

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 783**

Introduced by Murman, 38; at the request of the Governor; Albrecht, 17;  
Briese, 41; Kauth, 31; Linehan, 39; von Gillern, 4.

Read first time January 18, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to community colleges; to amend sections
- 2 85-1402, 85-1517, 85-1520, 85-1521, and 85-1535, Reissue Revised
- 3 Statutes of Nebraska, and sections 77-3442 and 77-6706, Revised
- 4 Statutes Cumulative Supplement, 2022; to eliminate the levy
- 5 authority of community college areas; to harmonize provisions; to
- 6 provide state funding to community college areas as prescribed; and
- 7 to repeal the original sections.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Cumulative Supplement,  
2 2022, is amended to read:

3 77-3442 (1) Property tax levies for the support of local governments  
4 for fiscal years beginning on or after July 1, 1998, shall be limited to  
5 the amounts set forth in this section except as provided in section  
6 77-3444.

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

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

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

25 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
26 of this section are (i) amounts levied to pay for current and future sums  
27 agreed to be paid by a school district to certificated employees in  
28 exchange for a voluntary termination of employment occurring prior to  
29 September 1, 2017, (ii) amounts levied by a school district otherwise at  
30 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
31 for current and future qualified voluntary termination incentives for

1 certificated teachers pursuant to subsection (3) of section 79-8,142 that  
2 are not otherwise included in an exclusion pursuant to subdivision (2)(d)  
3 of this section, (iii) amounts levied by a school district otherwise at  
4 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
5 for seventy-five percent of the current and future sums agreed to be paid  
6 to certificated employees in exchange for a voluntary termination of  
7 employment occurring between September 1, 2017, and August 31, 2018, as a  
8 result of a collective-bargaining agreement in force and effect on  
9 September 1, 2017, that are not otherwise included in an exclusion  
10 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a  
11 school district otherwise at the maximum levy pursuant to subdivision (2)  
12 (a) of this section to pay for fifty percent of the current and future  
13 sums agreed to be paid to certificated employees in exchange for a  
14 voluntary termination of employment occurring between September 1, 2018,  
15 and August 31, 2019, as a result of a collective-bargaining agreement in  
16 force and effect on September 1, 2017, that are not otherwise included in  
17 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts  
18 levied by a school district otherwise at the maximum levy pursuant to  
19 subdivision (2)(a) of this section to pay for twenty-five percent of the  
20 current and future sums agreed to be paid to certificated employees in  
21 exchange for a voluntary termination of employment occurring between  
22 September 1, 2019, and August 31, 2020, as a result of a collective-  
23 bargaining agreement in force and effect on September 1, 2017, that are  
24 not otherwise included in an exclusion pursuant to subdivision (2)(d) of  
25 this section, (vi) amounts levied in compliance with sections 79-10,110  
26 and 79-10,110.02, and (vii) amounts levied to pay for special building  
27 funds and sinking funds established for projects commenced prior to April  
28 1, 1996, for construction, expansion, or alteration of school district  
29 buildings. For purposes of this subsection, commenced means any action  
30 taken by the school board on the record which commits the board to expend  
31 district funds in planning, constructing, or carrying out the project.

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

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

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

24 (3) For each fiscal year through fiscal year 2025-26, community  
25 college areas may levy the levies provided in subdivisions (2)(a) through  
26 (c) of section 85-1517, in accordance with the provisions of such  
27 subdivisions. A community college area may exceed the levy provided in  
28 subdivision (2)(b) of section 85-1517 by the amount necessary to retire  
29 general obligation bonds assumed by the community college area or issued  
30 pursuant to section 85-1515 according to the terms of such bonds or for  
31 any obligation pursuant to section 85-1535 entered into prior to January

1 1, 1997.

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

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

14 (c) In addition, natural resources districts located in a river  
15 basin, subbasin, or reach that has been determined to be fully  
16 appropriated pursuant to section 46-714 or designated as overappropriated  
17 pursuant to section 46-713 by the Department of Natural Resources shall  
18 also have the power and authority to levy a tax equal to the dollar  
19 amount by which their restricted funds budgeted to administer and  
20 implement ground water management activities and integrated management  
21 activities under the Nebraska Ground Water Management and Protection Act  
22 exceed their restricted funds budgeted to administer and implement ground  
23 water management activities and integrated management activities for  
24 FY2005-06, not to exceed three cents on each one hundred dollars of  
25 taxable valuation on all of the taxable property within the district for  
26 fiscal year 2006-07 and each fiscal year thereafter through fiscal year  
27 2017-18.

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

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

13           (b) Incorporated cities and villages which are within the boundaries  
14 of a municipal county may levy a maximum levy of ninety cents per one  
15 hundred dollars of taxable valuation of property subject to the levy. The  
16 maximum levy shall include amounts paid to a municipal county for county  
17 services, amounts levied to pay for sums to support a library pursuant to  
18 section 51-201, a museum pursuant to section 51-501, a visiting community  
19 nurse, home health nurse, or home health agency pursuant to section  
20 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

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

30           (8) Counties may levy or authorize a maximum levy of fifty cents per  
31 one hundred dollars of taxable valuation of property subject to the levy,

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

23 (9) Municipal counties may levy or authorize a maximum levy of one  
24 dollar per one hundred dollars of taxable valuation of property subject  
25 to the levy. The municipal county may allocate levy authority to any  
26 political subdivision or entity subject to allocation under section  
27 77-3443.

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

1 subsection (8) of this section in the previous year of at least forty  
2 cents per one hundred dollars of taxable valuation of property subject to  
3 the levy or (b) such district had a levy request pursuant to section  
4 77-3443 in any of the three previous years and the county board of the  
5 county in which the greatest portion of the valuation of such district is  
6 located did not authorize any levy authority to such district in such  
7 year.

8 (11) A regional metropolitan transit authority may levy a maximum  
9 levy of ten cents per one hundred dollars of taxable valuation of  
10 property subject to the levy for each fiscal year that commences on the  
11 January 1 that follows the effective date of the conversion of the  
12 transit authority established under the Transit Authority Law into the  
13 regional metropolitan transit authority.

14 (12) Property tax levies (a) for judgments, except judgments or  
15 orders from the Commission of Industrial Relations, obtained against a  
16 political subdivision which require or obligate a political subdivision  
17 to pay such judgment, to the extent such judgment is not paid by  
18 liability insurance coverage of a political subdivision, (b) for  
19 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)  
20 for bonds as defined in section 10-134 approved according to law and  
21 secured by a levy on property except as provided in section 44-4317 for  
22 bonded indebtedness issued by educational service units and school  
23 districts, (d) for payments by a public airport to retire interest-free  
24 loans from the Division of Aeronautics of the Department of  
25 Transportation in lieu of bonded indebtedness at a lower cost to the  
26 public airport, and (e) to pay for cancer benefits provided on or after  
27 January 1, 2022, pursuant to the Firefighter Cancer Benefits Act are not  
28 included in the levy limits established by this section.

29 (13) The limitations on tax levies provided in this section are to  
30 include all other general or special levies provided by law.  
31 Notwithstanding other provisions of law, the only exceptions to the



1 limits in this section are those provided by or authorized by sections  
2 77-3442 to 77-3444.

3 (14) Tax levies in excess of the limitations in this section shall  
4 be considered unauthorized levies under section 77-1606 unless approved  
5 under section 77-3444.

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

9 (16) For school districts that file a binding resolution on or  
10 before May 9, 2008, with the county assessors, county clerks, and county  
11 treasurers for all counties in which the school district has territory  
12 pursuant to subsection (7) of section 79-458, if the combined levies,  
13 except levies for bonded indebtedness approved by the voters of the  
14 school district and levies for the refinancing of such bonded  
15 indebtedness, are in excess of the greater of (a) one dollar and twenty  
16 cents per one hundred dollars of taxable valuation of property subject to  
17 the levy or (b) the maximum levy authorized by a vote pursuant to section  
18 77-3444, all school district levies, except levies for bonded  
19 indebtedness approved by the voters of the school district and levies for  
20 the refinancing of such bonded indebtedness, shall be considered  
21 unauthorized levies under section 77-1606.

22 Sec. 2. Section 77-6706, Revised Statutes Cumulative Supplement,  
23 2022, is amended to read:

24 77-6706 (1) For taxable years beginning or deemed to begin on or  
25 after January 1, 2022, and before January 1, 2027, under the Internal  
26 Revenue Code of 1986, as amended, there shall be allowed to each eligible  
27 taxpayer a refundable credit against the income tax imposed by the  
28 Nebraska Revenue Act of 1967 or against the franchise tax imposed by  
29 sections 77-3801 to 77-3807. The credit shall be equal to the credit  
30 percentage for the taxable year, as set by the department under  
31 subsection (2) of this section, multiplied by the amount of community

1 college taxes paid by the eligible taxpayer during such taxable year.

2 (2)(a) For taxable years beginning or deemed to begin during  
3 calendar year 2022, the department shall set the credit percentage so  
4 that the total amount of credits for such taxable years shall be fifty  
5 million dollars;

6 (b) For taxable years beginning or deemed to begin during calendar  
7 year 2023, the department shall set the credit percentage so that the  
8 total amount of credits for such taxable years shall be one hundred  
9 million dollars;

10 (c) For taxable years beginning or deemed to begin during calendar  
11 year 2024, the department shall set the credit percentage so that the  
12 total amount of credits for such taxable years shall be one hundred  
13 twenty-five million dollars;

14 (d) For taxable years beginning or deemed to begin during calendar  
15 year 2025, the department shall set the credit percentage so that the  
16 total amount of credits for such taxable years shall be one hundred fifty  
17 million dollars; and

18 (e) For taxable years beginning or deemed to begin during calendar  
19 year 2026, the department shall set the credit percentage so that the  
20 total amount of credits for such taxable years shall be one hundred  
21 ninety-five million dollars. ; ~~and~~

22 ~~(f) For taxable years beginning or deemed to begin during calendar~~  
23 ~~year 2027 and each calendar year thereafter, the department shall set the~~  
24 ~~credit percentage so that the total amount of credits for such taxable~~  
25 ~~years shall be the maximum amount of credits allowed in the prior year~~  
26 ~~increased by the allowable growth percentage.~~

27 (3) If the community college taxes are paid by a corporation having  
28 an election in effect under subchapter S of the Internal Revenue Code, a  
29 partnership, a limited liability company, a trust, or an estate, the  
30 refundable credit shall be claimed by such corporation, partnership,  
31 limited liability company, trust, or estate.

1           (4) For any fiscal year or short year taxpayer, the credit may be  
2 claimed in the first taxable year that begins following the calendar year  
3 for which the credit percentage was determined. The credit shall be taken  
4 for the community college taxes paid by the taxpayer during the  
5 immediately preceding calendar year.

6           Sec. 3. Section 85-1402, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8           85-1402 For purposes of the Coordinating Commission for  
9 Postsecondary Education Act:

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

1 increase. The Governor shall not include in his or her budget  
2 recommendations, and the Legislature shall not appropriate, such funds  
3 for such increase.

4 (b) For purposes of this subdivision:

5 (i) Directly financed shall mean funded by:

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

8 (B) Property tax levies authorized pursuant to subdivision (1)(b) of  
9 section 85-1517 for fiscal years prior to fiscal year 2013-14 and  
10 subdivision (2)(b) of section 85-1517 for fiscal years ~~year~~ 2013-14  
11 through 2025-26 and ~~each fiscal year thereafter~~ used to establish a  
12 capital improvement and bond sinking fund as provided in section 85-1515;  
13 or

14 (C) That portion of tax funds designated by the Legislature and  
15 appropriated by the Legislature for the general operation of the public  
16 institution and utilized to fund the capital project;

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

23 (iii) Minimum capital expenditure shall mean:

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

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

29 The base amount for the facility's operations and maintenance costs  
30 shall be subject to any inflationary or market adjustments made by the  
31 commission pursuant to this subdivision. The commission shall adjust the

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

8 (2) Commission shall mean the Coordinating Commission for  
9 Postsecondary Education;

10 (3) Coordination shall mean:

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

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

22 (c) Authority to review and modify, if needed to promote compliance  
23 and consistency with the comprehensive statewide plan and prevent  
24 unnecessary duplication, the budget requests of the governing boards or  
25 any other governing board for any other public postsecondary educational  
26 institution which may be established by the Legislature;

27 (4) Education center shall mean an off-campus branch of a public  
28 institution or cooperative of either public or public and private  
29 postsecondary educational institutions which offers instructional  
30 programs to students;

31 (5) Governing board shall mean the Board of Regents of the

1 University of Nebraska, the Board of Trustees of the Nebraska State  
2 Colleges, or the board of governors for each community college area;

3 (6) Program shall mean any program of instruction which leads  
4 directly to a degree, diploma, or certificate and, for purposes of  
5 section 85-1414, shall include public service programs and all off-campus  
6 instructional programs, whether or not such programs lead directly to a  
7 degree, diploma, or certificate. Program shall also include the  
8 establishment of any new college, school, major division, education  
9 center, or institute but shall not include reasonable and moderate  
10 extensions of existing curricula which have a direct relationship to  
11 existing programs;

12 (7) Public institution shall mean each campus of a public  
13 postsecondary educational institution which is or may be established by  
14 the Legislature, which is under the direction of a governing board, and  
15 which is administered as a separate unit by the board; and

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

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

20 85-1517 (1) For fiscal years 2011-12 and 2012-13:

21 (a) The board may certify to the county board of equalization of  
22 each county within the community college area a tax levy not to exceed  
23 ten and one-quarter cents on each one hundred dollars on the taxable  
24 valuation of all property subject to the levy within the community  
25 college area, uniform throughout the area, for the purpose of supporting  
26 operating expenditures of the community college area;

27 (b) In addition to the levies provided in subdivisions (1)(a) and  
28 (c) of this section, the board may certify to the county board of  
29 equalization of each county within the community college area a tax levy  
30 not to exceed one cent on each one hundred dollars on the taxable  
31 valuation of all property within the community college area, uniform

1 throughout such area, for the purposes of paying off bonds issued under  
2 sections 85-1520 to 85-1527 and establishing a capital improvement and  
3 bond sinking fund as provided in section 85-1515. The levy provided by  
4 this subdivision may be exceeded by that amount necessary to retire the  
5 general obligation bonds assumed by the community college area or issued  
6 pursuant to section 85-1515 according to the terms of such bonds or for  
7 any obligation pursuant to section 85-1535 entered into prior to January  
8 1, 1997; and

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

25 (2) For fiscal ~~years~~ year 2013-14 through 2025-26 and ~~each fiscal~~  
26 ~~year thereafter:~~

27 (a) The board may certify to the county board of equalization of  
28 each county within the community college area a tax levy not to exceed  
29 the difference between eleven and one-quarter cents and the rate levied  
30 for such fiscal year pursuant to subdivision (b) of this subsection on  
31 each one hundred dollars on the taxable valuation of all property subject

1 to the levy within the community college area, uniform throughout the  
2 area, for the purpose of supporting operating expenditures of the  
3 community college area. For purposes of calculating the amount of levy  
4 authority available for operating expenditures pursuant to this  
5 subdivision, the rate levied pursuant to subdivision (b) of this  
6 subsection shall not include amounts to retire general obligation bonds  
7 assumed by the community college area or issued pursuant to section  
8 85-1515 according to the terms of such bonds or for any obligation  
9 pursuant to section 85-1535 entered into prior to January 1, 1997;

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

23 (c) In addition to the levies provided in subdivisions (a) and (b)  
24 of this subsection, the board of a community college area with a campus  
25 located on the site of a former ammunition depot may certify to the  
26 county board of equalization of each county within the community college  
27 area a tax levy not to exceed three-quarters of one cent on each one  
28 hundred dollars on the taxable valuation of all property within the  
29 community college area, uniform throughout such area, to pay for funding  
30 accessibility barrier elimination project costs and abatement of  
31 environmental hazards as such terms are defined in section 79-10,110.



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

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

15 (4) For fiscal year 2026-27 and each fiscal year thereafter, a  
16 community college area shall not have the power to levy property taxes.

17 Sec. 5. Section 85-1520, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 85-1520 Each board may construct, purchase, or otherwise acquire,  
20 remodel, repair, furnish, and equip dormitories, residence halls, single-  
21 dwelling units, multiple-dwelling units, or other facilities for (1) the  
22 housing or boarding of single or married students, faculty, or other  
23 employees of the institution under its control, (2) buildings and  
24 structures for student and faculty unions or centers, and (3) the medical  
25 care and other activities of the students of such institutions, on real  
26 estate owned or controlled by such board or on real estate purchased,  
27 leased, or otherwise acquired for such purpose and pay the cost thereof,  
28 including the cost of such real estate, by issuing revenue bonds payable  
29 out of the revenue from such buildings or facilities, the revenue from  
30 the tax levy authorized pursuant to subdivision (1)(b) of section 85-1517  
31 for fiscal years prior to fiscal year 2013-14 and subdivision (2)(b) of

1 section 85-1517 for fiscal years ~~year~~ 2013-14 through 2025-26 and ~~each~~  
2 ~~fiscal year~~ thereafter, or a combination thereof. Any such buildings or  
3 facilities shall be located on or adjacent to a campus or campuses  
4 controlled by such board.

5 Sec. 6. Section 85-1521, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 85-1521 Each board may, by resolution or agreement, pledge all or  
8 any part of the revenue and fees derived from the operation of the  
9 dormitories, residence halls, single-dwelling units, multiple-dwelling  
10 units, buildings, and other facilities for housing, boarding, medical  
11 care, and other activities of students, faculty, or employees of the  
12 institution under its control erected or acquired or previously erected  
13 or acquired by any such board and contract as to the care, insurance,  
14 management, and operation of such buildings and facilities and the  
15 charges to be made and the rights of the holders of the revenue bonds.  
16 When any board contracts that the operation of any building or facility  
17 or part thereof shall be performed other than by the board itself, such  
18 board shall at all times maintain supervision of and control over the  
19 fees and charges imposed for the use of such building, facility, or part.  
20 In issuing revenue bonds and pledging revenue therefor, the board may  
21 pledge all or any part of the revenue and fees from buildings and  
22 facilities other than the building or facility to be constructed. Bonds  
23 issued under sections 85-1520 to 85-1527 shall not be an obligation of  
24 the State of Nebraska, and no tax, except for the tax authorized under  
25 subdivision (1)(b) of section 85-1517 for fiscal years prior to fiscal  
26 year 2013-14 and subdivision (2)(b) of section 85-1517 for fiscal years  
27 ~~year~~ 2013-14 through 2025-26 and ~~each fiscal year~~ thereafter, shall ever  
28 be levied to raise funds for the payment thereof or interest thereon. The  
29 bonds shall constitute limited obligations of the board issuing the same  
30 and shall be paid out of revenue from the tax levy authorized pursuant to  
31 subdivision (1)(b) of section 85-1517 for fiscal years prior to fiscal

1 year 2013-14 and subdivision (2)(b) of section 85-1517 for fiscal years  
2 ~~year 2013-14 through 2025-26 and each fiscal year thereafter~~ and out of  
3 money derived from the revenue and earnings pledged as provided in  
4 sections 85-1501 to 85-1540.

5 Sec. 7. Section 85-1535, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 85-1535 (1) A board of a community college area with a population of  
8 less than one hundred thousand according to the last federal decennial  
9 census and a campus located on a former military base may enter into  
10 contracts with any person, firm, or corporation providing for the  
11 implementation of any project for the constructing and improving of  
12 facilities to house applied technology educational programs necessary to  
13 carry out sections 85-1501 to 85-1540 and providing for the long-term  
14 payment of the cost of such project.

15 (2) In no case shall any such contract run for a period longer than  
16 twenty years or shall the aggregate of existing contracts exceed four  
17 million five hundred thousand dollars for each area exclusive of  
18 administrative costs, credit enhancement costs, financing costs,  
19 capitalized interest, and reserves dedicated to secure payment of  
20 contracts.

21 (3) No contract shall be entered into pursuant to this section  
22 without prior approval by a resolution of the board and the approval of  
23 the Coordinating Commission for Postsecondary Education.

24 (4) The long-term payment of the cost of such project shall be paid  
25 from revenue to be raised pursuant to (a) subdivision (1)(b) of section  
26 85-1517 for fiscal years prior to fiscal year 2013-14 and (b) subdivision  
27 (2)(b) of section 85-1517 for fiscal years ~~year 2013-14 through 2025-26~~  
28 ~~and each fiscal year thereafter~~. Any board entering into such contract  
29 for the construction and improvement of facilities from revenue to be  
30 raised pursuant to such subdivisions shall make annual appropriations for  
31 amounts sufficient to pay annual obligations under such contract for the

1 duration of such contract.

2 (5) The board may also convey or lease and lease back all or any  
3 part of the project and the land on which such project is situated to  
4 such person, firm, or corporation as the board may contract with pursuant  
5 to this section to facilitate the long-term payment of the cost of such  
6 project. Any such conveyance or lease shall provide that when the cost of  
7 such project has been paid, together with interest and other costs  
8 thereon, such project and the land on which such project is located shall  
9 become the property of the community college area.

10 Sec. 8. (1) Beginning in 2027, funds shall be distributed to  
11 community college areas as provided in this section in order to offset  
12 the funds lost by community college areas due to the elimination of their  
13 levy authority under section 85-1517.

14 (2) The amount to be distributed to each community college area  
15 under this section shall be equal to:

16 (a) For 2027, the amount of property taxes levied by such community  
17 college area for tax year 2025, increased by three and one-half percent;  
18 and

19 (b) For 2028 and each year thereafter, the amount distributed under  
20 this section to such community college area in the prior year, increased  
21 by three and one-half percent.

22 (3) The Department of Revenue shall annually determine the amount to  
23 be distributed to each community college area under subsection (2) of  
24 this section and shall certify such amounts to the State Treasurer and to  
25 each community college area. The distributions to the community college  
26 areas shall occur in two equal payments, the first on or before March 31  
27 and the second on or before August 31.

28 Sec. 9. Original sections 85-1402, 85-1517, 85-1520, 85-1521, and  
29 85-1535, Reissue Revised Statutes of Nebraska, and sections 77-3442 and  
30 77-6706, Revised Statutes Cumulative Supplement, 2022, are repealed.