



**Hundredth Legislature - First Session - 2007**  
**Committee Statement**  
**LB 167**

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

**Introducer(s):** (Revenue)

**Title:** Change property tax provisions relating to appeals, equalization, and assessor certification

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

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

6	Yes	Senators Burling, Dierks, Janssen, Langemeier, Preister and Raikes
0	No	
0	Present, not voting	
2	Absent	Senators Cornett and White

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**Proponents:**

George Kilpatrick, Legal Counsel  
William R. Wickersham  
Bill Peters

**Representing:**

Committee on Revenue  
Tax Equalization and Review Commission  
Himself

**Opponents:**

None

**Representing:**

**Neutral:**

None

**Representing:**

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

LB 167 is one of two requests this year from the Tax Equalization and Review Commission to help administer the provisions of its act. While some of these provisions were included in LB 812 last year and were stripped out by the Committee, this draft also contains new matter. Among the new issues are two provisions to reverse the outcomes of two court decisions that have limited the ability of the TERC to achieve what it considers just outcomes.

## Section by Section Summary

Section 1 would amend section 25-1901 (the civil code) to clarify that District Court jurisdiction does not include matters within the jurisdiction of the Tax Equalization and Review Commission. This is in response to a district court's action last year to consider an original action regarding the taxable value of a certain property.

Section 2 would amend section 77-1505, dealing with omitted property, to clarify that it is the county board which may pass a resolution to extend the time frame for hearing protests of value.

Section 3 would amend section 77-1507.01, dealing with petitions to TERC, to allow late filing of appeals where the protester failed to receive the required notice, to extend this right to any action of the county board on valuation under section 77-1510.

Section 4 would amend section 77-5003 to provide definite terms for TERC commissioners. Currently, terms run for six years after the date of appointment, so the terms could expire at any time during the year. Under LB 167, the District 3 and at-large appointment will expire January 1, 2008, the District 2 appointment January 1, 2010, and the District 1 appointment January 1, 2012. Vacancies would be filled only for the remainder of the term.

Section 5 would amend section 77-5011 to clarify that orders of the TERC are to be enforced by the District Court for Lancaster County.

Section 6 would amend section 77-5016, procedures for appeals to the TERC, to change how the costs of litigation are to be assessed. Under LB 167, a party requesting a formal hearing shall be assessed only the costs of the court reporter rather than all costs. Generally, costs are to be assessed by TERC as it sees fit except that the costs of a court reporter are to be paid by the party or parties against whom a final decision is rendered.

This section would also strike current redundant subsections stating that 1) the Commission shall hear appeals as in equity without a jury and decide issues de novo, and 2) describing how decisions are to be certified to the parties. Finally, this section would insert a new subsection (7) stating that the Commission may determine any question raised in the proceeding. This is to reverse a Nebraska Supreme Court decision where the TERC was reversed because the issue decided by the TERC was not previously raised before the county board.

Section 7 would amend section 77-5017 to harmonize the renumbering of section 77-5016 as amended by section 6 of the bill.

Section 8 would amend section 77-5020 to clarify that the Commission may either invalidate or suspend an assessor's certificate. The current statute uses both terms, but in different places. This section would also adopt a statute of limitations of two years for such actions against assessors.

Section 9 would amend section 77-5022 to allow the Commission to formally adopt guidelines, standards, or criteria in the statewide equalization process. Such guidelines, standards, or criteria are *not* to be considered rules and regulations subject to the Administrative Procedures Act.

Section 10 would amend section 77-5023 to harmonize the acceptable range for the recapture value of land subject to special value (greenbelt). Consistent with the passage of last year's LB 808, the acceptable range for the recapture value is to be 92-100 percent of actual value rather than 69-75 percent. This section would also change the term "indicator of central tendency" to "level of value" regarding adjustments to a class or subclass. Such adjustments are to result in a "level of value" at the midpoint of the acceptable range.

Section 11 would amend section 77-5026 to change the term "level of assessment" to "level of value" with regard to equalization actions. This section would also clarify that the county assessor is a "legal representative" of the county in such actions.

Section 12 would amend section 77-5028 to clarify that equalization adjustments are made to "parcels" that are a part of "classes or subclasses" of land.

Section 13 would repeal the original sections, and

Section 14 would repeal section 77-5014 outright. This sections states that the TERC shall conduct the appeal as provided in the TERC Act.

**Explanation of amendments, if any:**

The Committee Amendments:

1. Strike section 9, which would have allowed the TERC to set guidelines, standards, or criteria for the inter-county equalization process, and
2. Restore the acceptable range for the recapture value of land subject to special value to 69-75 percent of the recapture value. This change harmonizes the change in policy made by the Committee Amendment to LB 166.

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**Senator Ray Janssen, Chairperson**