

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 166

Introduced by Cornett, 45.

Read first time January 12, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend
2 sections 13-509, 77-680, 77-1371, 77-3523, and 79-1016,
3 Reissue Revised Statutes of Nebraska, and sections
4 13-508, 72-258.03, 77-201, 77-421, 77-801, 77-1327,
5 77-1343, 77-1344, 77-1345.01, 77-1355, 77-1501, 77-1502,
6 77-1507.01, 77-1704.01, 77-1775, 77-5022, and 77-5023,
7 Revised Statutes Cumulative Supplement, 2008; to change
8 and eliminate provisions relating to property tax; to
9 harmonize provisions; to repeal the original sections;
10 to outright repeal section 77-1348, Revised Statutes
11 Cumulative Supplement, 2008; and to declare an emergency.
12 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-508, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 13-508 (1) After publication and hearing thereon and
4 within the time prescribed by law, each governing body, except as
5 provided in subsection (3) of this section, shall file with and
6 certify to the levying board or boards on or before September 20
7 of each year and file with the auditor a copy of the adopted
8 budget statement which complies with sections 13-518 to 13-522 or
9 79-1023 to 79-1030, together with the amount of the tax required
10 to fund the adopted budget, setting out separately (a) the amount
11 to be levied for the payment of principal or interest on bonds
12 issued by the governing body and (b) the amount to be levied
13 for all other purposes. Proof of publication shall be attached
14 to the statements. Learning communities shall also file a copy of
15 such adopted budget statement with member school districts on or
16 before September 1 of each year. The governing body, in certifying
17 the amount required, may make allowance for delinquent taxes not
18 exceeding five percent of the amount required plus the actual
19 percentage of delinquent taxes for the preceding tax year and for
20 the amount of estimated tax loss from any pending or anticipated
21 litigation which involves taxation and in which tax collections
22 have been or can be withheld or escrowed by court order. For
23 purposes of this section, anticipated litigation shall be limited
24 to the anticipation of an action being filed by a taxpayer who or
25 which filed a similar action for the preceding year which is still

1 pending. Except for such allowances, a governing body shall not
2 certify an amount of tax more than one percent greater or lesser
3 than the amount determined under section 13-505.

4 (2) Each governing body shall use the ~~final adjusted~~
5 certified taxable values as provided by the county assessor
6 pursuant to section 13-509 for the current year in setting or
7 certifying the levy. Each governing body may designate one of its
8 members to perform any duty or responsibility required of such body
9 by this section.

10 (3) (a) A Class I school district shall do the filing
11 and certification required by subsection (1) of this section on or
12 before August 1 of each year.

13 (b) A learning community shall do such filing and
14 certification on or before September 1 of each year.

15 Sec. 2. Section 13-509, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 13-509 (1) On or before August 20 of each year, the
18 county assessor shall ~~(1)~~ (a) certify to each governing body
19 or board empowered to levy or certify a tax levy the current
20 taxable value of the taxable real and personal property subject to
21 the applicable levy and ~~(2)~~ (b) certify to the State Department
22 of Education the current taxable value of the taxable real and
23 personal property subject to the applicable levy for all school
24 districts. Current taxable value for real property shall mean
25 the value established by the county assessor and equalized by

1 the county board of equalization and the Tax Equalization and
2 Review Commission. Current taxable value for tangible personal
3 property shall mean the net book value reported by the taxpayer and
4 certified by the county assessor.

5 (2) The valuation of any real and personal property
6 annexed by a political subdivision on or after August 1 shall
7 be considered in the taxable valuation of the annexing political
8 subdivision the following year.

9 Sec. 3. Section 72-258.03, Revised Statutes Cumulative
10 Supplement, 2008, is amended to read:

11 72-258.03 For purposes of sales of educational lands at
12 public auction, appraised value is the adjusted value as determined
13 by the Property Tax Administrator or his or her representative
14 ~~(1) for agricultural and horticultural land, multiplied by one~~
15 ~~and thirty-three hundredths, or (2) for all other classes of real~~
16 ~~property, multiplied by one,~~ such that the real property's assessed
17 value for the current year is adjusted to one hundred percent
18 of actual value, unless the Board of Educational Lands and Funds
19 establishes a higher value pursuant to section 72-257 or 72-258, in
20 which case that value shall be the appraised value for purposes of
21 sale.

22 Sec. 4. Section 77-201, Revised Statutes Cumulative
23 Supplement, 2008, is amended to read:

24 77-201 (1) Except as provided in subsections (2) through
25 (4) of this section, all real property in this state, not expressly

1 exempt therefrom, shall be subject to taxation and shall be valued
2 at its actual value.

3 (2) Agricultural land and horticultural land as defined
4 in section 77-1359 shall constitute a separate and distinct class
5 of property for purposes of property taxation, shall be subject
6 to taxation, unless expressly exempt from taxation, and shall be
7 valued at seventy-five percent of its actual value.

8 (3) Agricultural land and horticultural land actively
9 devoted to agricultural or horticultural purposes which has value
10 for purposes other than agricultural or horticultural uses and
11 which meets the qualifications for special valuation under section
12 77-1344 shall constitute a separate and distinct class of property
13 for purposes of property taxation, shall be subject to taxation,
14 and shall be valued for taxation at seventy-five percent of its
15 special value as defined in section 77-1343 and at ~~seventy-five~~
16 ~~percent~~ of its actual value when the land is disqualified for
17 special valuation under section 77-1347.

18 (4) ~~Commencing January 1, 2006, historically~~ Historically
19 significant real property which meets the qualifications for
20 historic rehabilitation valuation under sections 77-1385 to 77-1394
21 shall be valued for taxation as provided in such sections.

22 (5) Tangible personal property, not including motor
23 vehicles registered for operation on the highways of this state,
24 shall constitute a separate and distinct class of property for
25 purposes of property taxation, shall be subject to taxation, unless

1 expressly exempt from taxation, and shall be valued at its net
2 book value. Tangible personal property transferred as a gift or
3 devise or as part of a transaction which is not a purchase shall be
4 subject to taxation based upon the date the property was acquired
5 by the previous owner and at the previous owner's Nebraska adjusted
6 basis. Tangible personal property acquired as replacement property
7 for converted property shall be subject to taxation based upon
8 the date the converted property was acquired and at the Nebraska
9 adjusted basis of the converted property unless insurance proceeds
10 are payable by reason of the conversion. For purposes of this
11 subsection, (a) converted property means tangible personal property
12 which is compulsorily or involuntarily converted as a result of
13 its destruction in whole or in part, theft, seizure, requisition,
14 or condemnation, or the threat or imminence thereof, and no gain
15 or loss is recognized for federal or state income tax purposes
16 by the holder of the property as a result of the conversion and
17 (b) replacement property means tangible personal property acquired
18 within two years after the close of the calendar year in which
19 tangible personal property was converted and which is, except for
20 date of construction or manufacture, substantially the same as the
21 converted property.

22 Sec. 5. Section 77-421, Revised Statutes Cumulative
23 Supplement, 2008, is amended to read:

24 77-421 (1) The Property Tax Administrator shall, in
25 February, May, August, and November of each year, hold an

1 examination of applicants for certification as county assessor.
2 An applicant for the examination shall, not less than ten days
3 before an examination, present to the Property Tax Administrator
4 a written application on forms provided by the Property Tax
5 Administrator. Such application shall not be considered by the
6 Property Tax Administrator unless accompanied by a payment of a
7 fee to the order of the Tax Commissioner. The fees shall be
8 credited to the Department of Revenue Property Assessment Division
9 Cash Fund. The amount of such fee shall be determined annually by
10 the Tax Commissioner and shall be sufficient to cover the costs
11 of the administration of the examination. Such examination shall
12 be written and shall be of such character as fairly to test and
13 determine the qualifications, fitness, and ability of the person
14 tested actually to perform the duties of county assessor. The
15 Property Tax Administrator shall prepare such examination.

16 (2) When the office of county assessor is vacant, the
17 county board may for good cause request a certification examination
18 from the Property Tax Administrator at a time different from those
19 set out in subsection (1) of this section. The request shall
20 be in writing and shall state the basis for the certification
21 examination. The Property Tax Administrator shall within ten days
22 after receipt of the request for certification review the request
23 and send notice of approval or disapproval to the county board.
24 If approved, the Property Tax Administrator shall state the date,
25 time, and place of the requested certification examination.

1 Sec. 6. Section 77-680, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-680 The president or other chief officer or owner of
4 every car line company shall, on or before June 1 of each year,
5 furnish to the Property Tax Administrator, on forms prescribed
6 by the Tax Commissioner, a statement a true, full, and accurate
7 statement, verified by the affidavit of the officer or person
8 making it, showing (1) the aggregate number of miles made by each
9 class of its cars on the several lines of railroad in this state
10 during the preceding year ending December 31, (2) the aggregate
11 number of miles made by each class of its cars on all railroad
12 lines during the preceding year ending December 31, (3) the total
13 number of each type of its cars, (4) the taxable value of its cars,
14 and (5) the number of its cars required to make the total mileage
15 in this state. For good cause shown, the Property Tax Administrator
16 may allow an extension of time in which to file such statement.

17 Sec. 7. Section 77-801, Revised Statutes Cumulative
18 Supplement, 2008, is amended to read:

19 77-801 All public service entities shall, on or before
20 April 15 of each year, furnish a statement specifying such
21 information as may be required by the Property Tax Administrator on
22 forms prescribed by the ~~Property Tax Administrator~~ Tax Commissioner
23 to determine and distribute the entity's total taxable value
24 including the franchise value. All information reported by the
25 public service entities, not available from any other public

1 source, and any memorandum thereof shall be confidential and
2 available to taxing officials only. For good cause shown, the
3 Property Tax Administrator may allow an extension of time in which
4 to file such statement. Such extension shall not exceed fifteen
5 days after April 15.

6 The returns of public service entities shall not be held
7 to be conclusive as to the taxable value of the property, but
8 the Property Tax Administrator shall, from all the information
9 which he or she is able to obtain, find the taxable value of
10 all such property, including tangible property and franchises, and
11 shall assess such property on the same basis as other property is
12 required to be assessed.

13 The county assessor shall assess all nonoperating
14 property of any public service entity. A public service entity
15 operating within the State of Nebraska shall, on or before January
16 1 of each year, report to the county assessor of each county in
17 which it has situs all nonoperating property belonging to such
18 entity which is not subject to assessment and assessed by the
19 Property Tax Administrator under section 77-802.

20 Sec. 8. Section 77-1327, Revised Statutes Cumulative
21 Supplement, 2008, is amended to read:

22 77-1327 (1) It is the intent of the Legislature that
23 accurate and comprehensive information be developed by the Property
24 Tax Administrator and made accessible to the taxing officials
25 and property owners in order to ensure the uniformity and

1 proportionality of the assessments of real property valuations
2 in the state in accordance with law and to provide the statistical
3 and narrative reports pursuant to section 77-5027.

4 (2) All transactions of real property for which the
5 statement required in section 76-214 is filed shall be available
6 for development of a sales file by the Property Tax Administrator.
7 All transactions with stated consideration of more than one hundred
8 dollars or upon which more than two dollars and twenty-five
9 cents in documentary stamp taxes are paid shall be considered
10 sales. All sales shall be deemed to be arm's length transactions
11 unless determined to be otherwise under professionally accepted
12 mass appraisal techniques. The Department of Revenue shall not
13 overturn a determination made by a county assessor regarding the
14 qualification of a sale unless the department reviews the sale and
15 determines through the review that the determination made by the
16 county assessor is incorrect.

17 (3) The Property Tax Administrator annually shall make
18 and issue comprehensive assessment ratio studies of the average
19 level of assessment, the degree of assessment uniformity, and the
20 overall compliance with assessment requirements for each major
21 class of real property subject to the property tax in each county.
22 The comprehensive assessment ratio studies shall be developed in
23 compliance with professionally accepted mass appraisal techniques
24 and shall employ such statistical analysis as deemed appropriate
25 by the Property Tax Administrator, including measures of central

1 tendency and dispersion. The comprehensive assessment ratio studies
2 shall be based upon the sales file as developed in subsection
3 (2) of this section and shall be used by the Property Tax
4 Administrator for the analysis of the level of value and quality
5 of assessment for purposes of section 77-5027 and by the Property
6 Tax Administrator in establishing the adjusted valuations required
7 by section 79-1016. Such studies may also be used by assessing
8 officials in establishing assessed valuations.

9 (4) For purposes of determining the level of value of
10 agricultural and horticultural land subject to special valuation
11 under sections 77-1343 to ~~77-1348~~, 77-1347.01, the Property Tax
12 Administrator shall annually make and issue a comprehensive study
13 developed in compliance with professionally accepted mass appraisal
14 techniques to establish the level of value if in his or her opinion
15 the level of value cannot be developed through the use of the
16 comprehensive assessment ratio studies developed in subsection (3)
17 of this section.

18 (5) The Property Tax Administrator may require assessors
19 and other taxing officials to report data on the assessed valuation
20 and other features of the property assessment for such periods and
21 in such form and content as the Property Tax Administrator shall
22 deem appropriate. The Property Tax Administrator shall so construct
23 and maintain the system used to collect and analyze the data to
24 enable him or her to make intracounty comparisons of assessed
25 valuation, including school districts, as well as intercounty

1 comparisons of assessed valuation, including school districts. The
 2 Property Tax Administrator shall include analysis of real property
 3 sales pursuant to land contracts and similar transfers at the time
 4 of execution of the contract or similar transfer.

5 Sec. 9. Section 77-1343, Revised Statutes Cumulative
 6 Supplement, 2008, is amended to read:

7 77-1343 The purpose of sections 77-1343 to ~~77-1348~~
 8 77-1347.01 is to provide a special valuation for qualified
 9 agricultural or horticultural land so that the current assessed
 10 valuation of the land for property tax purposes is the value that
 11 the land would have without regard to the value the land would have
 12 for other purposes or uses. For purposes of sections 77-1343 to
 13 ~~77-1348~~ 77-1347.01:

14 (1) Agricultural or horticultural land means that land as
 15 defined in section 77-1359;

16 (2) Applicant means an owner or lessee;

17 (3) Lessee means a person leasing agricultural or
 18 horticultural land from a state or governmental subdivision which
 19 is an owner that is subject to taxation under section 77-202.11;

20 (4) Owner means an owner of record of agricultural
 21 or horticultural land or the purchaser of agricultural or
 22 horticultural land under a contract for sale; and

23 ~~(5) Recapture valuation means the actual value of the~~
 24 ~~land pursuant to section 77-112; and~~

25 ~~(6)~~ (5) Special valuation means the value that the land

1 would have for agricultural or horticultural purposes or uses
2 without regard to the actual value the land would have for other
3 purposes or uses.

4 Sec. 10. Section 77-1344, Revised Statutes Cumulative
5 Supplement, 2008, is amended to read:

6 77-1344 (1) Agricultural or horticultural land which has
7 an actual value as defined in section 77-112 reflecting purposes
8 or uses other than agricultural or horticultural purposes or
9 uses shall be assessed as provided in subsection (3) of section
10 77-201 if the land meets the qualifications of this subsection and
11 an application for such special valuation is filed and approved
12 pursuant to section 77-1345. In order for the land to qualify
13 for special valuation all of the following criteria shall be met:

14 (a) The land is located outside the corporate boundaries of any
15 sanitary and improvement district, city, or village except as
16 provided in subsection (2) of this section; and (b) the land is
17 agricultural or horticultural land.

18 (2) Special valuation may be applicable to agricultural
19 or horticultural land included within the corporate boundaries
20 of a city or village if the land is subject to a conservation
21 or preservation easement as provided in the Conservation and
22 Preservation Easements Act and the governing body of the city or
23 village approves the agreement creating the easement.

24 (3) The eligibility of land for the special valuation
25 provisions of this section shall be determined each year as of

1 January 1. ~~If~~ ⁷ but if the land so qualified becomes disqualified
2 on or before December 31 of that year, it shall be valued at its
3 ~~recapture value.~~ continue to receive the special valuation until
4 January 1 of the year following.

5 (4) The special valuation placed on such land by the
6 county assessor under this section shall be subject to equalization
7 by the county board of equalization and the Tax Equalization and
8 Review Commission.

9 ~~(5) Recapture value shall be determined only through tax~~
10 ~~year 2008.~~ The recapture valuation placed on such land by the
11 county assessor under this section shall be subject to equalization
12 by the county board of equalization and the Tax Equalization and
13 Review Commission.

14 Sec. 11. Section 77-1345.01, Revised Statutes Cumulative
15 Supplement, 2008, is amended to read:

16 77-1345.01 (1) On or before July 15 in the year of
17 application, the county assessor shall approve or deny the
18 application for special valuation filed pursuant to section
19 77-1345. On or before July 22, the county assessor shall issue
20 notice of approval or denial.

21 (2) If the application is approved by the county
22 assessor, the land shall be valued as provided in section 77-1344
23 and, on or before July 22, the county board of equalization shall
24 send a property valuation notice for special value and ~~recapture~~
25 ~~value~~ to the owner and, if not the same, the applicant. Within

1 thirty days after the mailing of the notice, a written protest of
2 the special value ~~or recapture value~~ may be filed.

3 (3) (a) If the application is denied by the assessor, a
4 written protest of the denial of the application may be filed
5 within thirty days after the mailing of the denial.

6 (b) If the denial of an application for special valuation
7 is reversed on appeal and the application is approved, the land
8 shall be valued as provided in section 77-1344 and the county
9 board of equalization shall send the property valuation notice for
10 special value ~~and recapture value~~ to the owner and, if not the
11 same, the applicant or his or her successor in interest, within
12 fourteen days after the date of the final order. Within thirty days
13 after the mailing of the notice, a written protest of the special
14 value ~~or recapture value~~ may be filed.

15 (4) If the county board of equalization takes action
16 pursuant to section 77-1504 or 77-1507 and the applicant filed
17 an application for special valuation pursuant to subsection (3)
18 of section 77-1345, the county assessor shall approve or deny the
19 application within fifteen days after the filing of the application
20 and issue notice of the approval or denial as prescribed in
21 subsection (1) of this section. If the application is denied by
22 the county assessor, a written protest of the denial may be filed
23 within thirty days of the mailing of the denial.

24 (5) The assessor shall mail notice of any action taken
25 by him or her on an application to the owner and the applicant if

1 different than the owner.

2 (6) All provisions of section 77-1502 except dates for
3 filing of a protest, the period for hearing protests, and the date
4 for mailing notice of the county board of equalization's decision
5 are applicable to any protest filed pursuant to this section.

6 (7) The county board of equalization shall decide any
7 protest filed pursuant to this section within thirty days after the
8 filing of the protest.

9 (8) The clerk shall mail a copy of any decision made by
10 the county board of equalization on a protest filed pursuant to
11 this section to the owner and the applicant if different than the
12 owner within seven days after the board's decision.

13 (9) Any decision of the county board of equalization
14 may be appealed to the Tax Equalization and Review Commission, in
15 accordance with section 77-5013, within thirty days after the date
16 of the decision.

17 (10) If a failure to give notice as prescribed by this
18 section prevented timely filing of a protest or appeal provided for
19 in this section, any applicant may petition the Tax Equalization
20 and Review Commission in accordance with section 77-5013, on or
21 before December 31 of each year, to determine whether the land will
22 receive special valuation for that year, or to determine special
23 value for that year. ~~or years, or for 2009 and prior years to~~
24 ~~determine recapture value for that year.~~

25 Sec. 12. Section 77-1355, Revised Statutes Cumulative

1 Supplement, 2008, is amended to read:

2 77-1355 (1) The Greenbelt Advisory Committee is
3 established to assist and advise the Property Tax Administrator
4 in developing uniform and proportionate special valuation of
5 agricultural land and horticultural land which is subject to
6 land-use controls provided for in sections 77-1343 to ~~77-1348~~
7 77-1347.01. The advisory committee shall provide advice to the
8 Tax Commissioner and the Legislature on rules and regulations
9 under section 77-1346 and methods and practices of state and
10 local assessing officials for such special valuation. The Tax
11 Commissioner shall respond to the recommendations of the advisory
12 committee and explain the basis for approval or rejection of
13 recommendations.

14 (2) The advisory committee shall consist of the following
15 members appointed by the Governor:

16 (a) Two active farmers;

17 (b) An active rancher;

18 (c) A real property appraiser with expertise in the
19 appraisal of agricultural land and horticultural land;

20 (d) A professor of agricultural economics at the
21 University of Nebraska Institute of Agriculture and Natural
22 Resources;

23 (e) An elected county assessor or a designee of the
24 county assessor; and

25 (f) An elected county commissioner or supervisor.

1 The members shall serve for terms of four years, except
2 that the Governor shall designate three of the initial members to
3 serve for two-year terms. The members shall select a chairperson
4 from the advisory committee's membership. The advisory committee
5 shall meet at least once annually.

6 (3) The advisory committee shall develop recommendations
7 on:

8 (a) When using comparable sales analysis for purposes
9 of establishing the special valuation under sections 77-1343 to
10 ~~77-1348~~, 77-1347.01, how such information may be gathered from
11 other counties and locations within a county;

12 (b) When using an income capitalization approach for such
13 special valuation, the income and expense information to be used
14 and the appropriate method of gathering such information;

15 (c) When using the income capitalization approach, the
16 approved methods of determining the capitalization rate, including
17 methods of gathering valid comparable sales for purposes of
18 determining the capitalization rate on comparable agricultural
19 land and horticultural land; and

20 (d) Any further revisions to sections 77-1343 to ~~77-1348~~
21 77-1347.01 as the committee deems important for uniform enforcement
22 of such sections and uniform special valuation of agricultural land
23 and horticultural land.

24 (4) Methods and recommendations developed by the advisory
25 committee shall provide for an annually updated analysis based on a

1 three-year average of the information used. The advisory committee
2 may develop recommendations for valuation methods which provide for
3 special valuation of land used for specialized agricultural and
4 horticultural crop production which is unique or localized to a
5 specific area. The recommendations shall be provided by October 1
6 each year.

7 (5) The Property Tax Administrator shall provide
8 administrative staff support and information as requested by
9 the advisory committee so long as provision of staff support
10 and information does not impair the ability of the Property Tax
11 Administrator to carry out other statutory obligations.

12 (6) Members shall be reimbursed for actual and necessary
13 expenses pursuant to sections 81-1174 to 81-1177.

14 Sec. 13. Section 77-1371, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 77-1371 Comparable sales are recent sales of properties
17 that are similar to the property being assessed in significant
18 physical, functional, and location characteristics and in their
19 contribution to value. When using comparable sales in determining
20 actual value of an individual property under the sales comparison
21 approach provided in section 77-112, the following guidelines shall
22 be considered in determining what constitutes a comparable sale:

23 (1) Whether the sale was financed by the seller and
24 included any special financing considerations or the value of
25 improvements;

1 (2) Whether zoning affected the sale price of the
2 property;

3 (3) For sales of agricultural land or horticultural land
4 as defined in section 77-1359, whether a premium was paid to
5 acquire nearby property. Land within one mile of currently owned
6 property shall be considered nearby property;

7 (4) Whether sales or transfers made in connection with
8 foreclosure, bankruptcy, or condemnations, in lieu of foreclosure,
9 or in consideration of other legal actions should be excluded from
10 comparable sales analysis as not reflecting current market value;

11 (5) Whether sales between family members within the third
12 degree of consanguinity include considerations that fail to reflect
13 current market value;

14 (6) Whether sales to or from federal or state agencies or
15 local political subdivisions reflect current market value;

16 (7) Whether sales of undivided interests in real property
17 or parcels less than forty acres or sales conveying only a portion
18 of the unit assessed reflect current market value;

19 (8) Whether sales or transfers of property in exchange
20 for other real estate, stocks, bonds, or other personal property
21 reflect current market value;

22 (9) Whether deeds recorded for transfers of convenience,
23 transfers of title to cemetery lots, mineral rights, and rights of
24 easement reflect current market value;

25 (10) Whether sales or transfers of property involving

1 railroads or other public utility corporations reflect current
2 market value;

3 (11) Whether sales of property substantially improved
4 subsequent to assessment and prior to sale should be adjusted to
5 reflect current market value or eliminated from such analysis; and

6 (12) For agricultural land or horticultural land as
7 defined in section 77-1359 which is or has been receiving
8 the special valuation pursuant to sections 77-1343 to ~~77-1348,~~
9 77-1347.01, whether the sale price reflects a value which the
10 land has for purposes or uses other than as agricultural land or
11 horticultural land and therefor does not reflect current market
12 value of other agricultural land or horticultural land.

13 The Property Tax Administrator may issue guidelines for
14 assessing officials for use in determining what constitutes a
15 comparable sale. Guidelines shall take into account the factors
16 listed in this section and other relevant factors as prescribed by
17 the Property Tax Administrator.

18 Sec. 14. Section 77-1501, Revised Statutes Cumulative
19 Supplement, 2008, is amended to read:

20 77-1501 The county board shall constitute the county
21 board of equalization. The county board of equalization shall
22 fairly and impartially equalize the values of all items of real
23 property in the county so that all real property is assessed
24 uniformly and proportionately.

25 The county assessor or his or her designee shall attend

1 all meetings of the county board of equalization when such meetings
2 pertain to the assessment or exemption of real and personal
3 property. The county treasurer or designated county official
4 pursuant to section 23-186 shall attend all meetings of the county
5 board of equalization involving the exemption of motor vehicles
6 from the motor vehicle tax. All records of the county assessor's
7 office shall be available for the inspection and consideration of
8 the county board of equalization. The county clerk, deputy, or
9 designee pursuant to section 23-1302 shall attend all meetings of
10 the county board of equalization and shall make a record of the
11 proceedings of the county board of equalization.

12 Sec. 15. Section 77-1502, Revised Statutes Cumulative
13 Supplement, 2008, is amended to read:

14 77-1502 (1) The county board of equalization shall meet
15 for the purpose of reviewing and deciding written protests filed
16 pursuant to this section beginning on or after June 1 and ending
17 on or before July 25 of each year. Protests regarding real property
18 shall be signed and filed after the county assessor's completion
19 of the real property assessment roll required by section 77-1315
20 and on or before June 30. For protests of real property, a protest
21 shall be filed for each parcel. Protests regarding taxable tangible
22 personal property returns filed pursuant to section 77-1229 from
23 January 1 through May 1 shall be signed and filed on or before June
24 30. The county board in a county with a population of more than
25 one hundred thousand inhabitants based upon the most recent federal

1 decennial census may adopt a resolution to extend the deadline for
2 hearing protests from July 25 to August 10. The resolution must
3 be adopted before July 25 and it will affect the time for hearing
4 protests for that year only. By adopting such resolution, such
5 county waives any right to petition the Tax Equalization and Review
6 Commission for adjustment of a class or subclass of real property
7 under section 77-1504.01 for that year.

8 (2) Each protest shall be signed and filed ~~in triplicate~~
9 with the county clerk of the county where the property is assessed.
10 The protest shall contain or have attached a statement of the
11 reason or reasons why the requested change should be made and a
12 description of the property to which the protest applies. If the
13 property is real property, a description of each parcel shall be
14 provided. If the property is tangible personal property, a physical
15 description of the property under protest shall be provided. If
16 the protest does not contain or have attached the statement of
17 the reason or reasons for the protest or the description of the
18 property, the protest shall be dismissed by the county board of
19 equalization.

20 (3) No hearing of the county board of equalization on
21 a protest filed under this section shall be held before a single
22 commissioner or supervisor.

23 (4) The county clerk or county assessor shall prepare a
24 separate report on each protest. The report shall include (a) a
25 description of the property to which the protest applies, (b) any

1 recommendation of the county assessor for action on the protest,
2 (c) if a referee is used, the recommendation of the referee, (d)
3 the date the county board of equalization heard the protest, (e)
4 the decision made by the county board of equalization, (f) the date
5 of the decision, and (g) the date notice of the decision was mailed
6 to the protester. The report shall contain, or have attached to
7 it, a statement, signed by the chairperson of the county board of
8 equalization, describing the basis upon which the board's decision
9 was made. The report shall have attached to it a copy of that
10 portion of the property record file which substantiates calculation
11 of the protested value unless the county assessor certifies to the
12 county board of equalization that a copy is maintained in either
13 electronic or paper form in his or her office. One copy of the
14 report, if prepared by the county clerk, shall be given to the
15 county assessor on or before August 2. The county assessor shall
16 have no authority to make a change in the assessment rolls until
17 there is in his or her possession a report which has been completed
18 in the manner specified in this section. If the county assessor
19 deems a report submitted by the county clerk incomplete, the county
20 assessor shall return the same to the county clerk for proper
21 preparation.

22 (5) On or before August 2, or on or before August 18
23 in a county that has adopted a resolution to extend the deadline
24 for hearing protests, the county clerk shall mail to the protester
25 written notice of the board's decision. The notice shall contain

1 a statement advising the protester that a report of the board's
 2 decision is available at the county clerk's or county assessor's
 3 office, whichever is appropriate, and that a copy of the report may
 4 be used to complete an appeal to the Tax Equalization and Review
 5 Commission.

6 Sec. 16. Section 77-1507.01, Revised Statutes Cumulative
 7 Supplement, 2008, is amended to read:

8 77-1507.01 Any person otherwise having a right to appeal
 9 may petition the Tax Equalization and Review Commission in
 10 accordance with section 77-5013, on or before December 31 of
 11 each year, to determine the actual value, or special value, ~~or~~
 12 ~~recapture value~~ of real property for that year if a failure to give
 13 notice prevented timely filing of a protest or appeal provided for
 14 in sections 77-1501 to 77-1510.

15 Sec. 17. Section 77-1704.01, Revised Statutes Cumulative
 16 Supplement, 2008, is amended to read:

17 77-1704.01 ~~(1)~~ The county treasurer shall include with
 18 each tax statement or receipt to every taxpayer the amount of taxes
 19 that are levied by the county, city, village, school district,
 20 learning community, and other subdivisions for the tax year and for
 21 the immediately past year on the same parcel. notice or receipt to
 22 every taxpayer the following information:

23 (a) The total amount of aid from state sources
 24 appropriated to the county and each city, village, and school
 25 district in the county;

1 ~~(b) The net amount of property taxes to be levied by~~
 2 ~~the county and each city, village, school district, and learning~~
 3 ~~community in the county, and~~

4 ~~(c) Beginning with tax year 2000, for real property, the~~
 5 ~~amount of taxes reflected on the statement that are levied by the~~
 6 ~~county, city, village, school district, learning community, and~~
 7 ~~other subdivisions for the tax year and for the immediately past~~
 8 ~~year on the same parcel.~~

9 ~~(2) The necessary form for furnishing the information~~
 10 ~~required by subdivisions (1)(a) and (b) of this section shall be~~
 11 ~~prescribed by the Department of Revenue. The necessary information~~
 12 ~~required by subdivision (1)(a) of this section shall be furnished~~
 13 ~~to the county treasurer by the Department of Revenue prior to~~
 14 ~~October 1 of each year. The form prescribed by the Department of~~
 15 ~~Revenue shall contain the following statement:~~

16 ~~THE AMOUNT OF STATE FUNDS SHOWN ABOVE WOULD HAVE BEEN~~
 17 ~~ADDITIONAL PROPERTY TAXES IF NOT ALLOCATED TO THE COUNTY, CITY,~~
 18 ~~VILLAGE, AND SCHOOL DISTRICT BY THE LEGISLATURE.~~

19 Sec. 18. Section 77-1775, Revised Statutes Cumulative
 20 Supplement, 2008, is amended to read:

21 77-1775 (1) In case of payment of any taxes upon property
 22 valued by the state made as a result of a clerical error or
 23 honest mistake or misunderstanding, except as to valuation or
 24 equalization, on the part of the taxing officials of the state or
 25 the taxpayer, the taxpayer shall make a written claim for a credit

1 or refund of the tax paid within two years from the date the tax
2 was due. The claim shall set forth the amount of the overpayment
3 and the reasons therefor.

4 (2) The Tax Commissioner may approve or disapprove the
5 claim in whole or part without a hearing. The Tax Commissioner
6 shall grant a hearing prior to taking any action on a claim for
7 refund or credit if requested in writing by the taxpayer when the
8 claim is filed or prior to any action being taken on the claim
9 by the Tax Commissioner. The written order of the Tax Commissioner
10 shall be mailed to the claimant within seven days after the date of
11 the order. If the claim is denied in whole or part, the taxpayer
12 may appeal within thirty days after the date of the written
13 order of the Tax Commissioner to the Tax Equalization and Review
14 Commission in accordance with section 77-5013.

15 (3) Upon approval of the claim by the Tax Commissioner,
16 the ~~Tax Commissioner~~ Property Tax Administrator shall certify the
17 amount of the refund or credit to the county treasurer to whom
18 the tax was paid or distributed. If only valuation was previously
19 certified to a county or counties, then the ~~Tax Commissioner~~
20 Property Tax Administrator shall certify the value resulting from
21 the written order to the official who received the original
22 valuation which was changed by the written order. The refund
23 shall be made in the manner prescribed in section 77-1736.06. The
24 ordering of a refund or credit pursuant to this section shall not
25 have a dispositional effect on any similar claim for refund or

1 credit made by another taxpayer.

2 Sec. 19. Section 77-3523, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 77-3523 The county treasurer shall, on or before November
5 30 of each year, certify to the Tax Commissioner the total tax
6 revenue that will be lost to all taxing agencies within his or
7 her county from taxes levied and assessed in that year because
8 of exemptions allowed under Chapter 77, article 35, multiplied by
9 the aggregate assessment sales ratio calculated by the Property
10 Tax Administrator for all single-family residential real property
11 in the county for the current year after adjustments by the Tax
12 Equalization and Review Commission, except that any assessment
13 sales ratio greater than 100 or any assessment sales ratio that
14 complies with the standards of equalization as determined by
15 the commission shall be deemed to be 100 for such purpose.
16 sections 77-3501 to 77-3529. The county treasurer may amend the
17 certification to show any change or correction in the total tax
18 that will be lost until May 30 of the next succeeding year. If
19 a homestead exemption is approved, denied, or corrected by the
20 Tax Commissioner under subsection (2) of section 77-3517 after
21 May 1 of the next year, the county treasurer shall prepare and
22 submit amended reports to the Tax Commissioner and the political
23 subdivisions covering any affected year and shall adjust the
24 reimbursement to the county and the other political subdivisions by
25 adjusting the reimbursement due under this section in later years.

1 The Tax Commissioner shall, on or before January 1 next following
2 such certification or within thirty days of any amendment to
3 the certification, notify the Director of Administrative Services
4 of the amount so certified to be reimbursed by the state.
5 Reimbursement of the funds lost shall be made to each county
6 according to the certification and shall be distributed in six as
7 nearly as possible equal monthly payments on the last business day
8 of each month beginning in January. The State Treasurer shall, on
9 the business day preceding the last business day of each month,
10 notify the Director of Administrative Services of the amount of
11 funds available in the General Fund for payment purposes. The
12 Director of Administrative Services shall, on the last business
13 day of each month, draw warrants against funds appropriated. Out
14 of the amount so received the county treasurer shall distribute
15 to each of the taxing agencies within his or her county the
16 full amount so lost by such agency, multiplied by the aggregate
17 ~~assessment sales ratio~~ calculated by the Property Tax Administrator
18 ~~for all single-family residential real property in the county for~~
19 ~~the current year after adjustments by the commission, except that~~
20 ~~any assessment sales ratio greater than 100 or any assessment~~
21 ~~sales ratio that complies with the standards of equalization as~~
22 ~~determined by the commission shall be deemed to be 100 for such~~
23 ~~purpose, except that one percent of such amount shall be deposited~~
24 in the county general fund and that the amount due a Class V school
25 district shall be paid to the district and the county shall be

1 compensated pursuant to section 14-554. Each taxing agency shall,
2 in preparing its annual or biennial budget, take into account the
3 amount to be received under this section.

4 Sec. 20. Section 77-5022, Revised Statutes Cumulative
5 Supplement, 2008, is amended to read:

6 77-5022 The commission shall annually equalize the
7 assessed value, or special value, ~~or recapture value~~ of all real
8 property as submitted by the county assessors on the abstracts
9 of assessments and equalize the values of real property that is
10 valued by the state. The commission shall have the power to adjourn
11 from time to time until the equalization process is complete.
12 Meetings held pursuant to this section may be held by means of
13 videoconference.

14 Sec. 21. Section 77-5023, Revised Statutes Cumulative
15 Supplement, 2008, is amended to read:

16 77-5023 (1) Pursuant to section 77-5022, the commission
17 shall have the power to increase or decrease the value of a class
18 or subclass of real property in any county or taxing authority
19 or of real property valued by the state so that all classes
20 or subclasses of real property in all counties fall within an
21 acceptable range.

22 (2) An acceptable range is the percentage of variation
23 from a standard for valuation as measured by an established
24 indicator of central tendency of assessment. Acceptable ranges are:

25 (a) For agricultural land and horticultural land as defined in

1 section 77-1359, sixty-nine to seventy-five percent of actual
2 value; (b) for lands receiving special valuation, sixty-nine
3 to seventy-five percent of special valuation ~~as defined in~~
4 ~~section 77-1343 and sixty-nine to seventy-five percent of recapture~~
5 ~~valuation~~ as defined in section 77-1343; and (c) for all other real
6 property, ninety-two to one hundred percent of actual value.

7 (3) Any increase or decrease shall cause the level of
8 value determined by the commission to be at the midpoint of the
9 applicable acceptable range.

10 (4) Any decrease or increase to a subclass of property
11 shall also cause the level of value determined by the commission
12 for the class from which the subclass is drawn to be within the
13 applicable acceptable range.

14 (5) Whether or not the level of value determined by
15 the commission falls within an acceptable range or at the
16 midpoint of an acceptable range may be determined to a reasonable
17 degree of certainty relying upon generally accepted mass appraisal
18 techniques.

19 Sec. 22. Section 79-1016, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-1016 (1) On or before August 25, the county assessor
22 shall certify to the Property Tax Administrator the total taxable
23 value by school district in the county for the current assessment
24 year on forms prescribed by the Tax Commissioner. The county
25 assessor may amend the filing for changes made to the taxable

1 valuation of the school district in the county if corrections or
2 errors on the original certification are discovered. Amendments
3 shall be certified to the Property Tax Administrator on or before
4 September 30.

5 (2) On or before October 10, the Property Tax
6 Administrator shall compute and certify to the State Department of
7 Education the adjusted valuation for the current assessment year
8 for each class of property in each school district and each local
9 system. The adjusted valuation of property for each school district
10 and each local system, for purposes of determining state aid
11 pursuant to the Tax Equity and Educational Opportunities Support
12 Act, shall reflect as nearly as possible state aid value as defined
13 in subsection (3) of this section. The Property Tax Administrator
14 shall notify each school district and each local system of its
15 adjusted valuation for the current assessment year by class of
16 property on or before October 10. Establishment of the adjusted
17 valuation shall be based on the taxable value certified by the
18 county assessor for each school district in the county adjusted by
19 the determination of the level of value for each school district
20 from an analysis of the comprehensive assessment ratio study or
21 other studies developed by the Property Tax Administrator, in
22 compliance with professionally accepted mass appraisal techniques,
23 as required by section 77-1327. The Tax Commissioner shall adopt
24 and promulgate rules and regulations setting forth standards for
25 the determination of level of value for state aid purposes.

1 (3) For purposes of this section, state aid value means:

2 (a) For real property other than agricultural and
3 horticultural land, ninety-six percent of actual value;

4 (b) For agricultural and horticultural land, seventy-two
5 percent of actual value as provided in sections 77-1359 to 77-1363.
6 For agricultural and horticultural land that receives special
7 valuation pursuant to section 77-1344, seventy-two percent of
8 special valuation as defined in section 77-1343; and

9 (c) For personal property, the net book value as defined
10 in section 77-120.

11 (4) On or before November 10, any local system may
12 file with the Tax Commissioner written objections to the adjusted
13 valuations prepared by the Property Tax Administrator, stating
14 the reasons why such adjusted valuations are not the valuations
15 required by subsection (3) of this section. The Tax Commissioner
16 shall fix a time for a hearing. Either party shall be permitted to
17 introduce any evidence in reference thereto. On or before January
18 1, the Tax Commissioner shall enter a written order modifying or
19 declining to modify, in whole or in part, the adjusted valuations
20 and shall certify the order to the State Department of Education.
21 Modification by the Tax Commissioner shall be based upon the
22 evidence introduced at hearing and shall not be limited to the
23 modification requested in the written objections or at hearing.
24 A copy of the written order shall be mailed to the local system
25 within seven days after the date of the order. The written order of

1 the Tax Commissioner may be appealed within thirty days after the
2 date of the order to the Tax Equalization and Review Commission in
3 accordance with section 77-5013.

4 (5) On or before November 10, any local system or
5 county official may file with the Tax Commissioner a written
6 request for a nonappealable correction of the adjusted valuation
7 due to clerical error as defined in section 77-128 or, for
8 agricultural and horticultural land, assessed value changes by
9 reason of land qualified or disqualified for special use valuation
10 pursuant to sections 77-1343 to ~~77-1348~~. 77-1347.01. On or before
11 the following January 1, the Tax Commissioner shall approve or
12 deny the request and, if approved, certify the corrected adjusted
13 valuations resulting from such action to the State Department of
14 Education.

15 (6) On or before May 31 of the year following the
16 certification of adjusted valuation pursuant to subsection (2) of
17 this section, any local system or county official may file with the
18 Tax Commissioner a written request for a nonappealable correction
19 of the adjusted valuation due to changes to the tax list that
20 change the assessed value of taxable property. Upon the filing of
21 the written request, the Tax Commissioner shall require the county
22 assessor to recertify the taxable valuation by school district
23 in the county on forms prescribed by the Tax Commissioner. The
24 recertified valuation shall be the valuation that was certified on
25 the tax list, pursuant to section 77-1613, increased or decreased

1 by changes to the tax list that change the assessed value of
2 taxable property in the school district in the county in the
3 prior assessment year. On or before the following July 31, the Tax
4 Commissioner shall approve or deny the request and, if approved,
5 certify the corrected adjusted valuations resulting from such
6 action to the State Department of Education.

7 (7) No injunction shall be granted restraining the
8 distribution of state aid based upon the adjusted valuations
9 pursuant to this section.

10 (8) A school district whose state aid is to be calculated
11 pursuant to subsection (5) of this section and whose state aid
12 payment is postponed as a result of failure to calculate state
13 aid pursuant to such subsection may apply to the state board for
14 lump-sum payment of such postponed state aid. Such application may
15 be for any amount up to one hundred percent of the postponed state
16 aid. The state board may grant the entire amount applied for or any
17 portion of such amount. The state board shall notify the Director
18 of Administrative Services of the amount of funds to be paid in
19 a lump sum and the reduced amount of the monthly payments. The
20 Director of Administrative Services shall, at the time of the next
21 state aid payment made pursuant to section 79-1022, draw a warrant
22 for the lump-sum amount from appropriated funds and forward such
23 warrant to the district.

24 Sec. 23. Original sections 13-509, 77-680, 77-1371,
25 77-3523, and 79-1016, Reissue Revised Statutes of Nebraska, and

LB 166

LB 166

1 sections 13-508, 72-258.03, 77-201, 77-421, 77-801, 77-1327,
2 77-1343, 77-1344, 77-1345.01, 77-1355, 77-1501, 77-1502,
3 77-1507.01, 77-1704.01, 77-1775, 77-5022, and 77-5023, Revised
4 Statutes Cumulative Supplement, 2008, are repealed.

5 Sec. 24. The following section is outright repealed:
6 Section 77-1348, Revised Statutes Cumulative Supplement, 2008.

7 Sec. 25. Since an emergency exists, this act takes effect
8 when passed and approved according to law.