



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 1110

Chairperson: Ray Janssen
Committee: Revenue
Date of Hearing: February 20, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

In 1996, the voters of Nebraska adopted a fundamental reform of the State Board of Equalization and believed they were creating an informal, yet effective, appeals process to handle property tax protests. The result of the Constitutional Amendment was the creation of the Tax Equalization and Review Commission (TERC). Unfortunately, TERC has failed to meet those expectations.

Under current law, TERC must make a complete record for review by the Nebraska Court of Appeals. That requirement precludes a great deal of the informality expected by taxpayers. Other restrictions on evidence have also caused significant relevant information to be excluded from consideration by TERC. Regardless of the terminology, TERC is a Tax Court.

LB 1110 utilizes the existing authorities under statute and the constitution for TERC. It would still ensure more uniformity in property tax appeals, versus the previous process under the District Courts. Rather than “informal” hearings heard by a panel of three TERC commissioners, LB 1110 would formalize the appeals process with one presiding judge.

LB 1110 creates a Property Tax Review Court to perform the appeal and equalization functions currently performed under TERC. The offices of the Court would be in Lincoln, but the judges of the Court would travel to Nebraska’s counties to hear appeals. Any one of the three judges would be permitted to hear a case rather than requiring a three person panel, enabling property tax appeals to be heard quicker given the currently high caseload of TERC.

At the time of introduction of this bill there are still efforts being taken to compliment the formal process outlined in this bill with a separate and essential component to give taxpayers an “informal” setting to resolve their protests for many of the appeals. Mediation and other dispute resolution methods are being considered as possible amendments to LB 1110.

Principal Introducer: _____
Senator Philip Erdman