

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 386**

Introduced by Linehan, 39.

Read first time January 12, 2023

Committee: Education

- 1 A BILL FOR AN ACT relating to schools; to amend sections 77-3446 and
- 2 79-1015.01, Revised Statutes Cumulative Supplement, 2022; to
- 3 prohibit changes to the base limitation and the local effort rate
- 4 calculation as prescribed; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3446, Revised Statutes Cumulative Supplement,  
2 2022, is amended to read:

3 77-3446 (1) Base limitation means the budget limitation rate  
4 applicable to school districts and the limitation on growth of restricted  
5 funds applicable to other political subdivisions prior to any increases  
6 in the rate as a result of special actions taken by a supermajority of  
7 any governing board or of any exception allowed by law.

8 (2) The base limitation for political subdivisions other than school  
9 districts is two and one-half percent until adjusted, ~~except that the~~  
10 ~~base limitation for school districts for school fiscal years 2017-18 and~~  
11 ~~2018-19 is one and one-half percent and for school fiscal year 2019-20 is~~  
12 ~~two percent.~~ Such percentage The base limitation may be adjusted annually  
13 by the Legislature to reflect changes in the prices of services and  
14 products used by such ~~school districts and~~ political subdivisions.

15 (3) The base limitation for school districts is two and one-half  
16 percent. Such percentage shall not be adjusted by the Legislature on or  
17 after the effective date of this act.

18 Sec. 2. Section 79-1015.01, Revised Statutes Cumulative Supplement,  
19 2022, is amended to read:

20 79-1015.01 (1) Local system formula resources shall include local  
21 effort rate yield which shall be computed as prescribed in this section.

22 (2) For each school fiscal year ~~except school fiscal years 2017-18~~  
23 ~~and 2018-19:~~ (a) For state aid certified pursuant to section 79-1022, the  
24 local effort rate shall be the maximum levy, for the school fiscal year  
25 for which aid is being certified, authorized pursuant to subdivision (2)  
26 (a) of section 77-3442 less five cents; (b) for the final calculation of  
27 state aid pursuant to section 79-1065, the local effort rate shall be the  
28 rate which, when multiplied by the total adjusted valuation of all  
29 taxable property in local systems receiving equalization aid pursuant to  
30 the Tax Equity and Educational Opportunities Support Act, will produce  
31 the amount needed to support the total formula need of such local systems

1 when added to state aid appropriated by the Legislature and other actual  
2 receipts of local systems described in section 79-1018.01; and (c) the  
3 local effort rate yield for such school fiscal years shall be determined  
4 by multiplying each local system's total adjusted valuation by the local  
5 effort rate. The Legislature shall not make any changes to the way the  
6 local effort rate is calculated under this section on or after the  
7 effective date of this act.

8 ~~(3) For school fiscal years 2017-18 and 2018-19: (a) For state aid~~  
9 ~~certified pursuant to section 79-1022, the local effort rate shall be the~~  
10 ~~maximum levy, for the school fiscal year for which aid is being~~  
11 ~~certified, authorized pursuant to subdivision (2)(a) of section 77-3442~~  
12 ~~less two and ninety-seven hundredths cents; (b) for the final calculation~~  
13 ~~of state aid pursuant to section 79-1065, the local effort rate shall be~~  
14 ~~the rate which, when multiplied by the total adjusted valuation of all~~  
15 ~~taxable property in local systems receiving equalization aid pursuant to~~  
16 ~~the Tax Equity and Educational Opportunities Support Act, will produce~~  
17 ~~the amount needed to support the total formula need of such local systems~~  
18 ~~when added to state aid appropriated by the Legislature and other actual~~  
19 ~~receipts of local systems described in section 79-1018.01; and (c) the~~  
20 ~~local effort rate yield for such school fiscal years shall be determined~~  
21 ~~by multiplying each local system's total adjusted valuation by the local~~  
22 ~~effort rate.~~

23 Sec. 3. Original sections 77-3446 and 79-1015.01, Revised Statutes  
24 Cumulative Supplement, 2022, are repealed.