

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 733

Introduced by Kopplin, 3.

Read first time January 09, 2008

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 77-3501, 77-3509.01, 77-3509.02, 77-3509.03, 77-3511,
3 77-3512, 77-3516, 77-3521, 77-3522, 77-3523, and 77-3529,
4 Reissue Revised Statutes of Nebraska, and sections
5 77-3510, 77-3513, 77-3514, and 77-4212, Revised Statutes
6 Supplement, 2007; to create a homestead exemption;
7 to harmonize provisions; and to repeal the original
8 sections.

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

1 Section 1. Section 77-3501, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3501 For purposes of sections 77-3501 to 77-3529 and
4 section 2 of this act, unless the context otherwise requires, the
5 definitions found in sections 77-3501.01 to 77-3505.04 shall be
6 used.

7 Sec. 2. All homesteads in this state shall be assessed
8 for taxation the same as other property, except that commencing
9 January 1, 2009, there shall be exempt from taxation the first
10 twenty-five thousand dollars of the actual value of the homestead.

11 Sec. 3. Section 77-3509.01, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 77-3509.01 The owner of a homestead which has been
14 granted an exemption provided in sections 77-3507 to 77-3509
15 or section 2 of this act, who transfers the ownership of such
16 homestead and becomes the owner of another homestead prior to
17 August 15 during the year for which the exemption was granted, may
18 file an application with the county assessor of the county where
19 the new homestead is located, on or before August 15 of such year,
20 for a transfer of the exemption to the new homestead. The county
21 assessor shall examine each application and determine whether or
22 not the new homestead, except for the January 1 through August 15
23 ownership and occupancy requirement and the income requirements,
24 is eligible for exemption under sections 77-3507 to 77-3509 or
25 section 2 of this act. If the application is approved by the county

1 assessor, he or she shall make a deduction upon the assessment
2 rolls using the same criteria as previously applied to the original
3 homestead. The county assessor may allow the application for
4 transfer to also be considered an application for a homestead
5 exemption for the subsequent year.

6 Sec. 4. Section 77-3509.02, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 77-3509.02 If the owner of any homestead granted an
9 exemption under sections 77-3507 to 77-3509 or section 2 of
10 this act transfers the ownership of such homestead on or before
11 August 15 of any year pursuant to section 77-3509.01 and makes
12 the application for transfer of the homestead exemption and such
13 application is approved, the exemption shall be disallowed for such
14 year as applied to the original homestead if the exemption was
15 granted based on the status of such owner. If the transfer involves
16 property in more than one county, the county assessor of the county
17 where the new homestead is located shall notify the other county
18 assessor and the Department of Revenue of the application for
19 transfer within ten days after receipt of the application.

20 Sec. 5. Section 77-3509.03, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 77-3509.03 All property tax statements for homesteads
23 granted an exemption in sections 77-3507 to 77-3509 or section 2
24 of this act shall show the amount of the exemption, the tax that
25 would otherwise be due, and a statement that the tax loss shall be

1 reimbursed by the state as a homestead exemption.

2 Sec. 6. Section 77-3510, Revised Statutes Supplement,
3 2007, is amended to read:

4 77-3510 On or before February 1 of each year, the Tax
5 Commissioner shall prescribe forms to be used by all claimants for
6 homestead exemption or for transfer of homestead exemption. Such
7 forms shall contain provisions for the showing of all information
8 which the Tax Commissioner may deem necessary to (1) enable the
9 county officials and the Tax Commissioner to determine whether
10 each claim for exemption under sections 77-3507 to 77-3509 or
11 section 2 of this act should be allowed and (2) enable the
12 county assessor to determine whether each claim for transfer
13 of homestead exemption pursuant to section 77-3509.01 should be
14 allowed. It shall be the duty of the county assessor of each
15 county in this state to furnish such forms, upon request, to
16 each person desiring to make application for homestead exemption
17 or for transfer of homestead exemption. The forms so prescribed
18 shall be used uniformly throughout the state, and no application
19 for exemption or for transfer of homestead exemption shall be
20 allowed unless the applicant uses the prescribed form in making
21 an application. The forms shall require the attachment of an
22 income statement as prescribed by the Tax Commissioner fully
23 accounting for all household income. The Tax Commissioner shall
24 provide to each county assessor printed claim forms and address
25 lists of applicants from the prior year. The application and

1 information contained on any attachments to the application shall
2 be confidential and available to tax officials only.

3 Sec. 7. Section 77-3511, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 77-3511 The application for homestead exemption or for
6 transfer of homestead exemption shall be signed by the owner of
7 the property who qualifies for exemption under sections 77-3501
8 to 77-3529 and section 2 of this act unless the owner is an
9 incompetent or unable to make such application, in which case it
10 shall be signed by the guardian. If an owner who in all respects
11 qualifies for a homestead exemption under such sections dies after
12 January 1 and before the last day for filing an application for a
13 homestead exemption and before applying for a homestead exemption,
14 his or her personal representative may file the application for
15 exemption on or before the last day for filing an application for
16 a homestead exemption of that year if the surviving spouse of such
17 owner continues to occupy the homestead. Any exemption granted as
18 a result of such application signed by a personal representative
19 shall be in effect for only the year in which the owner died.

20 Sec. 8. Section 77-3512, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 77-3512 It shall be the duty of each owner who applies
23 for the homestead exemption provided in sections 77-3507 to 77-3509
24 or section 2 of this act to file an application therefor with the
25 county assessor of the county in which the homestead is located

1 after February 1 and on or before June 30 of each year. Failure
2 to do so shall constitute a waiver of the exemption for that year,
3 except that the county board of the county in which the homestead
4 is located may, by majority vote, extend the deadline to on or
5 before July 20 of each year. An extension shall not be granted to
6 an applicant who received an extension in the immediately preceding
7 year.

8 Sec. 9. Section 77-3513, Revised Statutes Supplement,
9 2007, is amended to read:

10 77-3513 (1) Except as required by section 77-3514, if
11 an owner is granted a homestead exemption as provided in section
12 77-3507 or 77-3509 or subdivision (1)(b)(ii) or (iii) of section
13 77-3508, no reapplication need be filed for succeeding years, in
14 which case the county assessor and Tax Commissioner shall determine
15 whether the claimant qualifies for the homestead exemption in
16 such succeeding years as otherwise provided in sections 77-3501 to
17 77-3529 and section 2 of this act as though a claim were made.

18 (2) For tax year 2009, all persons who apply for a
19 homestead exemption provided in section 2 of this act shall file
20 an application pursuant to section 77-3512. For tax year 2010 and
21 subsequent tax years, if an owner has been granted a homestead
22 exemption as provided in section 2 of this act, no reapplication
23 need be filed for succeeding years, in which case the county
24 assessor shall determine whether the claimant qualifies for the
25 homestead exemption in such succeeding years as otherwise provided

1 in sections 77-3501 to 77-3529 and section 2 of this act as though
2 a claim were made.

3 ~~(2)~~ (3) It shall be the duty of each claimant who
4 wants the homestead exemption provided in subdivision (1)(b)(i) of
5 section 77-3508 to file an application therefor with the county
6 assessor on or before June 30 of each year. Failure to do so shall
7 constitute a waiver of the exemption for such year, except that the
8 county board of the county in which the homestead is located may,
9 by majority vote, extend the deadline to on or before July 20 of
10 each year. An extension shall not be granted to an applicant who
11 received an extension in the immediately preceding year. The county
12 assessor shall mail a notice on or before April 1 to claimants
13 who are the owners of a homestead which was granted an exemption
14 under subdivision (1)(b)(i) of section 77-3508 in the preceding
15 year unless the claimant has already filed the application for
16 the current year or the county assessor has reason to believe
17 there has been a change of circumstances so that the claimant no
18 longer qualifies. The notice shall include the claimant's name, the
19 application deadlines for the current year, a list of documents
20 that must be filed with the application, and the county assessor's
21 office address and telephone number.

22 Sec. 10. Section 77-3514, Revised Statutes Supplement,
23 2007, is amended to read:

24 77-3514 A claimant who is the owner of a homestead which
25 has been granted an exemption under sections 77-3507 to 77-3509,

1 except subdivision (1)(b)(i) of section 77-3508 and section 2 of
2 this act, shall certify to the county assessor on or before June
3 30 of each year that a change in the homestead exemption status
4 has occurred or that no change in the homestead exemption status
5 has occurred. The county board of the county in which the homestead
6 is located may, by majority vote, extend the deadline to on or
7 before July 20 of each year. An extension shall not be granted to
8 an applicant who received an extension in the immediately preceding
9 year. The county assessor shall mail a notice on or before April
10 1 to claimants who are the owners of a homestead which has been
11 granted an exemption under sections 77-3507 to 77-3509, except
12 subdivision (1)(b)(i) of section 77-3508 and section 2 of this
13 act, in the preceding year unless the claimant has already filed
14 the certification for the current year or the county assessor has
15 reason to believe there has been a change of circumstances so that
16 the claimant no longer qualifies. The notice shall include the
17 claimant's name, the certification deadlines for the current year,
18 a list of documents that must be filed with the certification,
19 and the county assessor's office address and telephone number. For
20 purposes of this section, change in the homestead exemption status
21 shall include any change in the name of the owner, ownership,
22 residence, occupancy, marital status, veteran status, or rating
23 by the United States Department of Veterans Affairs or any other
24 change that would affect the qualification for or type of exemption
25 granted, except income checked by the Tax Commissioner under

1 section 77-3517. The certificate shall require the attachment of
2 an income statement as prescribed by the Tax Commissioner fully
3 accounting for all household income. The certification and the
4 information contained on any attachments to the certification shall
5 be confidential and available to tax officials only. In addition, a
6 claimant who is the owner of a homestead which has been granted an
7 exemption under sections 77-3507 to 77-3509 may notify the county
8 assessor by August 15 of each year of any change in the homestead
9 exemption status occurring in the preceding portion of the calendar
10 year as a result of a transfer of the homestead exemption pursuant
11 to sections 77-3509.01 and 77-3509.02. If by his or her failure to
12 give such notice any property owner permits the allowance of the
13 homestead exemption for any year, or in the year of application
14 in the case of transfers pursuant to sections 77-3509.01 and
15 77-3509.02, after the homestead exemption status of such property
16 has changed, an amount equal to the amount of the taxes lawfully
17 due but not paid by reason of such unlawful and improper allowance
18 of homestead exemption, together with penalty and interest on such
19 total sum as provided by statute on delinquent ad valorem taxes,
20 shall be due and shall upon entry of the amount thereof on the
21 books of the county treasurer be a lien on such property while
22 unpaid. Such lien may be enforced in the manner provided for
23 liens for other delinquent taxes. Any person who has permitted the
24 improper and unlawful allowance of such homestead exemption on his
25 or her property shall, as an additional penalty, also forfeit his

1 or her right to a homestead exemption on any property in this state
2 for the two succeeding years.

3 Sec. 11. Section 77-3516, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 77-3516 The county assessor shall examine each
6 application for homestead exemption filed with him or her for an
7 exemption pursuant to sections 77-3507 to 77-3509 or section 2 of
8 this act and shall determine, except for the income requirements,
9 whether or not such application should be approved or rejected. If
10 the application is approved, the county assessor shall mark the
11 same approved and sign the application. In case he or she finds
12 that the exemption should not be allowed by reason of not being in
13 conformity to law, the county assessor shall mark the application
14 rejected and state thereon the reason for such rejection and sign
15 the application. In any case when the county assessor rejects an
16 application for exemption, he or she shall notify the applicant
17 of such action by mailing written notice to the applicant at the
18 address shown in the application, which notice shall be mailed not
19 later than July 31 of each year, except that in cases of a change
20 in ownership or occupancy from January 1 through August 15 or a
21 late application authorized by the county board, the notice shall
22 be sent within a reasonable time. The notice shall be on forms
23 prescribed by the Tax Commissioner.

24 Sec. 12. Section 77-3521, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 77-3521 It shall be the duty of the Tax Commissioner to
2 adopt and promulgate rules and regulations for the information and
3 guidance of the county assessors and county boards of equalization,
4 not inconsistent with sections 77-3501 to 77-3529 and section 2
5 of this act, affecting the application, hearing, assessment, or
6 equalization of property which is claimed to be entitled to the
7 exemption granted by such sections.

8 Sec. 13. Section 77-3522, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 77-3522 (1) Any person who makes any false or fraudulent
11 claim for exemption or any false statement or false representation
12 of a material fact in support of such claim or any person who
13 assists another in the preparation of any such false or fraudulent
14 claim or enters into any collusion with another by the execution of
15 a fictitious deed or other instrument for the purpose of obtaining
16 unlawful exemption under sections 77-3501 to 77-3529 and section 2
17 of this act shall be guilty of a Class II misdemeanor and shall
18 be subject to a forfeiture of any such exemption for a period of
19 two years from the date of conviction. Any person who shall make
20 an oath or affirmation to any false or fraudulent application for
21 homestead exemption knowing the same to be false or fraudulent
22 shall be guilty of a Class I misdemeanor.

23 (2) In addition to the penalty provided in subsection
24 (1) of this section, if any person files a claim for exemption
25 as provided in section 77-3507, 77-3508, or 77-3509 or section 2

1 of this act which is excessive due to misstatements by the owner
2 filing such claim, the claim may be disallowed in full and, if the
3 claim has been allowed, an amount equal to the amount of taxes
4 lawfully due but not paid by reason of such unlawful and improper
5 allowance of homestead exemption shall be due and shall upon entry
6 of the amount thereof on the books of the county treasurer be a
7 lien on such property until paid and a penalty equal to the amount
8 of taxes lawfully due but claimed for exemption shall be assessed.

9 Sec. 14. Section 77-3523, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 77-3523 The county treasurer shall, on or before November
12 30 of each year, certify to the Tax Commissioner the total tax
13 revenue that will be lost to all taxing agencies within his or
14 her county from taxes levied and assessed in that year because
15 of exemptions allowed under ~~Chapter 77, article 35, sections~~
16 77-3501 to 77-3529 and section 2 of this act, multiplied by the
17 aggregate assessment sales ratio calculated by the Property Tax
18 Administrator for all single-family residential real property in
19 the county for the current year after adjustments by the Tax
20 Equalization and Review Commission, except that any assessment
21 sales ratio greater than 100 or any assessment sales ratio that
22 complies with the standards of equalization as determined by
23 the commission shall be deemed to be 100 for such purpose. The
24 county treasurer may amend the certification to show any change
25 or correction in the total tax that will be lost until May 30 of

1 the next succeeding year. If a homestead exemption is approved,
2 denied, or corrected by the Tax Commissioner under subsection (2)
3 of section 77-3517 after May 1 of the next year, the county
4 treasurer shall prepare and submit amended reports to the Tax
5 Commissioner and the political subdivisions covering any affected
6 year and shall adjust the reimbursement to the county and the
7 other political subdivisions by adjusting the reimbursement due
8 under this section in later years. The Tax Commissioner shall, on
9 or before January 1 next following such certification or within
10 thirty days of any amendment to the certification, notify the
11 Director of Administrative Services of the amount so certified to
12 be reimbursed by the state. Reimbursement of the funds lost shall
13 be made to each county according to the certification and shall
14 be distributed in six as nearly as possible equal monthly payments
15 on the last business day of each month beginning in January. The
16 State Treasurer shall, on the business day preceding the last
17 business day of each month, notify the Director of Administrative
18 Services of the amount of funds available in the General Fund for
19 payment purposes. The Director of Administrative Services shall, on
20 the last business day of each month, draw warrants against funds
21 appropriated. Out of the amount so received the county treasurer
22 shall distribute to each of the taxing agencies within his or
23 her county the full amount so lost by such agency, multiplied by
24 the aggregate assessment sales ratio calculated by the Property
25 Tax Administrator for all single-family residential real property

1 in the county for the current year after adjustments by the
2 commission, except that any assessment sales ratio greater than 100
3 or any assessment sales ratio that complies with the standards of
4 equalization as determined by the commission shall be deemed to be
5 100 for such purpose, except that one percent of such amount shall
6 be deposited in the county general fund and that the amount due
7 a Class V school district shall be paid to the district and the
8 county shall be compensated pursuant to section 14-554. Each taxing
9 agency shall, in preparing its annual or biennial budget, take into
10 account the amount to be received under this section.

11 Sec. 15. Section 77-3529, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 77-3529 If any application for exemption pursuant to
14 sections 77-3501 to 77-3529 and section 2 of this act is denied
15 and the applicant would be qualified for any other exemption under
16 such sections, then such denied application shall be treated as
17 an application for the highest exemption for which qualified. Any
18 additional documentation necessary for such other exemption shall
19 be submitted to the county assessor within a reasonable time after
20 receipt of the notice of denial.

21 Sec. 16. Section 77-4212, Revised Statutes Supplement,
22 2007, is amended to read:

23 77-4212 (1) For tax year 2007, the amount of relief
24 granted under the Property Tax Credit Act shall be one hundred five
25 million dollars. For tax year 2008, the amount of relief granted

1 under the act shall be one hundred fifteen million dollars. It is
2 the intent of the Legislature to fund the Property Tax Credit Act
3 for tax years after tax year 2008 using available revenue. The
4 relief shall be in the form of a property tax credit which appears
5 on the property tax statement.

6 (2) To determine the amount of the property tax credit,
7 the county treasurer shall multiply the amount disbursed to the
8 county under subsection (4) of this section by the ratio of the
9 real property valuation of the parcel to the total real property
10 valuation in the county. The amount determined shall be the
11 property tax credit for the property.

12 (3) If the real property owner qualifies for a homestead
13 exemption under sections 77-3501 to 77-3529 and section 2 of this
14 act, the owner shall also be qualified for the relief provided in
15 the act to the extent of any remaining liability after calculation
16 of the relief provided by the homestead exemption. If the credit
17 results in a property tax liability on the homestead that is less
18 than zero, the amount of the credit which cannot be used by the
19 taxpayer shall be returned to the State Treasurer by July 1 of the
20 year the amount disbursed to the county was disbursed. The State
21 Treasurer shall immediately credit any funds returned under this
22 section to the Property Tax Credit Cash Fund.

23 (4) The amount disbursed to each county shall be equal to
24 the amount available for disbursement determined under subsection
25 (1) of this section multiplied by the ratio of the real property

1 valuation in the county to the real property valuation in the
2 state. By September 15, the Property Tax Administrator shall
3 determine the amount to be disbursed under this subsection to each
4 county and certify such amounts to the State Treasurer and to each
5 county. The disbursements to the counties shall occur in two equal
6 payments, the first on or before January 31 and the second on or
7 before April 1. After retaining one percent of the receipts for
8 costs, the county treasurer shall allocate the remaining receipts
9 to each taxing unit levying taxes on taxable property in the
10 tax district in which the real property is located in the same
11 proportion that the levy of such taxing unit bears to the total
12 levy on taxable property of all the taxing units in the tax
13 district in which the real property is located.

14 (5) The State Treasurer shall transfer from the General
15 Fund to the Property Tax Credit Cash Fund one hundred five million
16 dollars by August 1, 2007, and one hundred fifteen million dollars
17 by August 1, 2008.

18 (6) The Legislature shall have the power to transfer
19 funds from the Property Tax Credit Cash Fund to the General Fund.

20 Sec. 17. Original sections 77-3501, 77-3509.01,
21 77-3509.02, 77-3509.03, 77-3511, 77-3512, 77-3516, 77-3521,
22 77-3522, 77-3523, and 77-3529, Reissue Revised Statutes of
23 Nebraska, and sections 77-3510, 77-3513, 77-3514, and 77-4212,
24 Revised Statutes Supplement, 2007, are repealed.