subsection (1) of this
25 section, mail notice of the hearing by first-class United States

1 mail, postage prepaid, or by certified mail to all registered
2 neighborhood associations whose area of representation is located in
3 whole or in part within a one-mile radius of the area to be
4 redeveloped and to the president or chairperson of the governing body
5 of each county, school district, ~~community college,~~ educational
6 service unit, and natural resources district in which the real
7 property subject to such plan or major modification is located and
8 whose property tax receipts would be directly affected. The notice
9 shall set out the time, date, place, and purpose of the hearing and
10 shall include a map of sufficient size to show the area to be
11 redeveloped.

12 (3) If the planning board or planning commission of the
13 city will conduct a public hearing on the redevelopment plan or
14 substantial modification thereof, the governing body of the city or
15 such other division of the city or person as the governing body shall
16 designate shall, at least ten days prior to the public hearing, mail
17 notice of the hearing by first-class United States mail, postage
18 prepaid, or by certified mail to all registered neighborhood
19 associations whose area of representation is located in whole or in
20 part within a one-mile radius of the area to be redeveloped and to
21 the president or chairperson of the governing body of each county,
22 school district, ~~community college,~~ educational service unit, and
23 natural resources district in which the real property subject to such
24 plan or major modification is located and whose property tax receipts
25 would be directly affected. The notice shall set out the time, date,

1 place, and purpose of the hearing and shall include a map of
2 sufficient size to show the area to be redeveloped. If the registered
3 neighborhood association has been given notice of the public hearing
4 to be held by the planning board or planning commission in conformity
5 with the provisions of this subsection, the governing body or its
6 designee shall not be required to comply with the notice requirements
7 of subsection (2) of this section.

8 (4) Each neighborhood association desiring to receive
9 notice of any hearing as provided in this section shall register with
10 the city's planning department or, if there is no planning
11 department, with the city clerk. The registration shall include a
12 description of the area of representation of the association and the
13 name and address of the individual designated by the association to
14 receive the notice on its behalf. Registration of the neighborhood
15 association for the purposes of this section shall be accomplished in
16 accordance with such other rules and regulations as may be adopted
17 and promulgated by the city.

18 Sec. 4. Section 72-2302, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 72-2302 It is the purpose of the Public Facilities
21 Construction and Finance Act to allow local governmental units which
22 cooperate with other governmental units to issue bonds to finance
23 joint projects which may be serviced by property taxes, regardless of
24 the restrictions on the issuance of debt contained in other statutory
25 provisions, home rule charters, or the limitations in section

1 77-3442, for the acquisition, construction, financing, operation, and
2 ownership of (1) public buildings and related improvements to real
3 estate, recreational facilities and related improvements, flood
4 control and storm water drainage, and street and road construction
5 and improvements and (2) information technology for libraries
6 operated by counties, municipalities, school districts, and
7 educational service units., ~~and community colleges.~~

8 Sec. 5. Section 72-2303, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 72-2303 For purposes of the Public Facilities
11 Construction and Finance Act:

12 (1) Bond measure means a resolution or ordinance which
13 authorizes bonds to be issued and sold in accordance with the act and
14 which sets the terms of such bonds;

15 (2) Joint project means a project financed and operated
16 by at least two or more qualified public agencies cooperating as a
17 joint entity or joint public agency for (a) any public building or
18 buildings and related improvements to real estate, including parking
19 facilities, any recreational facilities and related improvements to
20 real estate, any flood control and storm water drainage, and any
21 street and road construction and improvements and related fixtures
22 and (b) any item of hardware or software used in providing for the
23 delivery of information, including the purchasing of upgrades or
24 related improvements to information technology for the operation of
25 libraries operated by counties, municipalities, school districts, and

1 educational service units; ~~and, and community colleges; and~~

2 (3) Qualified public agency means any city, village,
3 municipal county, ~~community college, county,~~ educational service
4 unit, rural or suburban fire protection district, hospital district,
5 school district, and sanitary and improvement district.

6 Sec. 6. Section 72-2304, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 72-2304 (1) In addition to any other borrowing powers
9 provided for by law, a qualified public agency shall have the power
10 to issue its negotiable bonds to any joint entity as defined in
11 section 13-803 or to any joint public agency as defined in section
12 13-2503 in connection with any joint project which is to be owned,
13 operated, or financed by the joint entity or joint public agency for
14 the benefit of the qualified public agency. The bonds may be issued
15 only if the second largest participant in the joint project has a
16 financial contribution in the joint project of at least twenty-five
17 percent of the debt service. Such bonds may be issued after the
18 qualified public agency has conducted a public hearing on the
19 issuance of bonds. Notice of such public hearing shall be given by
20 publication in a newspaper of general circulation within the
21 territory of the qualified public agency by at least one publication
22 occurring not less than ten days prior to the time of hearing. After
23 the public hearing, the governing body of the qualified public agency
24 may proceed to adopt a bond measure authorizing bonds.

25 (2) Notice of any such bond measure shall be given by

1 publication of notice of intention to issue bonds in a newspaper of
2 general circulation within the territory of the qualified public
3 agency at least twice after the adoption of the bond measure. Such
4 publications shall be at least three weeks apart. The notice shall
5 state:

- 6 (a) The name of the qualified public agency;
- 7 (b) The purpose of the issue;
- 8 (c) The principal amount of the issue;
- 9 (d) The amount of annual debt service payment anticipated
10 for the bonds, which may be stated as an approximation or estimate,
11 and the anticipated duration for such debt service payments; and
- 12 (e) The time and place where a copy of the form of the
13 bond measure may be examined for a period of at least thirty days.

14 (3) No election shall be required prior to the issuance
15 of bonds under the Public Facilities Construction and Finance Act
16 unless, within sixty days after the first publication of the notice
17 of intention to issue bonds, a remonstrance petition against the
18 issuance of bonds is filed with the clerk or secretary of the
19 qualified public agency. Such remonstrance petition shall be signed
20 by registered voters of the qualified public agency equal in number
21 to at least five percent of the number of registered voters of the
22 qualified public agency at the time the remonstrance petition is
23 filed or at least the number of signatures listed in subsection (5)
24 of this section for the applicable qualified public agency, whichever
25 is less. If a remonstrance petition with the necessary number of

1 qualified signatures is timely filed, the question shall be submitted
2 to the voters of the qualified public agency at a general election or
3 a special election called for the purpose of approving the bonds
4 proposed to be issued. Any joint project for which bonds are issued
5 in accordance with the procedures of the act shall not require any
6 other approval or proceeding by the governing body or the voters of
7 the qualified public agency.

8 (4) No election shall be required for any qualified
9 public agency not issuing bonds to participate in such joint project
10 unless, within sixty days after the governing body of the qualified
11 public agency adopts the measure approving the interlocal or
12 cooperative agreement related to the joint project, a remonstrance
13 petition is filed with the clerk or secretary of the qualified public
14 agency. Such remonstrance petition shall be signed by registered
15 voters of the qualified public agency equal in number to at least
16 five percent of the number of registered voters of the qualified
17 public agency at the time the remonstrance petition is filed or at
18 least the number of signatures listed in subsection (5) of this
19 section for the applicable qualified public agency, whichever is
20 less. If a remonstrance petition with the necessary number of
21 qualified signatures is timely filed, the question shall be submitted
22 to the voters of the qualified public agency at a general election or
23 a special election called for the purpose of approving the interlocal
24 or cooperative agreement related to the joint project.

25 (5) The chart in this subsection provides the alternative

1 number of signatures of registered voters of a qualified public
 2 agency which may be used to submit a remonstrance petition under
 3 subsection (3) or (4) of this section. The classification of counties
 4 in section 23-1114.01 applies for purposes of this section.

5	Qualified Public Agency	Number of Signatures
6		of Registered Voters
7		
8	City of the Metropolitan Class	1500
9	City of the Primary Class	1000
10	City of the First Class	750
11	City of the Second Class	250
12	Villages	50
13	Municipal County	1500
14	Class 7 County	1500
15	Class 6 County	1000
16	Class 5 County	750
17	Class 4 County	500
18	Class 3 County	250
19	Class 2 County	100
20	Class 1 County	50
21	Class VI School District	250
22	Class V School District	1500

1	Class IV School District	1000
2	Class III School District	500
3	Class II School District	250
4	Class I School District	250
5	Educational Service Unit	250
6	Community College Area	1500
7	Fire Protection District	500
8	Hospital District	500
9	Sanitary and Improvement District	500

10 Sec. 7. Section 72-2306, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 72-2306 For joint projects described in subdivision (2)
13 (b) of section 72-2303, the principal amount of bonds which may be
14 issued by a qualified public agency under the Public Facilities
15 Construction and Finance Act shall not exceed two hundred fifty
16 thousand dollars for cities of the metropolitan and primary classes,
17 one hundred thousand dollars for counties, cities of the first class,
18 school districts, and educational service units, ~~and community~~
19 ~~colleges,~~ and fifty thousand dollars for cities of the second class
20 and villages, as to the total principal amount of such bonds which
21 may be outstanding at any time, and the annual amounts due by reason
22 of such bonds from each qualified public agency shall not exceed five
23 percent of the restricted funds of the obligated qualified public
24 agency in the year prior to issuance. The principal amount of bonds

1 of a qualified public agency in the aggregate issued for any one such
2 joint project shall not exceed two hundred and fifty thousand dollars
3 for cities of the metropolitan and primary classes and one hundred
4 thousand dollars for counties, cities of the first class, cities of
5 the second class, villages, school districts, and educational service
6 units., ~~and community colleges.~~

7 Sec. 8. Section 77-1601.02, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 77-1601.02 (1) The property tax request for the prior
10 year shall be the property tax request for the current year for
11 purposes of the levy set by the county board of equalization in
12 section 77-1601 unless the governing body of the county,
13 municipality, school district, learning community, sanitary and
14 improvement district, natural resources district, or educational
15 service unit, ~~or community college~~ passes by a majority vote a
16 resolution or ordinance setting the tax request at a different
17 amount. Such resolution or ordinance shall only be passed after a
18 special public hearing called for such purpose is held and after
19 notice is published in a newspaper of general circulation in the area
20 of the political subdivision at least five days prior to the hearing.
21 The hearing notice shall contain the following information: The
22 dollar amount of the prior year's tax request and the property tax
23 rate that was necessary to fund that tax request; the property tax
24 rate that would be necessary to fund last year's tax request if
25 applied to the current year's valuation; and the proposed dollar

1 amount of the tax request for the current year and the property tax
2 rate that will be necessary to fund that tax request. Any resolution
3 setting a tax request under this section shall be certified and
4 forwarded to the county clerk on or before October 13 of the year for
5 which the tax request is to apply.

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

9 Sec. 9. Section 77-3442, Revised Statutes Cumulative
10 Supplement, 2012, is amended to read:

11 77-3442 (1) Property tax levies for the support of local
12 governments for fiscal years beginning on or after July 1, 1998,
13 shall be limited to the amounts set forth in this section except as
14 provided in section 77-3444.

15 (2)(a) Except as provided in subdivision (2)(e) of this
16 section, school districts and multiple-district school systems,
17 except learning communities and school districts that are members of
18 learning communities, may levy a maximum levy of one dollar and five
19 cents per one hundred dollars of taxable valuation of property
20 subject to the levy.

21 (b) For each fiscal year, learning communities may levy a
22 maximum levy for the general fund budgets of member school districts
23 of ninety-five cents per one hundred dollars of taxable valuation of
24 property subject to the levy. The proceeds from the levy pursuant to
25 this subdivision shall be distributed pursuant to section 79-1073.

1 (c) Except as provided in subdivision (2)(e) of this
2 section, for each fiscal year, school districts that are members of
3 learning communities may levy for purposes of such districts' general
4 fund budget and special building funds a maximum combined levy of the
5 difference of one dollar and five cents on each one hundred dollars
6 of taxable property subject to the levy minus the learning community
7 levies pursuant to subdivisions (2)(b) and (2)(g) of this section for
8 such learning community.

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

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

1 sources pursuant to Title VIII of Public Law 103-382, as such title
2 existed on September 1, 2001.

3 (f) For school fiscal year 2002-03 through school fiscal
4 year 2007-08, school districts and multiple-district school systems
5 may, upon a three-fourths majority vote of the school board of the
6 school district, the board of the unified system, or the school board
7 of the high school district of the multiple-district school system
8 that is not a unified system, exceed the maximum levy prescribed by
9 subdivision (2)(a) of this section in an amount equal to the net
10 difference between the amount of state aid that would have been
11 provided under the Tax Equity and Educational Opportunities Support
12 Act without the temporary aid adjustment factor as defined in section
13 79-1003 for the ensuing school fiscal year for the school district or
14 multiple-district school system and the amount provided with the
15 temporary aid adjustment factor. The State Department of Education
16 shall certify to the school districts and multiple-district school
17 systems the amount by which the maximum levy may be exceeded for the
18 next school fiscal year pursuant to this subdivision (f) of this
19 subsection on or before February 15 for school fiscal years 2004-05
20 through 2007-08.

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

1 (h) For each fiscal year, learning communities may levy a
2 maximum levy of two cents on each one hundred dollars of taxable
3 property subject to the levy for elementary learning center facility
4 leases, for remodeling of leased elementary learning center
5 facilities, and for up to fifty percent of the estimated cost for
6 focus school or program capital projects approved by the learning
7 community coordinating council pursuant to section 79-2111.

8 (i) For each fiscal year, learning communities may levy a
9 maximum levy of one cent on each one hundred dollars of taxable
10 property subject to the levy for elementary learning center
11 employees, for contracts with other entities or individuals who are
12 not employees of the learning community for elementary learning
13 center programs and services, and for pilot projects, except that no
14 more than ten percent of such levy may be used for elementary
15 learning center employees.

16 (3)(a) For fiscal years 2011-12 and 2012-13, community
17 college areas may levy a maximum of ten and one-quarter cents per one
18 hundred dollars of taxable valuation of property subject to the levy
19 for operating expenditures and may also levy the additional levies
20 provided in subdivisions (1)(b) and (c) of section 85-1517.

21 (b) For fiscal ~~year-years~~ 2013-14 and ~~each fiscal year~~
22 ~~thereafter, 2014-15,~~ community college areas may levy the levies
23 provided in subdivisions (2)(a) through (c) of section 85-1517, in
24 accordance with the provisions of such subdivisions. A community
25 college area may exceed the levy provided in subdivision (2)(b) of

1 section 85-1517 by the amount necessary to retire general obligation
2 bonds assumed by the community college area or issued pursuant to
3 section 85-1515 according to the terms of such bonds or for any
4 obligation pursuant to section 85-1535 entered into prior to January
5 1, 1997.

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 their
11 restricted funds budgeted to administer and implement ground water
12 management activities and integrated management activities under the
13 Nebraska Ground Water Management and Protection Act exceed their
14 restricted funds budgeted to administer and implement ground water
15 management activities and integrated management activities for
16 FY2003-04, not to exceed one cent on each one hundred dollars of
17 taxable valuation annually on all of the taxable property within the
18 district.

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

1 activities and integrated management activities under the Nebraska
2 Ground Water Management and Protection Act exceed their restricted
3 funds budgeted to administer and implement ground water management
4 activities and integrated management activities for FY2005-06, not to
5 exceed three cents on each one hundred dollars of taxable valuation
6 on all of the taxable property within the district for fiscal year
7 2006-07 and each fiscal year thereafter through fiscal year 2017-18.

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

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

1 cents per one hundred dollars of taxable valuation of property
2 subject to the levy. The maximum levy shall include amounts paid to a
3 municipal county for county services, amounts levied to pay for sums
4 to support a library pursuant to section 51-201, a museum pursuant to
5 section 51-501, a visiting community nurse, home health nurse, or
6 home health agency pursuant to section 71-1637, or a statue,
7 memorial, or monument pursuant to section 80-202.

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

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

1 51-501. The county may allocate up to fifteen cents of its authority
2 to other political subdivisions subject to allocation of property tax
3 authority under subsection (1) of section 77-3443 and not
4 specifically covered in this section to levy taxes as authorized by
5 law which do not collectively exceed fifteen cents per one hundred
6 dollars of taxable valuation on any parcel or item of taxable
7 property. The county may allocate to one or more other political
8 subdivisions subject to allocation of property tax authority by the
9 county under subsection (1) of section 77-3443 some or all of the
10 county's five cents per one hundred dollars of valuation authorized
11 for support of an agreement or agreements to be levied by the
12 political subdivision for the purpose of supporting that political
13 subdivision's share of revenue required under an agreement or
14 agreements executed pursuant to the Interlocal Cooperation Act or the
15 Joint Public Agency Act. If an allocation by a county would cause
16 another county to exceed its levy authority under this section, the
17 second county may exceed the levy authority in order to levy the
18 amount allocated. Property tax levies for costs of reassumption of
19 the assessment function pursuant to section 77-1340 or 77-1340.04 are
20 not included in the levy limits established in this subsection for
21 fiscal years 2010-11 through 2013-14.

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

1 allocation under section 77-3443.

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

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

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

24 (13) For purposes of sections 77-3442 to 77-3444,
25 political subdivision means a political subdivision of this state and

1 a county agricultural society.

2 (14) For school districts that file a binding resolution
3 on or before May 9, 2008, with the county assessors, county clerks,
4 and county treasurers for all counties in which the school district
5 has territory pursuant to subsection (7) of section 79-458, if the
6 combined levies, except levies for bonded indebtedness approved by
7 the voters of the school district and levies for the refinancing of
8 such bonded indebtedness, are in excess of the greater of (a) one
9 dollar and twenty cents per one hundred dollars of taxable valuation
10 of property subject to the levy or (b) the maximum levy authorized by
11 a vote pursuant to section 77-3444, all school district levies,
12 except levies for bonded indebtedness approved by the voters of the
13 school district and levies for the refinancing of such bonded
14 indebtedness, shall be considered unauthorized levies under section
15 77-1606.

16 Sec. 10. Section 77-3443, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 77-3443 (1) All political subdivisions, other than (a)
19 school districts, ~~community colleges,~~ natural resources districts,
20 educational service units, cities, villages, counties, municipal
21 counties, and sanitary and improvement districts and (b) political
22 subdivisions subject to municipal allocation under subsection (2) of
23 this section, may levy taxes as authorized by law which are
24 authorized by the county board of the county or the council of a
25 municipal county in which the greatest portion of the valuation is

1 located, which are counted in the county or municipal county levy
2 limit provided in section 77-3442, and which do not collectively
3 total more than fifteen cents per one hundred dollars of taxable
4 valuation on any parcel or item of taxable property for all
5 governments for which allocations are made by the municipality,
6 county, or municipal county, except that such limitation shall not
7 apply to property tax levies for preexisting lease-purchase contracts
8 approved prior to July 1, 1998, for bonded indebtedness approved
9 according to law and secured by a levy on property, and for payments
10 by a public airport to retire interest-free loans from the Department
11 of Aeronautics in lieu of bonded indebtedness at a lower cost to the
12 public airport. The county board or council shall review and approve
13 or disapprove the levy request of all political subdivisions subject
14 to this subsection. The county board or council may approve all or a
15 portion of the levy request and may approve a levy request that would
16 allow the requesting political subdivision to levy a tax at a levy
17 greater than that permitted by law. The county board of a county or
18 the council of a municipal county which contains a transit authority
19 created pursuant to section 14-1803 shall allocate no less than three
20 cents per one hundred dollars of taxable property within the city or
21 municipal county subject to the levy to the transit authority if
22 requested by such authority. For any political subdivision subject to
23 this subsection that receives taxes from more than one county or
24 municipal county, the levy shall be allocated only by the county or
25 municipal county in which the greatest portion of the valuation is

1 located. The county board of equalization shall certify all levies by
2 October 15 to insure that the taxes levied by political subdivisions
3 subject to this subsection do not exceed the allowable limit for any
4 parcel or item of taxable property. The levy allocated by the county
5 or municipal county may be exceeded as provided in section 77-3444.

6 (2) All city airport authorities established under the
7 Cities Airport Authorities Act, community redevelopment authorities
8 established under the Community Development Law, transit authorities
9 established under the Transit Authority Law, and offstreet parking
10 districts established under the Offstreet Parking District Act may be
11 allocated property taxes as authorized by law which are authorized by
12 the city, village, or municipal county and are counted in the city or
13 village levy limit or municipal county levy limit provided by section
14 77-3442, except that such limitation shall not apply to property tax
15 levies for preexisting lease-purchase contracts approved prior to
16 July 1, 1998, for bonded indebtedness approved according to law and
17 secured by a levy on property, and for payments by a public airport
18 to retire interest-free loans from the Department of Aeronautics in
19 lieu of bonded indebtedness at a lower cost to the public airport.
20 For offstreet parking districts established under the Offstreet
21 Parking District Act, the tax shall be counted in the allocation by
22 the city proportionately, by dividing the total taxable valuation of
23 the taxable property within the district by the total taxable
24 valuation of the taxable property within the city multiplied by the
25 levy of the district. The city council of a city which has created a

1 transit authority pursuant to section 14-1803 or the council of a
2 municipal county which contains a transit authority shall allocate no
3 less than three cents per one hundred dollars of taxable property
4 subject to the levy to the transit authority if requested by such
5 authority. The city council, village board, or council shall review
6 and approve or disapprove the levy request of the political
7 subdivisions subject to this subsection. The city council, village
8 board, or council may approve all or a portion of the levy request
9 and may approve a levy request that would allow a levy greater than
10 that permitted by law. The levy allocated by the municipality or
11 municipal county may be exceeded as provided in section 77-3444.

12 (3) On or before August 1, all political subdivisions
13 subject to county, municipal, or municipal county levy authority
14 under this section shall submit a preliminary request for levy
15 allocation to the county board, city council, village board, or
16 council that is responsible for levying such taxes. The preliminary
17 request of the political subdivision shall be in the form of a
18 resolution adopted by a majority vote of members present of the
19 political subdivision's governing body. The failure of a political
20 subdivision to make a preliminary request shall preclude such
21 political subdivision from using procedures set forth in section
22 77-3444 to exceed the final levy allocation as determined in
23 subsection (4) of this section.

24 (4) Each county board, city council, village board, or
25 council shall (a) adopt a resolution by a majority vote of members

1 present which determines a final allocation of levy authority to its
2 political subdivisions and (b) forward a copy of such resolution to
3 the chairperson of the governing body of each of its political
4 subdivisions. No final levy allocation shall be changed after
5 September 1 except by agreement between both the county board, city
6 council, village board, or council which determined the amount of the
7 final levy allocation and the governing body of the political
8 subdivision whose final levy allocation is at issue.

9 Sec. 11. Section 77-3445, Revised Statutes Cumulative
10 Supplement, 2012, is amended to read:

11 77-3445 A council on public improvements and services may
12 be created within each county or for adjoining counties by
13 resolutions of county boards or by joint resolutions passed by at
14 least three different types of political subdivisions located in the
15 county which are authorized to levy property taxes or which may
16 benefit from property taxes affected by the levy limits imposed by
17 sections 77-3442 to 77-3444. Such councils shall include, but are not
18 limited to, one elected official from each school board, county
19 board, incorporated city or village, natural resources district,
20 ~~community college,~~ educational service unit, hospital district,
21 airport authority, fire protection district, and township taxing
22 property within the county or counties. The elected governing body of
23 each political subdivision which has the legal authority to request
24 property tax funding or a levy set by the county board within a
25 county may by resolution of the governing body appoint one elected

1 official from the governing board to the council on public
2 improvements and services.

3 Councils on public improvements and services may meet as
4 often as necessary prior to the adoption of budgets and property tax
5 requests affected by the levy limits described in sections 77-3442 to
6 77-3444. The council shall jointly examine the budgets and property
7 tax requests of each governmental agency or quasi-governmental agency
8 with statutory authority to request a share of the property tax. The
9 county clerk of each county shall attend such meetings and keep a
10 public record of the proceedings. Each council on public improvements
11 and services which is created by resolution as provided in this
12 section shall hold at least one public meeting prior to the adoption
13 of public budgets affected by the levy limits imposed by sections
14 77-3442 to 77-3444. Such council may continue to meet to discuss
15 issues of public service provision in an effective and coordinated
16 manner, the impacts of levy limits, state and federal law, program,
17 or aid changes, and the joint provision or use of capital facilities
18 and equipment.

19 Sec. 12. Section 85-1402, Revised Statutes Cumulative
20 Supplement, 2012, is amended to read:

21 85-1402 For purposes of the Coordinating Commission for
22 Postsecondary Education Act:

23 (1)(a) Capital construction project shall mean a project
24 which utilizes tax funds designated by the Legislature and shall be:
25 Any proposed new capital structure; any proposed addition to,

1 renovation of, or remodeling of a capital structure; any proposed
2 acquisition of a capital structure by gift, purchase, lease-purchase,
3 or other means of construction or acquisition that (i) will be
4 directly financed in whole or in part with tax funds designated by
5 the Legislature totaling at least the minimum capital expenditure for
6 purposes of this subdivision or (ii) is likely, as determined by the
7 institution, to result in an incremental increase in appropriation or
8 expenditure of tax funds designated by the Legislature of at least
9 the minimum capital expenditure for the facility's operations and
10 maintenance costs in any one fiscal year within a period of ten years
11 from the date of substantial completion or acquisition of the
12 project. No tax funds designated by the Legislature shall be
13 appropriated or expended for any incremental increase of more than
14 the minimum capital expenditure for the costs of the operations and
15 utilities of any facility which is not included in the definition of
16 capital construction project and thus is not subject to commission
17 approval pursuant to the Coordinating Commission for Postsecondary
18 Education Act. No institution shall include a request for funding
19 such an increase in its budget request for tax funds designated by
20 the Legislature nor shall any institution utilize any such funds for
21 such an increase. The Governor shall not include in his or her budget
22 recommendations, and the Legislature shall not appropriate, such
23 funds for such increase.

24 (b) For purposes of this subdivision:

25 (i) Directly financed shall mean funded by:

1 (A) Appropriation of tax funds designated by the
2 Legislature for the specific capital construction project;

3 (B) Property tax levies authorized pursuant to
4 subdivision (1)(b) of section 85-1517 for fiscal years prior to
5 fiscal year 2013-14 and subdivision (2)(b) of section 85-1517 for
6 ~~fiscal year 2013-14 and each fiscal year thereafter~~ years 2013-14 and
7 2014-15 used to establish a capital improvement and bond sinking fund
8 as provided in section 85-1515; or

9 (C) That portion of tax funds designated by the
10 Legislature and appropriated by the Legislature for the general
11 operation of the public institution and utilized to fund the capital
12 project;

13 (ii) Incremental increase shall mean an increase in
14 appropriation or expenditure of tax funds designated by the
15 Legislature of at least the minimum capital expenditure for a
16 facility's operations and maintenance costs, beyond any increase due
17 to inflation, to pay for a capital structure's operations and
18 maintenance costs that are a direct result of a capital construction
19 project; and

20 (iii) Minimum capital expenditure shall mean:

21 (A) For purposes of subdivision (a)(i) of this
22 subdivision, a base amount of two million dollars; and

23 (B) For the facility's operations and maintenance costs
24 pursuant to subdivision (a)(ii) of this subdivision, a base amount of
25 eighty-five thousand dollars for any one fiscal year.

1 The base amount for the facility's operations and
2 maintenance costs shall be subject to any inflationary or market
3 adjustments made by the commission pursuant to this subdivision. The
4 commission shall adjust the base amount on a biennial basis beginning
5 January 1, 2010. The adjustments shall be based on percentage changes
6 in a construction cost index and any other published index relevant
7 to operations and utilities costs, both as selected by the commission
8 in cooperation with the public institutions. The index or indices
9 shall reflect inflationary or market trends for the applicable
10 operations and maintenance or construction costs;

11 (2) Commission shall mean the Coordinating Commission for
12 Postsecondary Education;

13 (3) Coordination shall mean:

14 (a) Authority to adopt, and revise as needed, a
15 comprehensive statewide plan for postsecondary education which shall
16 include (i) definitions of the role and mission of each public
17 postsecondary educational institution within any general assignments
18 of role and mission as may be prescribed by the Legislature and (ii)
19 plans for facilities which utilize tax funds designated by the
20 Legislature;

21 (b) Authority to review, monitor, and approve or
22 disapprove each public postsecondary educational institution's
23 programs and capital construction projects which utilize tax funds
24 designated by the Legislature in order to provide compliance and
25 consistency with the comprehensive plan and to prevent unnecessary

1 duplication; and

2 (c) Authority to review and modify, if needed to promote
3 compliance and consistency with the comprehensive statewide plan and
4 prevent unnecessary duplication, the budget requests of the governing
5 boards or any other governing board for any other public
6 postsecondary educational institution which may be established by the
7 Legislature;

8 (4) Education center shall mean an off-campus branch of a
9 public institution or cooperative of either public or public and
10 private postsecondary educational institutions which offers
11 instructional programs to students;

12 (5) Governing board shall mean the Board of Regents of
13 the University of Nebraska, the Board of Trustees of the Nebraska
14 State Colleges, or the board of governors for each community college
15 area;

16 (6) Program shall mean any program of instruction which
17 leads directly to a degree, diploma, or certificate and, for purposes
18 of section 85-1414, shall include public service programs and all
19 off-campus instructional programs, whether or not such programs lead
20 directly to a degree, diploma, or certificate. Program shall also
21 include the establishment of any new college, school, major division,
22 education center, or institute but shall not include reasonable and
23 moderate extensions of existing curricula which have a direct
24 relationship to existing programs;

25 (7) Public institution shall mean each campus of a public

1 postsecondary educational institution which is or may be established
2 by the Legislature, which is under the direction of a governing
3 board, and which is administered as a separate unit by the board; and

4 (8) Tax funds designated by the Legislature shall mean
5 all state tax revenue and all property tax revenue.

6 Sec. 13. Section 85-1412, Revised Statutes Cumulative
7 Supplement, 2012, is amended to read:

8 85-1412 The commission shall have the following
9 additional powers and duties:

10 (1) Conduct surveys and studies as may be necessary to
11 undertake the coordination function of the commission pursuant to
12 section 85-1403 and request information from governing boards and
13 appropriate administrators of public institutions and other
14 governmental agencies for research projects. All public institutions
15 and governmental agencies receiving state funds shall comply with
16 reasonable requests for information under this subdivision. Public
17 institutions may comply with such requests pursuant to section
18 85-1417;

19 (2) Recommend to the Legislature and the Governor
20 legislation it deems necessary or appropriate to improve
21 postsecondary education in Nebraska and any other legislation it
22 deems appropriate to change the role and mission provisions in
23 sections 85-917 to 85-966.01. The recommendations submitted to the
24 Legislature shall be submitted electronically;

25 (3) Establish any advisory committees as may be necessary

1 to undertake the coordination function of the commission pursuant to
2 section 85-1403 or to solicit input from affected parties such as
3 students, faculty, governing boards, administrators of the public
4 institutions, administrators of the private nonprofit institutions of
5 postsecondary education and proprietary institutions in the state,
6 and community and business leaders regarding the coordination
7 function of the commission;

8 (4) Participate in or designate an employee or employees
9 to participate in any committee which may be created to prepare a
10 coordinated plan for the delivery of educational programs and
11 services in Nebraska through the telecommunications system;

12 (5) Seek a close liaison with the State Board of
13 Education and the State Department of Education in recognition of the
14 need for close coordination of activities between elementary and
15 secondary education and postsecondary education;

16 (6) Administer the Integrated Postsecondary Education
17 Data System or other information system or systems to provide the
18 commission with timely, comprehensive, and meaningful information
19 pertinent to the exercise of its duties. The information system shall
20 be designed to provide comparable data on each public institution.
21 The commission shall also administer the uniform information system
22 prescribed in sections 85-1421 to 85-1427 known as the Nebraska
23 Educational Data System. Public institutions shall supply the
24 appropriate data for the information system or systems required by
25 the commission;

1 (7) Administer the Access College Early Scholarship
2 Program Act, ~~the Community College Aid Act,~~ the Nebraska Opportunity
3 Grant Act, and the Postsecondary Institution Act;

4 (8) Accept and administer loans, grants, and programs
5 from the federal or state government and from other sources, public
6 and private, for carrying out any of its functions, including the
7 administration of privately endowed scholarship programs. Such loans
8 and grants shall not be expended for any other purposes than those
9 for which the loans and grants were provided. The commission shall
10 determine eligibility for such loans, grants, and programs, and such
11 loans and grants shall not be expended unless approved by the
12 Governor;

13 (9) On or before December 1 of each even-numbered year,
14 submit to the Legislature and the Governor a report of its objectives
15 and activities and any new private colleges in Nebraska and the
16 implementation of any recommendations of the commission for the
17 preceding two calendar years. The report submitted to the Legislature
18 shall be submitted electronically;

19 (10) Provide staff support for interstate compacts on
20 postsecondary education; and

21 (11) Request inclusion of the commission in any existing
22 grant review process and information system.

23 Sec. 14. Section 85-1418, Revised Statutes Cumulative
24 Supplement, 2012, is amended to read:

25 85-1418 (1) No state warrant shall be issued by the

1 Department of Administrative Services or used by any public
2 institution for the purpose of funding any program or capital
3 construction project which has not been approved or which has been
4 disapproved by the commission pursuant to the Coordinating Commission
5 for Postsecondary Education Act. If state funding for any such
6 program or project cannot be or is not divided into warrants separate
7 from other programs or projects, the department shall reduce a
8 warrant to the public institution which includes funding for the
9 program or project by the amount of tax funds designated by the
10 Legislature which are budgeted in that fiscal year by the public
11 institution for use for the program or project.

12 (2) The department may reduce the amount of state aid
13 distributed to a community college area for fiscal years 2013-14 and
14 2014-15 pursuant to the Community College Aid Act, or for fiscal
15 years 2010-11, 2011-12, and 2012-13 pursuant to section 90-517, by
16 the amount of funds used by the area to provide a program or capital
17 construction project which has not been approved or which has been
18 disapproved by the commission.

19 (3) The district court of Lancaster County shall have
20 jurisdiction to enforce an order or decision of the commission
21 entered pursuant to the Coordinating Commission for Postsecondary
22 Education Act and to enforce this section.

23 (4) Any person or public institution aggrieved by a final
24 order of the commission entered pursuant to section 85-1413, 85-1414,
25 85-1415, or 85-1416 shall be entitled to judicial review of the

1 order. Proceedings for review shall be instituted by filing a
2 petition in the district court of Lancaster County within thirty days
3 after public notice of the final decision by the commission is given.
4 The filing of the petition or the service of summons upon the
5 commission shall not stay enforcement of such order. The review shall
6 be conducted by the court without a jury on the record of the
7 commission. The court shall have jurisdiction to enjoin enforcement
8 of any order of the commission which is (a) in violation of
9 constitutional provisions, (b) in excess of the constitutional or
10 statutory authority of the commission, (c) made upon unlawful
11 procedure, or (d) affected by other error of law.

12 (5) A party may secure a review of any final judgment of
13 the district court by appeal to the Court of Appeals. Such appeal
14 shall be taken in the manner provided by law for appeals in civil
15 cases and shall be heard de novo on the record.

16 Sec. 15. Section 85-1501.01, Revised Statutes Cumulative
17 Supplement, 2012, is amended to read:

18 85-1501.01 The Legislature recognizes the need for and
19 importance of a strong partnership with the community colleges to
20 assure the continued economic growth of the state. In recognition of
21 that partnership, the Legislature affirms that community colleges
22 should be financed: (1) Through fiscal year 2014-15, through a
23 funding partnership from property tax, state aid, tuition and fees,
24 and other sources of revenue; and (2) for fiscal year 2015-16 and all
25 fiscal years thereafter, through a funding partnership of state funds

1 appropriated by the Legislature, tuition and fees, and other sources
2 of funds.

3 Sec. 16. Section 85-1503, Revised Statutes Cumulative
4 Supplement, 2012, is amended to read:

5 85-1503 For purposes of sections 85-1501 to 85-1540,
6 unless the context otherwise requires:

7 (1) Community college means an educational institution
8 operating and offering programs pursuant to such sections;

9 (2) Community college area means an area established by
10 section 85-1504;

11 (3) Board means the Community College Board of Governors
12 for each community college area;

13 (4) Full-time equivalent student means, in the aggregate,
14 the equivalent of a registered student who in a twelve-month period
15 is enrolled in (a) thirty semester credit hours or forty-five quarter
16 credit hours of classroom, laboratory, clinical, practicum, or
17 independent study course work or cooperative work experience or (b)
18 nine hundred contact hours of classroom or laboratory course work for
19 which credit hours are not offered or awarded. Avocational and
20 recreational community service programs or courses are not included
21 in determining full-time equivalent students or student enrollment.
22 The number of credit and contact hours to be counted by any community
23 college area in which a tribally controlled community college is
24 located shall include credit and contact hours awarded by such
25 tribally controlled community college to students for which such

1 institution received no federal reimbursement pursuant to the federal
2 Tribally Controlled College or University Assistance Act of 1978, 25
3 U.S.C. 1801;

4 (5) Contact hour means an educational activity consisting
5 of sixty minutes minus break time and required time to change
6 classes;

7 (6) Credit hour means the unit used to ascertain the
8 educational value of course work offered by the institution to
9 students enrolling for such course work, earned by such students upon
10 successful completion of such course work, and for which tuition is
11 charged. A credit hour may be offered and earned in any of several
12 instructional delivery systems, including, but not limited to,
13 classroom hours, laboratory hours, clinical hours, practicum hours,
14 cooperative work experience, and independent study. A credit hour
15 shall consist of a minimum of: (a) Ten quarter or fifteen semester
16 classroom contact hours per term of enrollment; (b) twenty quarter or
17 thirty semester academic transfer and academic support laboratory
18 hours per term of enrollment; (c) thirty quarter or forty-five
19 semester vocational laboratory hours per term of enrollment; (d)
20 thirty quarter or forty-five semester clinical or practicum contact
21 hours per term of enrollment; or (e) forty quarter or sixty semester
22 cooperative work experience contact hours per term of enrollment. An
23 institution may include in a credit hour more classroom, laboratory,
24 clinical, practicum, or cooperative work experience hours than the
25 minimum required in this subdivision. The institution shall publish

1 in its catalog, or otherwise make known to the student in writing
2 prior to the student enrolling or paying tuition for any courses, the
3 number of credit or contact hours offered in each such course. Such
4 published credit or contact hour offerings shall be used to determine
5 whether a student is a full-time equivalent student pursuant to
6 subdivision (4) of this section;

7 (7) Classroom hour means a minimum of fifty minutes of
8 formalized instruction on campus or off campus in which a qualified
9 instructor applying any combination of instructional methods such as
10 lecture, directed discussion, demonstration, or the presentation of
11 audiovisual materials is responsible for providing an educational
12 experience to students;

13 (8) Laboratory hour means a minimum of fifty minutes of
14 educational activity on campus or off campus in which students
15 conduct experiments, perfect skills, or practice procedures under the
16 direction of a qualified instructor;

17 (9) Clinical hour means a minimum of fifty minutes of
18 educational activity on campus or off campus during which the student
19 is assigned practical experience under constant supervision at a
20 health-related agency, receives individual instruction in the
21 performance of a particular function, and is observed and critiqued
22 in the repeat performance of such function. Adjunct professional
23 personnel, who may or may not be paid by the college, may be used for
24 the directed supervision of students and for the delivery of part of
25 the didactic phase of the experience;

1 (10) Practicum hour means a minimum of fifty minutes of
2 educational activity on campus or off campus during which the student
3 is assigned practical experiences, receives individual instruction in
4 the performance of a particular function, and is observed and
5 critiqued by an instructor in the repeat performance of such
6 function. Adjunct professional personnel, who may or may not be paid
7 by the college, may be used for the directed supervision of the
8 students;

9 (11) Cooperative work experience means an internship or
10 on-the-job training, designed to provide specialized skills and
11 educational experiences, which is coordinated, supervised, observed,
12 and evaluated by qualified college staff or faculty and may be
13 completed on campus or off campus, depending on the nature of the
14 arrangement;

15 (12) Independent study means an arrangement between an
16 instructor and a student in which the instructor is responsible for
17 assigning work activity or skill objectives to the student,
18 personally providing needed instruction, assessing the student's
19 progress, and assigning a final grade. Credit hours shall be assigned
20 according to the practice of assigning credits in similar courses;

21 (13) Full-time equivalent student enrollment total means
22 the total of full-time equivalent students enrolled in a community
23 college in any fiscal year;

24 (14) General academic transfer course means a course
25 offering in a one-year or two-year degree-credit program, at the

1 associate degree level or below, intended by the offering institution
2 for transfer into a baccalaureate program. The completion of the
3 specified courses in a general academic transfer program may include
4 the award of a formal degree;

5 (15) Applied technology or occupational course means a
6 course offering in an instructional program, at the associate degree
7 level or below, intended to prepare individuals for immediate entry
8 into a specific occupation or career. The primary intent of the
9 institutions offering an applied technology or occupational program
10 shall be that such program is for immediate job entry. The completion
11 of the specified courses in an applied technology or occupational
12 program may include the award of a formal degree, diploma, or
13 certificate;

14 (16) Academic support course means a general education
15 academic course offering which may be necessary to support an applied
16 technology or occupational program;

17 (17) Class 1 course means an applied technology or
18 occupational course offering which requires the use of equipment,
19 facilities, or instructional methods easily adaptable for use in a
20 general academic transfer program classroom or laboratory;

21 (18) Class 2 course means an applied technology or
22 occupational course offering which requires the use of specialized
23 equipment, facilities, or instructional methods not easily adaptable
24 for use in a general academic transfer program classroom or
25 laboratory;

1 (19) Reimbursable educational unit means a full-time
2 equivalent student multiplied by (a) for a general academic transfer
3 course or an academic support course, a factor of one, (b) for a
4 Class 1 course, a factor of one and fifty-hundredths, (c) for a Class
5 2 course, a factor of two, (d) for a tribally controlled community
6 college general academic transfer course or academic support course,
7 a factor of two, (e) for a tribally controlled community college
8 Class 1 course, a factor of three, and (f) for a tribally controlled
9 community college Class 2 course, a factor of four;

10 (20) Reimbursable educational unit total means the total
11 of all reimbursable educational units accumulated in a community
12 college area in any fiscal year;

13 (21) Special instructional term means any term which is
14 less than fifteen weeks for community colleges using semesters or ten
15 weeks for community colleges using quarters;

16 (22) Statewide reimbursable full-time equivalent total
17 means the total of all reimbursable full-time equivalents accumulated
18 statewide for the community college in any fiscal year;

19 (23) Tribally controlled community college means an
20 educational institution operating and offering programs pursuant to
21 the federal Tribally Controlled College or University Assistance Act
22 of 1978, 25 U.S.C. 1801; and

23 (24) Tribally controlled community college state aid
24 amount means:

25 (a) For fiscal years 2010-11, 2011-12, and 2012-13, the

1 amount of state aid provided to a tribally controlled community
2 college pursuant to section 90-517; and

3 (b) For fiscal year ~~2013-14~~ and each fiscal year
4 ~~thereafter, years 2013-14 and 2014-15,~~ the quotient of the amount of
5 state aid to be distributed pursuant to the Community College Aid
6 Act, excluding any amounts received from the Nebraska Community
7 College Student Performance and Occupational Education Grant Fund,
8 for such fiscal year to a community college area in which a tribally
9 controlled community college is located divided by the reimbursable
10 educational unit total for such community college area for the fiscal
11 year immediately preceding the fiscal year for which aid is being
12 calculated, with such quotient then multiplied by the reimbursable
13 educational units derived from credit and contact hours awarded by a
14 tribally controlled community college to students for which such
15 institution received no federal reimbursement pursuant to the federal
16 Tribally Controlled College or University Assistance Act of 1978, 25
17 U.S.C. 1801, for the fiscal year immediately preceding the fiscal
18 year for which aid is being calculated.

19 Sec. 17. Section 85-1511, Revised Statutes Cumulative
20 Supplement, 2012, is amended to read:

21 85-1511 In addition to any other powers and duties
22 imposed upon the community college system or its areas, campuses, or
23 boards by the Community College Aid Act, until June 30, 2015, by
24 sections 85-917 to 85-966 and 85-1501 to 85-1540, and by any other
25 provision of law, each board shall:

1 (1) Have general supervision, control, and operation of
2 each community college within its jurisdiction;

3 (2) Subject to coordination by the Coordinating
4 Commission for Postsecondary Education as prescribed in the
5 Coordinating Commission for Postsecondary Education Act, develop and
6 offer programs of applied technology education, academic transfer
7 programs, academic support courses, and such other programs and
8 courses as the needs of the community college area served may
9 require. The board shall avoid unnecessary duplication of existing
10 programs and courses in meeting the needs of the students and the
11 community college area;

12 (3) Employ, for a period to be fixed by the board,
13 executive officers, members of the faculty, and such other
14 administrative officers and employees as may be necessary or
15 appropriate and fix their salaries and duties;

16 (4) Subject to coordination by the Coordinating
17 Commission for Postsecondary Education as prescribed in the
18 Coordinating Commission for Postsecondary Education Act, construct,
19 lease, purchase, purchase on contract, operate, equip, and maintain
20 facilities;

21 (5) Contract for services connected with the operation of
22 the community college area as needs and interest demand;

23 (6)(a) Cause a comprehensive audit of the books,
24 accounts, records, and affairs to be made annually covering the most
25 recently completed fiscal year. The audit of each area shall include

1 all sources of revenue used to finance operating expenditures and
2 capital improvements and, for fiscal years before fiscal year
3 2015-16, the county-certified property valuation for the community
4 college for the fiscal year for which such audit is being performed.
5 Such audit of the books, accounts, records, and affairs shall be
6 completed and filed with the Auditor of Public Accounts, the
7 commission, and the Department of Administrative Services on or
8 before October 15 of each year; and

9 (b) Cause a comprehensive audit of the full-time
10 equivalent student enrollment totals and reimbursable educational
11 unit totals to be made annually covering the most recently completed
12 fiscal year. The audit of each area shall include a report of full-
13 time equivalent student enrollment totals and reimbursable
14 educational unit totals verified by such audits for the three most
15 recently completed fiscal years which shall be used for calculation
16 of aid to the community college areas for fiscal ~~year 2013-14 and~~
17 ~~each fiscal year thereafter~~ years 2013-14 and 2014-15 pursuant to
18 subdivisions (3)(b) and (c) of section 85-2234. The audit of the
19 full-time equivalent student enrollment totals and reimbursable
20 educational unit totals shall be completed and filed with the Auditor
21 of Public Accounts, the commission, and the Department of
22 Administrative Services on or before August 15 of each year;

23 (7) Establish fees and charges for the facilities
24 authorized by sections 85-1501 to 85-1540. Such fees and charges
25 shall be identified as facility fees at the time they are assessed.

1 The revenue from such fees and charges, other than revenue pledged to
2 retire bonds issued pursuant to sections 85-1515 and 85-1520 to
3 85-1527 and deposited in a separate bond sinking fund, shall be
4 deposited in the capital improvement and bond sinking fund provided
5 for in section 85-1515. Each board may enter into agreements with
6 owners of facilities to be used for housing regarding the management,
7 operation, and government of such facilities and may employ necessary
8 employees to govern, manage, and operate such facilities;

9 (8) Receive such gifts, grants, conveyances, and bequests
10 of real and personal property from public or private sources as may
11 be made from time to time, in trust or otherwise, whenever the terms
12 and conditions thereof will aid in carrying out the community college
13 programs as specified by law. Each board may sell, lease, exchange,
14 invest, or expend such gifts, grants, conveyances, and bequests or
15 the proceeds, rents, profits, and income therefrom according to the
16 terms and conditions thereof and adopt and promulgate rules and
17 regulations governing the receipt and expenditure of such proceeds,
18 rents, profits, and income, except that acceptance of such gifts,
19 grants, or conveyances shall not be conditioned on matching state or
20 local funds;

21 (9) Prescribe the courses of study for any community
22 college under its control and publish such catalogs and bulletins as
23 may be necessary;

24 (10) Grant to every student upon graduation or completion
25 of a course of study a suitable diploma, associate degree, or

1 certificate;

2 (11) Adopt and promulgate such rules and regulations and
3 perform all other acts as the board may deem necessary or appropriate
4 to the administration of the community college area. Such rules and
5 regulations shall include, but not be limited to, rules and
6 regulations relating to facilities, housing, scholarships,
7 discipline, and pedestrian and vehicular traffic on property owned,
8 operated, or maintained by the community college area;

9 (12) Employ, for a period to be fixed by the board, an
10 executive officer for the community college area and, by written
11 order filed in its office, delegate to such executive officer any of
12 the powers and duties vested in or imposed upon it by sections
13 85-1501 to 85-1540. Such delegated powers and duties may be exercised
14 in the name of the board;

15 (13) Acquire real property by eminent domain pursuant to
16 sections 76-701 to 76-724;

17 (14) Acquire real and personal property and sell, convey,
18 or lease such property whenever the community college area will be
19 benefited thereby. The sale, conveyance, or lease of any real estate
20 owned by a community college area shall be effective only when
21 authorized by an affirmative vote of at least two-thirds of all the
22 members of the board;

23 (15) Enter into agreements for services, facilities, or
24 equipment and for the presentation of courses for students when such
25 agreements are deemed to be in the best interests of the education of

1 the students involved;

2 (16) Transfer tribally controlled community college state
3 aid amounts to a tribally controlled community college located within
4 its community college area;

5 (17) Invest, after proper consideration of the
6 requirements for the availability of money, funds of the community
7 college in securities the nature of which individuals of prudence,
8 discretion, and intelligence acquire or retain in dealing with the
9 property of another;

10 (18) Establish tuition rates for courses of instruction
11 offered by each community college within its community college area.
12 Separate tuition rates shall be established for students who are
13 nonresidents of the State of Nebraska. Each board may also establish
14 fees to support the operating expenditures of the community college
15 area if such fees are accounted for separately from the fees and
16 charges established for facilities pursuant to subdivision (7) of
17 this section and are identified as operating fees at the time they
18 are assessed;

19 (19) Establish a fiscal year for the community college
20 area which conforms to the fiscal year of the state;

21 (20) Enter into a memorandum of understanding with the
22 State Board of Education to adopt a policy to share student data. At
23 a minimum, the policy shall ensure that the exchange of information
24 is conducted in conformance with the requirements of the federal
25 Family Educational Rights and Privacy Act of 1974, as amended, 20

1 U.S.C. 1232g, and all federal regulations and applicable guidelines
2 adopted in accordance with such act, as such act, regulations, and
3 guidelines existed on January 1, 2010; and

4 (21) Exercise any other powers, duties, and
5 responsibilities necessary to carry out sections 85-1501 to 85-1540.

6 Sec. 18. Section 85-1516, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 85-1516 ~~Each~~ Until June 30, 2015, each board may issue
9 warrants in an amount necessary to finance the operating expenses of
10 the community college area until the proceeds of the tax levy as
11 provided in section 85-1517 are received.

12 On and after July 1, 2015, each board may issue warrants
13 in an amount necessary to finance the operating expenses of the
14 community college area until the funds appropriated by the
15 Legislature for the fiscal year are received.

16 The amount of such warrants plus interest shall not
17 exceed the amount of the money to be received. ~~from the property tax~~
18 ~~levy.~~ Whenever such warrants are issued, they shall be the general
19 obligation of the community college area and the full faith and
20 credit of the community college area shall be pledged to retire such
21 warrants. In addition the board shall set aside from the proceeds of
22 the property tax levied pursuant to sections 85-1501 to 85-1540 or
23 such appropriations an amount sufficient to pay the warrants and the
24 interest on such warrants. Such warrants shall be subject to
25 registration as provided in sections 77-2201 to 77-2215.

1 Sec. 19. Section 85-1517, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 85-1517 (1) For fiscal years 2011-12 and 2012-13:

4 (a) The board may certify to the county board of
5 equalization of each county within the community college area a tax
6 levy not to exceed ten and one-quarter cents on each one hundred
7 dollars on the taxable valuation of all property subject to the levy
8 within the community college area, uniform throughout the area, for
9 the purpose of supporting operating expenditures of the community
10 college area;

11 (b) In addition to the levies provided in subdivisions
12 (1)(a) and (c) of this section, the board may certify to the county
13 board of equalization of each county within the community college
14 area a tax levy not to exceed one cent on each one hundred dollars on
15 the taxable valuation of all property within the community college
16 area, uniform throughout such area, for the purposes of paying off
17 bonds issued under sections 85-1520 to 85-1527 and establishing a
18 capital improvement and bond sinking fund as provided in section
19 85-1515. The levy provided by this subdivision may be exceeded by
20 that amount necessary to retire the general obligation bonds assumed
21 by the community college area or issued pursuant to section 85-1515
22 according to the terms of such bonds or for any obligation pursuant
23 to section 85-1535 entered into prior to January 1, 1997; and

24 (c) In addition to the levies provided in subdivisions
25 (1)(a) and (b) of this section, the board may also certify to the

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

16 (2) For fiscal year ~~2013-14~~ and ~~each fiscal year~~
17 ~~thereafter~~; years 2013-14 and 2014-15:

18 (a) The board may certify to the county board of
19 equalization of each county within the community college area a tax
20 levy not to exceed the difference between eleven and one-quarter
21 cents and the rate levied for such fiscal year pursuant to
22 subdivision (b) of this subsection on each one hundred dollars on the
23 taxable valuation of all property subject to the levy within the
24 community college area, uniform throughout the area, for the purpose
25 of supporting operating expenditures of the community college area.

1 For purposes of calculating the amount of levy authority available
2 for operating expenditures pursuant to this subdivision, the rate
3 levied pursuant to subdivision (b) of this subsection shall not
4 include amounts to retire general obligation bonds assumed by the
5 community college area or issued pursuant to section 85-1515
6 according to the terms of such bonds or for any obligation pursuant
7 to section 85-1535 entered into prior to January 1, 1997;

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

21 (c) In addition to the levies provided in subdivisions
22 (a) and (b) of this subsection, the board of a community college area
23 with a campus located on the site of a former ammunition depot may
24 certify to the county board of equalization of each county within the
25 community college area a tax levy not to exceed three-quarters of one

1 cent on each one hundred dollars on the taxable valuation of all
2 property within the community college area, uniform throughout such
3 area, to pay for funding accessibility barrier elimination project
4 costs and abatement of environmental hazards as such terms are
5 defined in section 79-10,110. Such tax levy shall not be so certified
6 unless approved by an affirmative vote of a majority of the board
7 taken at a public meeting of the board following notice and a
8 hearing. The board shall give at least seven days' notice of such
9 public hearing and shall publish such notice once in a newspaper of
10 general circulation in the area to be affected by the increase. The
11 proceeds of such tax levy shall be deposited in the capital
12 improvement and bond sinking fund provided for in section 85-1515 for
13 use in funding accessibility barrier elimination project costs and
14 abatement of environmental hazards as such terms are defined in
15 section 79-10,110.

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

21 Sec. 20. Section 85-1540, Revised Statutes Cumulative
22 Supplement, 2012, is amended to read:

23 85-1540 (1) There is hereby created the Nebraska
24 Community College Student Performance and Occupational Education
25 Grant Fund. The fund shall be under the direction of the Nebraska

1 Community College Student Performance and Occupational Education
2 Grant Committee. The fund shall contain any ~~amount available for~~
3 ~~transfer pursuant to subdivision (2) of section 85-2234 and such~~
4 ~~other~~ amounts as may be transferred or otherwise accrue to the fund.
5 The fund shall be used to provide aid or grants to the community
6 colleges for (a) applied technology and occupational faculty
7 training, instructional equipment upgrades, employee assessment,
8 preemployment training, employment training, and dislocated worker
9 programs benefiting the State of Nebraska or (b) programs or
10 activities to enhance (i) student performance in the areas of degree,
11 certificate, or diploma completion, retention, or foundations
12 education as defined in section 85-932.01 or (ii) the collection,
13 reporting, analysis, and utilization of student data. Any money in
14 the fund available for investment shall be invested by the state
15 investment officer pursuant to the Nebraska Capital Expansion Act and
16 the Nebraska State Funds Investment Act.

17 (2) Applications for aid or grants pursuant to this
18 section may be submitted by a community college area independently or
19 in collaboration with other community college areas.

20 Sec. 21. Sections 1, 3, 4, 5, 6, 7, 8, 10, 11, 13, 20,
21 22, and 24 of this act become operative on July 1, 2015. Sections 2,
22 9, 12, 14, 15, 16, 17, 18, 19, 21, and 23 of this act become
23 operative on their effective date.

24 Sec. 22. Original sections 13-503, 18-2115, 72-2302,
25 72-2303, 72-2304, 72-2306, 77-1601.02, and 77-3443, Reissue Revised

1 Statutes of Nebraska, and sections 77-3445, 85-1412, and 85-1540,
2 Revised Statutes Cumulative Supplement, 2012, are repealed.

3 Sec. 23. Original sections 13-518 and 85-1516, Reissue
4 Revised Statutes of Nebraska, and sections 77-3442, 85-1402, 85-1418,
5 85-1501.01, 85-1503, 85-1511, and 85-1517, Revised Statutes
6 Cumulative Supplement, 2012, are repealed.

7 Sec. 24. The following sections are outright repealed:
8 Sections 85-2231, 85-2232, 85-2233, 85-2234, 85-2235, 85-2236, and
9 85-2237, Revised Statutes Cumulative Supplement, 2012.