



**Hundredth Legislature - First Session - 2007**  
**Committee Statement**  
**LB 166**

---

**Hearing Date:** January 17, 2007  
**Committee On:** Revenue

**Introducer(s):** (Revenue)  
**Title:** Change provisions relating to property taxation and assessment

---

**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
- 

**Vote Results:**

7	Yes	Senators Burling, Dierks, Janssen, Langemeier, Preister, Raikes and White
0	No	
0	Present, not voting	
1	Absent	Senator Cornett

---

**Proponents:**

George Kilpatrick, Legal Counsel  
Catherine D. Lang  
Jay Rempe  
Bill Peters  
William R. Wickersham

**Representing:**

Committee on Revenue  
Department of Property Assessment & Taxation  
Nebraska Farm Bureau  
Himself  
Tax Equalization & Review Commission

**Opponents:**

None

**Representing:**

**Neutral:**

None

**Representing:**

---

**Summary of purpose and/or changes:**

LB 166 is the annual bill from the Property Tax Administrator to clarify and enhance the administration of the property tax in Nebraska. The most significant issues in the bill this year are changes to disqualification from greenbelt and section 6, which limits who may protest a value to the owner or another party responsible for paying the taxes.

---

## Section by Section Summary

Section 1 would amend section 77-202.03 to change the exemption application date for exempt property acquired between August 1 and the levy date. The application date would be moved up by LB 166 from December 1 to Nov. 15th.

Section 2 would amend section 77-1233.04 to clarify that the county assessor shall annually change the valuation of personal property to maintain net book value.

Section 3 would amend section 77-1344, disqualification for special value or greenbelt. Under LB 166, if property is disqualified at any time during the year, it is to be valued at its recapture or actual value for that year. Currently, if it is disqualified after the levy date, the land retains special value for that year and the additional taxes are recaptured until 2009, when recapture phases out. Because taxes on the full valuation are to be paid for the year of disqualification under LB 166, recapture would phase out by the end of 2008 rather than 2009 under this proposal.

Section 4 would amend section 77-1347.01 to unify the procedure for disqualification. Under this bill, the assessor is to send notice within 15 days and the owner has 30 days to protest the determination. The county board would have 30 days to decide the protest and the notice of decision would be mailed out within seven days. The decision could be appealed to the TERC within 30 days. This process could be started at any time during the year. Currently, there are somewhat different procedures in place depending on when the land becomes disqualified, especially if the timing is such that the protest may be heard in the summer, alongside and in conjunction with valuation protests.

Section 5 would amend section 77-1348 to reflect that recapture of special value would be phased out one year earlier and eliminate the distinctions based on when the land becomes disqualified. The change also clarifies that the recapture for years prior to 2007 would be at 80 percent of actual value. Under LB 166, if the disqualification occurs in 2007, two years of beneficial tax assessments would be recaptured. For 2008, one year, and for 2009 and later years, there would be no more recapture.

Section 6 would amend section 77-1502 to require that valuation protests be filed by or on behalf of an owner or the person responsible for paying the taxes. Currently, there is no limitation so anyone may protest the value of anyone else's property.

Section 7 would amend section 77-1613.02 to provide that tax lists need not be corrected by hand in bound volumes and books. In other words, records may be kept and corrected electronically.

Section 8 would amend section 77-5018 to require orders from the Tax Equalization and Review Commission to be made to the tax list as well as other records.

Section 9 would repeal the original sections.

Section 10 would repeal section 77-1216 outright. This section is to govern when there is a disagreement between counties as to the location of taxable personal property. It is rarely, if ever, used these days.

Section 11 would declare an emergency. An early effective date is important for the greenbelt and standing to protest provisions.

**Explanation of amendments, if any:**

The Committee amendments –

1. Restore the policy that recapture of prior years beneficial assessments due to loss of special value (greenbelt) will be at 80 percent or 75 percent of actual value (depending on the year being recaptured) instead of 100 percent. The policy change from the ag land assessment percentage to 100 percent was in LB 808 (2006) so the higher recapture amounts have never been collected.
2. Eliminate a requirement that mobile home transfer statements be produced in multiple copies with two copies forwarded to the county assessor.
3. Change and reduce the membership of the Greenbelt Advisory Committee. Three members would be eliminated; a county attorney, a local planning and zoning official, and a member of an Agricultural and Horticultural Land Valuation Board. A county board member would be required to be on the committee so the total number of members would be reduced from nine to seven, and
4. Provide that if a person other than the owner, a representative of the owner, or a person responsible for paying the property taxes on a parcel files a valuation protest, the protester must notify the owner of record of the protest by certified mail. Proof of service would be required before the county could take action. Notice of the hearing would be required and sent by the county to both the protester and the owner. Appeals of the ultimate decision to the TERC could be prosecuted by any party. These same procedures would be provided for appeals of centrally-assessed real property.

---

**Senator Ray Janssen, Chairperson**