

# 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, as they existed on the last updated date of this manual.

## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

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



*This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document. (Neb. Rev. Stat. § 84-901.03)*

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# Checklist of Items to be Completed and Submitted

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The complete budget document and required attachments are due to the State Auditor by **SEPTEMBER 30<sup>th</sup>**

Please refer to the “Checklist” tab included in each budget document to ensure that all required items have been completed and required items are included in your budget submission to the State Auditor.

Completion of the checklist will reduce the likelihood of errors occurring that require the State Auditor to contact your entity, and corrections be required.

# 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 submit form online. 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 September 30<sup>th</sup>.

## 2. Budget Filing Date

**Budgets are due September 30<sup>th</sup>** – Budget documents must be filed with the following:

The County Board (c/o County Clerk) – Please contact your county regarding how they would like the budget forms submitted to them.

The Auditor of Public Accounts (***Online submissions are STRONGLY encouraged***)

- **Mail** – PO Box 98917 – Lincoln, Nebraska 68509.  
-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 on the website.

**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:

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

Click on “Budget Forms and Information” from the “Local Government” button on the left side of the screen. Then select “Click Here for Budget Forms.” Select your type of subdivision (i.e. SIDs, General Budgets) from the list. If your specific type of subdivision is not listed, you will need to use General Budget Form. 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.

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: [Jeff.Schreier@nebraska.gov](mailto:Jeff.Schreier@nebraska.gov).

# Overall Basic Budget Information

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## 4. Notice/Hearing Requirements

**Budget Hearing – All Subdivisions** – State Statute Section 13-506 outlines what must be included in the Budget Hearing 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. Publication must be at least four days prior to the date of the hearing. You can include the day of publication, but not the day of hearing. You must include a copy along with the affidavit of publication of the Budget Hearing Notice.
  - 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.

### Budget Hearing Procedures

The following requirements apply to the Budget Hearing:

- Budget hearing must be held separately from regular scheduled meeting and cannot be limited by time.
- At least 3 copies of budget must be available to the public
- Presentation must be given outlining key provisions of the proposed budget, including, but not limited to, a comparison with the prior year budget.
- Any member of public desiring to speak on the proposed budget shall be allowed to address the governing body and given a reasonable amount of time to do so.

### Special Hearing to set Property Tax Request

- Required by State Statute Section 77-1632 (**Note: Changes to § 77-1632 in LB 803(2026) are not operative until January 1, 2027**)
- Community Colleges, Villages, ESUs, Learning Community, NRDs, and SIDs are required to hold this hearing.
  - Cities, Counties, and School Districts are required to hold this hearing if their property tax request does not exceed the Property Tax Request Act’s allowable growth percentage (2% plus real growth percentage). If a City, County, or School District has a property tax request that exceeds the allowable growth percentage, the Joint Public Hearing is held in-lieu of the Special Hearing to set Property Tax Request. See following information regarding Joint Public Hearing requirements.
- Notice must be published. Publication must be at least four days prior to the date of the hearing. You can include the day of publication, but not the day of hearing. You must include a copy along with the affidavit of publication of the Special Hearing to Set Property Tax Request Notice.
- 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.*

# Overall Basic Budget Information

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**Joint Public Hearing – Applies to Counties, School Districts and Cities that intend to increase their property tax request by more than the allowable growth percentage.**

**Note:** Form has been added to the Budget Forms to calculate whether or not your political subdivision is subject to the Joint Public Hearing and postcard notification requirements found in the Property Tax Request Act. Changes to Joint Public Hearing requirements included in LB 803 (2026) are not operative until January 1, 2027.

- Property Tax Request Act found in Section 77-1630 to 77-1634.
- Counties, School Districts, and Cities are required to participate in Joint Public Hearing and be included in postcard notification if property tax request increases by more than the allowable growth percentage (2% plus real growth percentage provided by County Assessor).
- Political Subdivisions required to attend the Joint Public Hearing are not required to hold the Special Hearing to set Property Tax Request. The Joint Public Hearing is held in-lieu of this hearing.
- Each political subdivision required to participate in Joint Public Hearing must designate one representative to attend the Joint Public Hearing. Additionally, at least one elected member of the governing body must attend the Joint Public Hearing. The elected member of the governing body may also be the designated representative.
- The presence of a quorum of elected officials at the joint public hearing does not constitute a meeting as defined by the Open Meetings Act.
- If political subdivision includes valuation in more than one county, the political subdivision is required to attend the Joint Public Hearing in the County where the political subdivision's principal headquarters are located.
- Joint Public Hearing must be held between September 14<sup>th</sup> and 23<sup>rd</sup>. Joint Public Hearing must be held after 6 p.m. local time on the relevant date. The County Clerk, or designee, is responsible for organizing the Joint Public Hearing, and notifying the participating subdivisions of the date, time, and location the hearing will be held.
- Representative from each political subdivision must provide a brief presentation on the political subdivision's intent to increase its property tax request by more than the allowable growth percentage. The presentation is required to include, at a minimum:
  - The name of the political subdivision
  - The amount of the property tax request
  - The following statements:
    - The total assessed value of property differs from last year's total assessed value by ..... percent
    - The tax rate which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property, would be \$..... per \$100 of assessed value
    - The (name of political subdivision) proposes to adopt a property tax request that will cause its tax rate to be \$..... per \$100 of assessed value
    - Based on the proposed property tax request and changes in other revenue, the total operating budget of (name of political subdivision) will exceed last year's by ..... percent
    - To obtain more information regarding the increase in the property tax request, citizens may contact the (name of political subdivision) at (telephone number and email address of political subdivision).
- Any member of public desiring to speak on the proposed budget shall be allowed to address the governing body and given a reasonable amount of time to do so.

## **Joint Public Hearing Notice Requirements:**

- Notice of Joint Public Hearing must be provided by: 1) County Assessor sending postcard to all affected property taxpayers; 2) posting notice of the hearing on the County's website (only required if County has population of more than 10,000); and 3) County Clerk publishing notice of the hearing in a legal newspaper of general circulation in the relevant County.

## Overall Basic Budget Information

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- Each political subdivision that intends to increase property tax request by more than the allowable growth percentage (2% plus real growth percentage provided by County Assessor), must provide their information electronically to the County Assessor by September 4<sup>th</sup>.
- County Assessor responsible for mailing postcard to all property owners impacted by the proposed tax increases in excess of the allowable growth percentage. Postcards must be mailed at least seven calendar days before the Joint Public Hearing.
- Each participating political subdivision must provide a link on the homepage of their website to their proposed budget. This requirement does not apply to: counties with a population of less than 10,000 or cities with a population less than 1,000.

### 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.
- 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 increase or decrease the total disbursements 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 four 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.

Additional budget amendment instructions are available on the Auditor of Public Accounts website, along with sample notice forms at the following link: [https://auditors.nebraska.gov/Budget\\_Info.html](https://auditors.nebraska.gov/Budget_Info.html)

**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 “Basic Data Input.”
- 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. 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 September 30<sup>th</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.
- F. 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 September 30<sup>th</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, then they would need to report that name on the Trade Name Report.
- G. **SIDs and CIDs Only** – If the Sanitary and Improvement District or Community Improvement District is less than 5 years old (ie. This is the 1<sup>st</sup> through 5<sup>th</sup> budget for the SID/CID), please check the box and note the date the SID/CID was formed. **For SIDs**, the Lid on Restricted Funds and Levy Limit **will not** apply. The Lid on Restricted Funds will apply beginning with the 6<sup>th</sup> budget adopted by the SID. **For CIDs**, the Lid on Restricted Funds will not apply for the first 5 budgets completed by the CID; however, the levy limit will apply.

### 9. Total All Funds (Page 2) (Counties see forms)

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. Cash balance reported must reconcile to bank balances.
- Investments – CD’s, savings accounts, etc.
- County Treasurer’s Balance – Required by State Statute Section 13-504

# Budget Form Instructions

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- Contact your County Treasurer to obtain this balance.
- Balance should be included in receipts.
  - For example, if your Treasurer's balance at June 30, 2026, is \$5,000, you would need to include the \$5,000 as receipts for the year ending June 30, 2026. 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. This money will not be reported in 2025-2026 as it was already reflected in 2024-2025.

## 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. Surplus Fees are fees that were charged by your political subdivision for providing a specific service, but are transferred to finance a different function of your government. For example, a transfer from a City's Water Fund to the General Fund.
- 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.

# Budget Form Instructions

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## 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
- 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 a current e-mail address that is actively monitored 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 USPS to the entity address provided.

**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.

# Budget Form Instructions

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**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.

## **Lid On Restricted Funds Requirements (Does not apply to Counties, Municipalities, or School Districts)**

### **12. Lid Supporting Schedule**

The budget limitations have been incorporated into State Statute Sections 13-518 through 13-522. The Lid 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. If there is a large difference between the amount collected for a particular restricted fund in the prior year, and the amount you are budgeting to receive for the current budget year, you must be able to provide an explanation and supporting documentation for the change upon request. **You cannot intentionally budget restricted fund receipts lower than reasonably expected to circumvent the Lid on Restricted Funds.**
- 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 (see Section 13-518(7))
    - 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 Community College Aid Act (section 85-2231 to 85-2237).
    - 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).
  - 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 were used as a lid exception on LID Supporting Schedule, but were not spent and are not expected to be spent for capital improvements.
- **All amounts should agree to the amounts budgeted to be received on page 2.**

#### **Lid Exceptions**

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

Capital Improvements – Must include listing of projects. Defined as follows:

- i. Acquisition of real property (land/buildings).
- ii. Improvements on real property.

Retirement of Bonded Debt

# Budget Form Instructions

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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 Aeronautics Division of the Department of Transportation 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.

## Property Tax Refunds

Firefighter Cancer Benefits. Restricted funds budgeted to pay benefits under the Firefighter Cancer Benefits Act (State Statute Section 35-1002 to 35-1010).

Good Life Districts. Restricted Funds equal to the amount of local option sales and use tax budgeted to be collected within a Good Life District established pursuant to section 77-4405.

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** (ESU's & Community Colleges see form)

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.**

## Budget Form Instructions

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Line (1) – Restricted Funds Authority (Base Amount) is equal to the Total Restricted Funds Authority from last year’s 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.** Additional restricted funds authority obtained at a townhall meeting is only valid for one year. This calculation allows you to keep the permanent increases to your authority from the prior year, and removes the increase approved at the Townhall Meeting.

Line (A) – Line (1) of last year’s Lid Computation Form.

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

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

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. The 75% is applied to the members of the governing body present at the meeting. **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. **Increased authority obtained from a townhall meeting is for one year only. Option 2 must be used on next year’s Lid Computation Form.** The following requirements must be met to obtain increased authority at a townhall meeting.

- 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.
- 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 and represents the amount of additional restricted funds that could have been included in your budget, but were not.

# Budget Form Instructions

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- 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.
  - 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.

### **Property Tax Cap (applicable for Counties, Cities, and Villages)**

The budget limits (commonly referred to as “property tax cap”) applicable to Counties, Cities, and Villages in Nebraska are found in the Property Tax Growth Limitation Act (Neb. Rev. Stat. §§ 13-3401 – 13-3408). Beginning with 2025-2026 budgets, these new limits are in effect for Counties, Cities, and Villages, and the Lid on Restricted Funds will no longer apply to County, City, or Village budgets. The Property Tax Growth Limitation Act outlines the required calculation to be followed when determining each political subdivision’s “property tax request authority” which represents that maximum amount of property taxes that can be requested as part of that budget. The Property Tax Growth Limitation Act limits the amount of property taxes that can be requested by a County, City or Village. It is not a limit on expenditures, or a limit on other types of revenues that can be generated.

See the Property Tax Request Authority Computation Form and Supporting Schedules included in the budget forms for additional information and line by line instructions for how to properly complete the forms in compliance with State law.

## Setting the Levy and Levy Limits

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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.**
- ✓ On or before September 1, 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, community improvement districts, learning community 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 governing body of the county, municipality, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college must pass by a majority vote a resolution or ordinance setting the tax request on or before October 15.
- ✓ The political subdivision must conduct a special hearing and a notice of the special hearing must be published in a newspaper at least four 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. If a County, City, or School District has a property tax request in excess of the Property Tax Request Act's allowable growth percentage, a Joint Public Hearing is held in-lieu of this hearing. See additional information regarding the Joint Public Hearing in Section 2 of this manual.
- ✓ The hearing notice must contain the following information: The certified taxable valuation under section 13-509 for the prior year; the certified taxable valuation under section 13-509 for the current year; and the percentage increase or decrease in such valuations from the prior year to the current year; 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; 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 percentage increase or decrease in the property tax rate from the prior year to the current year; and the percentage increase or decrease in the total operating budget from the prior year to the current year.

## Setting the Levy and Levy Limits

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- ✓ **Counties, School Districts and Cities only:** If a County, School District, or City increases the property tax request by more than the Allowable Growth Percentage set out in the Property Tax Request Act, the political subdivision must satisfy the Joint Public Hearing and Postcard notification requirements. See Section 2 (“Notice/Hearing Requirements”) above for additional information.
- ✓ If within the limit of the law, the County Board of Equalization will levy the necessary taxes on or before October 20. 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;  
Learning Community;  
Sanitary and Improvement Districts; and  
Community Improvement Districts

For detailed information, see information on the form and section 77-3442 for specific levy limits applicable to each type of government.