

# Budget Form Instruction Manual

This Manual is provided to assist Nebraska political subdivisions in preparing/completing their Budget Forms in compliance with State Statutes. The information contained within is intended to be consistent with relevant State Statutes.

## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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**Website:** <http://www.auditors.nebraska.gov>

**Submit Your Budget Online:** From website choose "[SUBMIT your Audit or Budget](#)" from left side. Follow the steps.

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# Checklist of Items to be Completed and Submitted

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The complete budget document is due by **SEPTEMBER 20<sup>th</sup>**, it should include the following:

1. **Page 1 (Cover Page):**
  - Total Personal and Real Property Tax Required agrees to the amount on the bottom of Page 2, Total Property Tax Requirement.
  - Outstanding Bonded Indebtedness Section was completed. *(If Applicable)*
  - The appropriate person has **signed** page 1 where indicated.
  - Audit Waiver request is indicated by checking the box.
  - SID's Only** - Complete the Date the SID was formed if Less than 5 years old.
  - Total Certified Valuation was completed.
  - Joint Public Agency & Interlocal Interlocal Agreements is indicated by checking the box.
  - Trade Names, Corporate Names & Business Names is indicated by checking the box.
2. **Page 2 (Budget Form):**
  - Column 1, Line 5 agrees to last year's budget form Column 1, Line 30. If not, provide explanation.
  - Column 1, Line 30 agrees to Column 2, Line 5.
  - Column 2, Line 30 agrees to Column 3, Line 5.
  - Column 3, Line 30 is equal or greater than zero. Cannot budget to have a negative fund balance.
  - Transfers IN (Line 16) agree to Transfers OUT (Line 28).
3. **Page 2-A (Transfer Page, If Applicable):**
  - Transfers noted on Page 2, Column 2 are explained.
4. **Page 3 (Correspondence Page):**
  - Correspondence Information is completed, indicating Contact For Correspondence.
5. **Page 4 (LC-3 Supporting Schedule):**
  - Total Personal and Real Property Tax Requirements (1) agrees to amount on bottom of Page 2, Total Property Tax Requirement.
  - Other Restricted Funds agree to amounts in Column 3, Page 2.
  - Capital Improvement Lid Exceptions Line (5) agrees to last year's budget Page 4, Line (10).
  - Line (7) agrees to Line (11).
6. **Pages 5 & 6 (LC-3 Computation Form):**
  - Line (1) agrees to last year's budget Page 6, Line (8).
  - Line (10) is greater than or equal to zero.
7. **Page 7 (Levy Limit Form, If Applicable):**
  - Total Personal and Real Property Tax Request (1) agrees to amount on bottom of Page 2, Total Property Tax Requirement.
8. **Attachments:**
  - Certification of Valuation(s). (From County Assessor)
  - Board minutes approving Budget.
  - Publisher's Affidavit of Publication for the Notice of Budget Hearing.
  - Board minutes documenting request for Audit Waiver. *(If Applicable)*
  - Board minutes showing at least 75% Board approval for additional 1% increase in the Restricted Funds Subject to Limitation. *(If Applicable)*
  - Special election Sample Ballot and Results or townhall meeting Record of Action. *(If Applicable)*
  - (Fire Districts Only)** Board minutes approving a special tax for a Public Safety Communication Project. *(If Applicable)*
  - Resolution authorizing bonds for Public Facilities Construction Projects. *(If Applicable)*
  - Report of Interlocal Agreements. Due on or before December 31<sup>st</sup>.

# Overall Basic Budget Information

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## 1. Required Filers

Does your subdivision need to file a budget? **Please read the following carefully.**

*Will your subdivision have a property tax request or receive state aid as defined in section 13-518 for the budget year?*

**YES** – You will be required to file a budget.

**NO** – Complete the **Budget Waiver Form** and mail or e-mail information to [apa.audits@nebraska.gov](mailto:apa.audits@nebraska.gov) with the Subdivision Name, a Contact Name, Address, and E-Mail. You are finished with the requirements of the Nebraska Budget Act for this budget year.

**REMINDER:** Your political subdivision will still be required to file the following:

- An audit or request an audit waiver. If requesting an audit waiver, please complete a separate Audit Waiver Form.
- The Report of Joint Public Agency and Interlocal Agreements due on or before December 31.

## 2. Budget Filing Date

**Budgets are due September 20** – Budget documents must be filed with the following:

The County Board (c/o County Clerk)

The Auditor of Public Accounts

- **Mail** – PO Box 98917 – Lincoln, Nebraska 68509-8917.  
-or-
- **Submit Online** – From our website ([www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)) select “[Submit your Audit or Budget](#)” from the left side. Follow the steps.

When submitting/mailling budget documents **we strongly recommend** the documents be securely stapled or clipped together.

**Reminder:** Don’t forget to make a copy for your records.

## 3. Forms



### **How Do I Get My Budget Forms?**

Budget forms may be downloaded and printed from the Auditor of Public Accounts website at:

**[www.auditors.nebraska.gov](http://www.auditors.nebraska.gov)**

Click on “Budget Forms and Information” from the “Local Government” button on the left side of the screen. Then select “2015-2016 Budget Forms and Information.” Select your type of subdivision (i.e. SIDs, General Budgets) from the list. If your specific subdivision is not listed you will need to use General Budgets. This page includes everything you need to complete your budget filing, including sample forms, budget document which includes supporting schedules and notices, and an Excel version of the budget document.

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## Overall Basic Budget Information

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Budget items are available in **Microsoft Excel** complete with formulas.

- To utilize, click on the link for the Excel version of the budget you need and save the file to your computer.

If you are not able to print or download the necessary forms, please contact us by:

Phone: (402) 471-2111, Fax: (402) 471-3301, or E-Mail: [Deann.Haeffner@nebraska.gov](mailto:Deann.Haeffner@nebraska.gov).

### 4. **Notice Requirements**

Your political subdivision is required to give notice of one or both of the following at least **five days prior to the date of the hearing**. State Statute 25-2221 states “the period of time within which an act is to be done in any action or proceeding shall be computed by excluding the day of the act.” Therefore you should not include the day of publication when counting the five days. You must include a copy along with the affidavit of publication for all notices with the budget that is filed with the Auditor of Public Accounts and the County Board.

Notice of Budget Hearing – All Subdivisions – State Statute Section 13-506 outlines what must be included in the Notice.

- The budget information may be published in a summary format, but detail information must be available for public review.
- We have provided a sample form for the Notice of Budget Hearing which includes detailed instructions.
- Notice can be given in one of the following methods:
  - Published in a newspaper of general circulation within the governing body’s jurisdiction.
  - Posted at the governing body’s principal headquarters. This option is available only if the total budget of disbursements and transfers does not exceed \$10,000. Please provide details of where and when your notice was posted.

Notice of Special Hearing to set Property Tax Request – If subdivision has a Levy Limit

- Required by State Statute Section 77-1601.02
- Notice must be published
- Hearing may be held on the same day as the Budget Hearing, as long as notice has been given for both hearings

*NOTE: A sample of a combination notice, which combines the information for the two hearings can be found as a sheet tab in Excel and in the Samples Packet.*

### 5. **If the Budget Adopted is Different than the Previously Published Budget**

- **Notice of the Summary of Changes must be made within twenty days** after its adoption setting forth the items changed and the reasons for such changes.
  - The notice of the summary of changes must be provided in the same manner as the original notice of budget hearing (published or posted).
  - No public hearing is required as long as the summary of changes is published within twenty days.

## Overall Basic Budget Information

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- If a notice of the summary of changes is not provided within twenty days; the budget has not been legally adopted. The governing body must conduct another budget hearing, giving proper notice, and re-adopt its budget

### 6. **If the Budget Contains a Clerical, Mathematical, or Accounting Error**

State Statute Section 13-511 allows certain corrections to be made without having a public hearing. Section 13-511 states within thirty days after the adoption of the budget, a governing body may, or within thirty days after notification of an error by the State Auditor, a governing body shall, correct an adopted budget which contains a clerical, mathematical, or accounting error.

If the error does not affect the total amount budgeted by more than one percent, or increase the amount required from property taxes; no public hearing is required for such a correction.

### 7. **Amending a Previously Adopted Budget**

Political subdivisions have the ability to amend their previously adopted budget during the fiscal year if unanticipated circumstances arise. By law, the total budget of disbursements and transfers per the adopted or amended budget cannot be exceeded. Keep in mind it is not possible to change the amount of property taxes after the levies are finalized.

State Statute Section 13-511 specifies the requirements necessary to amend the budget. A public hearing must be held with notice given at least five days in advance. The notice must be given in the same manner as the original budget hearing (published or posted), and the notice must include the following:

- The time and place of the hearing.
- The amount in dollars of additional or reduced money required and its purpose.
- A statement setting forth the nature of the unanticipated circumstances and, if the budget is increased, why the previously adopted budget cannot be reduced during the remainder of the year.
- A copy of the summary of the originally adopted budget previously published.

**A copy of the revised budget as adopted must be filed with the County Board and the Auditor of Public Accounts.**

## Budget Form Instructions

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### 8. Cover Page (Page 1)

- A. Complete the name of the political subdivision and the dates of the budget period. If using Excel version, input name and hearing dates and time on first sheet tab labeled “Must Complete This Page.”
- B. Complete the Personal and Real Property Tax Required section.  
*Separate the personal and real property tax amount required for payment of principal and interest on bonds and the amount required for all other purposes as required by State Statute Section 13-508.*
- C. Complete the Outstanding Bonded Indebtedness section as of the **beginning of the fiscal year**.
- Complete **only** if bonds have been issued.
  - Input the dollar amount your political subdivision still owes for principal and interest payments.
- D. Complete the Budget Document to be used as the Audit Waiver section.
- Political subdivisions that have the ability to request an audit waiver can use the Budget Document for the audit waiver request.
    - Column 2, page 2 must be completed using actual numbers.
    - Minutes must be attached documenting the waiver was requested by the board.
    - DO NOT submit a separate Audit Waiver Request Form.
- E. The appropriate person (Clerk/Board Member) of the governing body **must** sign where indicated.
- F. Complete the Interlocal Agreement section. All political subdivisions must file the Report of Joint Public Agency and Interlocal Agreements with the Auditor of Public Accounts by December 31<sup>st</sup> each year. If your political subdivision was not a party to any interlocal agreements during the period July 1 through June 30, please mark the box. If the political subdivision was a party to an Interlocal Agreement please submit the separate report to the Auditor of Public Accounts.
- G. Complete the Trade Name section. All political subdivisions must file the Report of Trade Names, Corporate Names, and Business Names with the Auditor or Public Accounts by December 31<sup>st</sup> each year. If your subdivision operated a function under a name other than the name of the political subdivision, you need to report those names on the separate Trade Name Report. For example, if ABC City operated a hospital under the name Memorial Hospital, than they would need to report that name on the Trade Name Report.
- H. **SIDs Only** – If the Sanitary and Improvement District is less than 5 years old, please check the box and note the date the SID was formed. The Lid on Restricted Funds and Levy Limit **will not** apply.

## Budget Form Instructions

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### 9. Total All Funds (Page 2)

Your political subdivision is only required to file your budget information in summary format. If your political subdivision has more than one fund the General Budget Form Worksheet tab in the excel file may be helpful. All activity must be reported on this page no matter how many funds you use for accounting purposes.

#### A. **Beginning Balances:**

- Net cash balance – includes any cash on hand, and checking account balances at the beginning of the year.
- Investments – CD's, savings accounts, etc.
- County Treasurer's Balance – Required by State Statute Section 13-504
  - Contact your County Treasurer to obtain this balance.
  - Balance should be included in receipts.
    - For example, if your Treasurer's balance at June 30, 2014, is \$5,000, you would need to include the \$5,000 as receipts for the year ending June 30, 2014. This will increase your ending balance by \$5,000 and when you breakout your beginning balance for the budget year it would be included as the County Treasurer's Balance.

#### B. **Receipts:**

Receipts include the following:

- Personal and Real Property Taxes
  - Should be adjusted to include the County Treasurer's balance. The calculation for Property Tax Receipts is as follows: (Personal and Real Property Taxes received by the subdivision) + (Year end County Treasurer's Balance) – (Beginning County Treasurer's Balance)
- Federal Receipts
- State Receipts
  - Motor Vehicle Pro-Rate
  - State Aid
  - Property Tax Credit
  - Other – Any receipts from the state not identified above including Homestead Exemption.
- Local Receipts
  - Nameplate Capacity Tax
  - In Lieu of Tax
  - Other – Any receipts from other local sources not identified above including registered warrants.
- Transfers
  - **Must** agree to Transfers Out in the Disbursements and Transfers Section.
  - Separate between surplus fees and other transfers
- Total Resources Available is the total of the Beginning balances plus all receipts.



## **Budget Form Instructions**

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- Total Resources Available must equal Total Disbursements & Transfers plus Cash Reserve to present a Balanced Budget. **YOU MUST PRESENT A BALANCED BUDGET.**

### **C. Disbursements & Transfers (Municipalities see Specific Guidelines):**

- Disbursements include the following:
  - Operating Expenses – General expenses of the subdivision
  - Capital Improvements
    - Acquisition of real property (land/buildings)
    - Improvements of real property
  - Other Capital Outlay – Inventory items such as equipment and vehicles
  - Debt Service
  - Judgments
  - Transfers
    - **Must** agree to Transfers In found in the Receipts Section.
    - Separate between surplus fees and other transfers
- Total Disbursements & Transfers – For the budget column, this is the amount legally available to be spent by the political subdivision during the fiscal year upon the adoption of the budget.

### **D. Balance Forward/Cash Reserve:**

- Balance Forward (Columns 1 and 2) is the difference between Total Resources Available and Total Disbursements & Transfers. This amount must agree to the Subtotal of Beginning Balances for the next year.
- Cash Reserves (Column 3) are an extremely important element of budgeting and provide a stable flow of cash during your fiscal year. By law, you are entitled to a cash reserve not to exceed fifty percent of the Total Budget of Disbursements & Transfers less transfers and capital outlay. The fifty percent cash reserve limit does not apply to money held in a special reserve fund.

### **E. Property Tax Recap**

- Tax from Line 6 – The amount of personal and real property tax your political subdivision budgeted to receive in the Receipts section of the budget.
- County Treasurer's Commission – The County Treasurer receives a percentage collection fee (commission) from tax collections received in that office.
  - 1% for municipalities, community colleges, educational service units, natural resources districts, drainage districts, SID's, and irrigation districts.
  - 2% for all other political subdivisions
- Delinquent Tax Allowance
  - Allows you to budget for delinquent taxes.
  - The delinquent tax allowance may not exceed 5% of personal and real property tax requested plus the actual percentage of prior year delinquency.

## Budget Form Instructions

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- If you apply a percentage greater than 5%, you must provide supporting documentation of the actual delinquency rate.
- Total Property Tax Requirement – Sum of the above items, must agree to the Personal and Real Property Tax Request on page 1.

### 10. Page 2-A

- Levy Setting Purposes
  - Used to break down the property tax request between levying funds.
  - This page assists the County Clerk in setting levies for individual funds of the subdivision.
- Documentation of Transfers
  - Indicate what fund the monies were transferred from, what fund they were transferred to, amount of the transfer, and the reason for the transfer.

### 11. Correspondence Information

**E-Mail Addresses** – The Auditor of Public Accounts communicates with political subdivisions by e-mail whenever possible. Please provide an e-mail address whenever available.

**Board Chairperson** – Include name of the Board Chairperson of the governing board. NOTE: If Budget Document is to be used as an Audit Waiver, approval of the Audit Waiver will be sent to the Board Chairperson via e-mail. If no e-mail address is included for the Board Chairperson, notification will be mailed via the US Mail to the entity address.

**Preparer** – Include the name, phone number, and e-mail address of the individual who prepared the budget document.

**Who To Contact with Questions** – Please indicate whether questions regarding the Budget Document and/or Audit Waiver should be directed to the Board Chairperson, Preparer, or Other Contact.

**Other Contact** – If you would like to have someone other than the Board Chairperson or Preparer contacted with questions regarding the Budget Document and/or Audit Waiver complete the “Other Contact” area.

**Changes in Contact Information** – If there is a change in any of the Correspondence Information or you obtain a new e-mail address after submitting your budget form, please contact our office so we can maintain the most current information.

### 12. LC-3 Supporting Schedule

The budget limitations have been incorporated into State Statute Sections 13-518 through 13-522. The LC-3 Supporting Schedule is used to calculate restricted funds applicable to the lid limitation.

#### Restricted Funds

- As the limitation is on “budgeted” restricted funds, you need to compare the current budgeted amount to the prior year actual amount when budgeting these receipts on page 2.

## Budget Form Instructions

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- State Statute Section 13-518 defines restricted funds as:
  - Property Tax – Includes Real Estate and Personal Property
  - Payments In Lieu of Property Tax
  - Local Option Sales Tax
  - Motor Vehicle Tax
  - State Aid
    - All governmental units - aid paid pursuant to section 60-3,202 (Pro-Rate Motor Vehicle) and 77-3523 (Homestead Exemption). *Note: Homestead Exemption should not be budgeted as a separate line item. It is included within Property Tax.*
    - Community Colleges - aid paid pursuant to section 90-517.
    - Educational Service Units - State aid appropriated under section 79-1241 (Aid for Core Services and Technology Infrastructure).
    - Local Public Health Departments - aid as distributed under section 71-1628.08 (County Public Health Aid).
    - Municipalities – aid paid pursuant to sections 18-2605 (MIRF), 39-2501 through 39-2520 (Highway Allocation and Incentive Payments), 60-3,190 (Motor Vehicle Fee), 77-27,139.04 (Municipal Equalization Aid), and insurance premium tax.
  - Surplus Fees
    - The transfer of a user fee, permit fee or regulatory fee which is used to fund a service or function not directly related to the earning of that fee. *Surplus Fees can be used for other functions without being transferred to another fund.*
  - Prior Year Budgeted Capital Improvements that was used as a lid exception on the LC-3 Supporting Schedule, but was not spent or is not expected to be spent for capital improvements.
- All amounts should agree to the amounts budgeted to receive on page 2.

### **Lid Exceptions**

If budgeted to be paid for with restricted funds the following items are lid exceptions:

Capital Improvements - Defined as follows:

- i. Acquisition of real property.
- ii. Improvements on real property.

Retirement of Bonded Debt

Retirement of bank loans and other financial instruments entered into before July 1, 1999, for *Fire Districts* only.

Retirement of interest-free loans from the Department of Aeronautics for *public airports* only.

Interlocal Agreement(s)/Joint Public Agency Agreement(s).

Repairs to infrastructure damaged by a natural disaster. The disaster must have been declared a disaster pursuant to the Emergency Management Act.

Judgments. Except judgments or orders from the Commission of Industrial Relations, and only to the extent that such judgment is not covered by liability insurance.

## Budget Form Instructions

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### Property Tax Refunds

Public Safety Communication Project. State Statute Section 86-416 allows a *fire district* or municipality to have a special tax for a Public Safety Communication Project. The special tax has the same status as Bonded Indebtedness. Board minutes **must** be attached.

Ground Water Management. A *NRD* can exclude the dollar amount by which restricted funds budgeted to administer and implement ground water management activities and integrated management activities under the Nebraska Ground Water Management Act exceed its restricted funds budgeted to administer and implement ground water management activities and integrated management activities for fiscal year 2003-2004.

Public Facilities Construction Projects. State Statute Sections 72-2301 through 72-2308 allows bonds to be issued to finance Public Facilities Construction Projects. Resolution must be attached. Review the statutes to determine if applicable for your type of political subdivision.

When determining lid exceptions there are many factors that can only be determined by using your own judgment. For example, it may not be clear if an item is budgeted to be paid for with restricted funds or non-restricted funds. This should be discussed with the governing board if you are unsure. **Be sure not to claim lid exceptions that exceed the total amount of restricted funds.**

**Total Restricted Funds for Lid Computation** is calculated by taking the Total Restricted Funds (A) minus the Total Lid Exceptions (B)

### **13. Lid Computation Form LC-3 (ESU's & Community Colleges see Specific Guidelines)**

The law says no governmental unit shall adopt a budget containing a total of budgeted restricted funds more than the last prior year's total of budgeted restricted funds plus allowable increases.

The current year Restricted Funds authority is calculated by carrying forward the prior year authority and applying applicable increases as follows:

- **Option 1 – This option will be used by most political subdivisions. Your subdivision did not hold a townhall meeting last year to exceed the lid.**

Line (1) – Restricted Funds Authority (Base Amount) is equal to the Total Restricted Funds Authority from last year's LC-3 Lid Computation Form

- **Option 2 – This option will only be used if a vote was taken last year at a townhall meeting to exceed the lid on restricted funds for one year.**

Line (A) – Line (1) of last year's LC-3 Lid Computation Form.

Line (B) – Total Allowable Percent Increase from prior year's LC-3 Lid Computation Form less the Townhall Meeting approved increase from prior year's LC-3 Lid Computation Form.

Line (C) – Dollar amount of allowable increases excluding the vote taken equals Line (A) multiplied by Line (B).

## Budget Form Instructions

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Line (1) – Calculated Restricted Funds Authority (Base Amount) is equal to Line (A) plus Line

- **Allowable Increases**

Base Limitation - All political subdivisions have the ability to increase their base of restricted funds by 2.5%.

Allowable Growth – Growth per the Assessor (noted on current year Certification of Valuation) divided by the prior year’s Total Valuation less 2.5%.

Additional 1% - An additional 1% increase is allowed if at least 75% of the governing body votes to approve the increase. Please note this is 75% of the authorized board, and not just 75% of those present. **If a 1% increase is approved, a copy of the resolution or board minutes documenting that at least 75% of the governing body approved the increase must be attached to the lid computation form.**

Special Election - A governmental unit may exceed the applicable allowable growth percentage by an amount approved by a majority of legal voters on the issue at a special election. **If a special election is held, a ballot sample and election results must be attached to the lid computation form.**

Townhall Meeting - In lieu of the election procedures, any governmental unit may exceed the allowable growth percentage by an amount approved by a majority of legal voters at a meeting of the residents,

- Notice of the meeting must be published at least 20 days prior to the meeting.
- At least 10% of the registered voters shall constitute a quorum for purposes of taking action.
- If a majority of the registered voters at the meeting vote in favor of exceeding the lid, a copy of the record of that action shall be forwarded to the Auditor of Public Accounts along with the budget document.
- LB 289 (2007) requires “A record shall be made of the registered voters residing in the political subdivision or village who are present at the meeting. The method of voting at the meeting shall protect the secrecy of the ballot.”

- **Unused Restricted Funds Authority**

The total unused restricted funds authority is calculated on the lid computation form.

- Must be greater than or equal to zero.
- Must be included in the Notice of Budget Hearing.

### 14. **Consequences of Noncompliance with Budget Limits**

State Statute Section 13-522 states if the Auditor of Public Accounts determines from the budget documents that a governmental unit is not complying with the budget limits, the following shall occur:

- The Auditor shall notify the governing body of this determination and notify the State Treasurer of the noncompliance.
- The State Treasurer shall then suspend distribution of State aid allocated to the governmental unit until the budget has been corrected.

## **Budget Form Instructions**

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- The funds will be held for six months until the governmental unit complies.
- If the governmental unit complies within the six month period it shall receive the suspended funds.
- After six months, the suspended funds shall be forfeited and shall be redistributed to other recipients of the State aid.

### **15. Consolidating Property**

For governmental units that have consolidated, the calculations made for the consolidating units shall be made based on the combined total of restricted funds, population, or full-time equivalent students of each governmental unit.

### **16. Transfer of Financial Responsibility**

If a governmental unit transfers the financial responsibility of providing a service financed in whole or in part with restricted funds to another governmental unit or the State, the amount of restricted funds associated with providing the service shall be subtracted from the last prior year's total of budgeted restricted funds for the previous provider and may be added to the last prior year's total of restricted funds for the new provider. Please provide information regarding with whom services were combined.

## Setting the Levy

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### The procedures for setting levies are as follows:

- ✓ On or before August 1, all political subdivisions subject to county or municipal levy authority shall submit a preliminary request for levy allocation to the county board, city council, or village board. The preliminary request shall be in the form of a resolution. **If the political subdivision fails to make a preliminary request, they will not have the ability to override the levy allocation.**
- ✓ Each county board, city council, or village board shall adopt a resolution which determines a final allocation of levy authority and forward a copy of such resolution to the chairperson of the governing body of each of its political subdivisions. No final levy allocation shall be changed after September 1 except by agreement between the county board, city council, or village board and the governing body of the political subdivision.
- ✓ School districts, community colleges, natural resources districts, educational service units, municipalities, sanitary and improvement districts older than five years, and counties are subject to the levy limits established in State Statute 77-3442.
- ✓ A political subdivision may exceed the levy limits established or the final levy allocation determined by the county board, city council, or village board by a majority of registered voters voting in a primary, general, or special election at which the issue is placed before the registered voters. A vote to exceed the limits or final levy allocation must be approved prior to October 10. A governing body may pass no more than one resolution calling for an election during any one calendar year.
- ✓ In lieu of the election procedures, political subdivisions subject to allocation by a county or municipality and villages may approve a levy in excess of the limits or final allocation for a period of one year at a meeting of the residents. At least ten percent of the registered voters residing in the political subdivision or village shall constitute a quorum. If a majority of the registered voters present at the meeting vote in favor of exceeding the limits or final allocation, a copy of the record of that action shall be forwarded to the county board prior to October 10.  
  
***NOTE:** If a majority of the voters at a townhall meeting reject an override, the political subdivision cannot subsequently call for a public election. The number of levy override elections called by a citizen petition is limited to one per year.*
- ✓ The property tax request for the prior year will be the property tax request for the current year for purposes of the levy set by the county board of equalization unless the governing body of the sanitary and improvement district, natural resources district, educational service unit, or community college passes by a majority vote a resolution or ordinance setting the tax request at a different amount on or before October 13.
- ✓ In order to adopt a property tax request different than the prior year tax request, the political subdivision must conduct a special hearing and a notice of the special hearing must be published in a newspaper at least five days prior to the hearing. This special hearing is not the same as the hearing to adopt the budget, and it must be published, even if the notice of budget hearing was posted.

## Setting the Levy

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- ✓ The hearing notice must contain the following information: The dollar amount of the prior year's tax request and the property tax rate that was necessary to fund that tax request; the property tax rate that would be necessary to fund last year's tax request if applied to the current year's valuation; and the proposed dollar amount of the tax request for the current year and the property tax rate that will be necessary to fund that tax request.
- ✓ The levy process could include a vote of the people and a special hearing to change the property tax request. If the property tax request is changed (higher or lower), the sanitary and improvement district, natural resources district, educational service unit, or community college must hold a special hearing.
- ✓ The county board of equalization will levy the necessary taxes on or before October 15. The levy shall include an amount for operation of all functions of county government and shall also include all levies necessary to fund tax requests certified. The county board of equalization is responsible in determining levies because the political subdivisions are only working with tax requests.

### **Levy Limit Form**

Who must complete this form?

Counties  
City and Villages  
School Districts  
Educational Service Units;  
Natural Resources Districts;  
Community Colleges; and  
Sanitary and Improvement Districts

For detailed information, see the Specific Instructions by type of entity for this form.