

## LEGISLATIVE BILL 2

Became law without the Governor's signature July 7, 1978

Introduced by Warner, 25; Koch, 12

AN ACT to adopt the Local Option Tax Control Act; to provide for elections; and to provide a penalty.

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

Section 1. This act shall be known and may be cited as the Local Option Tax Control Act.

Sec. 2. If the voters of any political subdivision of the state authorized to levy a tax or cause a tax to be levied determine that a limitation of its budget funded by ad valorem taxes is needed, they may call for an election for that purpose. When five per cent of the registered voters of any political subdivision sign a petition calling for a limitation on its budget funded by ad valorem taxes, the question of such budget limitation shall be placed before the voters at a primary or special election. The petition shall be filed with the governing body of the political subdivision. The budget limitation shall be adopted if approved by a majority of those voting on the question. Voting at such primary or special election shall be by those persons who are authorized to vote for the members of the governing body of such political subdivision. For the purposes of this act, the term budget funded by ad valorem taxes shall include all funds the source of which is an ad valorem tax regardless of the purpose of such funds, except such funds as are necessary to pay interest on and for retiring, funding, or servicing bonded indebtedness during the upcoming fiscal year.

Sec. 3. If the governing body of any political subdivision determines that a limitation of its budget funded by ad valorem taxes is needed, such body may by resolution call for an election for that purpose. The budget limitation shall be adopted if approved by a majority of those voting on the question.

Sec. 4. When a budget limitation is approved by the voters at a primary or special election held for such purpose, the budget for the year in which taxes will be levied to fund such budget shall, except as provided in section 23-929, Reissue Revised Statutes of Nebraska, 1943, be limited as provided in the petition or resolution and each fiscal year thereafter the budget may be adjusted from the previous year's budget so as not to

exceed any limitation provided by the petition or resolution.

Sec. 5. The petition or resolution calling for a budget limitation election and the election notice shall refer to section 2 or 3 of this act, whichever is appropriate, state the percentage limitation placed on future budgets, and specify the first year for which such limitation becomes applicable. All such elections shall be held prior to August 15 and shall affect budgets commencing in fiscal years subsequent to such election.

Sec. 6. (1) Notice of the election shall state the date on which the election is to be held and the hours the polls will be open. Such notice shall be published in a newspaper that is published in or of general circulation in the political subdivision at least fifteen days prior to such election. If no newspaper is published in or of general circulation in the political subdivision, notice shall be posted in each of three public places therein.

(2) The governing body shall prescribe the form of the ballot to be used at the election, and the proposition appearing on such ballot shall state the percentage limitation to be placed on future budgets and specify the first year for which such limitation becomes applicable. The form of submission upon the ballot shall be as follows:

For a budget limitation

Against a budget limitation.

Sec. 7. Any person who signs a petition under section 2 of this act, knowing that he or she is not a qualified voter in the place where such a petition is made, or bribes or gives or pays any money or thing of value to any person directly or indirectly to induce him or her to sign the petition, shall be guilty of a Class III misdemeanor.

Sec. 8. The statutes of this state relating to election officers, voting places, election apparatus and blanks, preparation and form of ballots, information to voters, delivery of ballots, calling of elections, conduct of elections, manner of voting, counting of votes, records and certificates of election, and recounts of votes, so far as applicable, shall apply to voting on the question of establishing a budget limitation by the voters under the provisions of this act.

Sec. 9. If two or more proposals relating to the budget level of a political subdivision are placed upon the ballot at a primary or special election and more than one such proposal receives a majority of affirmative votes, the proposal receiving the largest number of affirmative votes shall be considered the successful proposal. The issue of limiting a budget funded by ad valorem taxes in any one political subdivision shall not be placed on the primary or special election ballot more than twice in any twelve-month period.

Sec. 10. Any limitation placed on budgets pursuant to this act shall remain in effect until a majority of the registered voters authorized to vote for the members of the governing body of such political subdivision vote to alter, amend, or revoke such budget limitation at a primary or special election. Such elections shall be called and conducted in the same manner as elections to place a limitation on budgets are called and conducted pursuant to this act.

Sec. 11. Any statutory limitation on the budget, funded by ad valorem taxes, of a political subdivision authorized to levy a tax or cause a tax to be levied shall not apply to any such political subdivision which has adopted a tax or budgetary limitation on ad valorem taxes by vote of the electors of the political subdivision pursuant to this act or any home rule charter.