

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 270**

Introduced by Haar, 21.

Read first time January 14, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-3501, 77-3506.03, 77-3509.01, 77-3509.02, 77-3509.03,  
3 77-3510, 77-3511, 77-3512, 77-3516, 77-3521, 77-3522,  
4 77-3523, and 77-3529, Reissue Revised Statutes of  
5 Nebraska, and sections 77-3506.02, 77-3513, 77-3514, and  
6 77-4212, Revised Statutes Cumulative Supplement, 2008; to  
7 create a homestead exemption; to harmonize provisions;  
8 and to repeal the original 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, 2010, there shall be exempt from taxation of homesteads  
10 the first fifteen thousand dollars of the actual value of the  
11 homestead.

12           Sec. 3. Section 77-3506.02, Revised Statutes Cumulative  
13 Supplement, 2008, is amended to read:

14           77-3506.02 After county board of equalization action  
15 pursuant to sections 77-1502 to 77-1504.01 and on or before  
16 September 1 each year, the county assessor shall certify to the  
17 Department of Revenue the average assessed value of single-family  
18 residential property in the county for the current year for  
19 purposes of sections 77-3507 to 77-3509 and section 2 of this act.

20           The county assessor shall determine the current average  
21 assessed value of single-family residential property from all  
22 real property records containing dwellings, mobile homes, and  
23 duplexes all of which are designed for occupancy as single-family  
24 residential property and any associated land not to exceed one  
25 acre.

1           The county assessor shall also report to the Department  
2 of Revenue the computed exempt amounts pursuant to section  
3 77-3501.01.

4           Sec. 4. Section 77-3506.03, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6           77-3506.03 For homesteads valued at or above the maximum  
7 value, the exempt amount shall be reduced by ten percent for each  
8 two thousand five hundred dollars of value by which the homestead  
9 exceeds the maximum value and any homestead which exceeds the  
10 maximum value by twenty thousand dollars or more is not eligible  
11 for any exemption under sections 77-3507 to 77-3509. This section  
12 does not apply to the exemption under section 2 of this act.

13           Sec. 5. Section 77-3509.01, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

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

1 is eligible for exemption under sections 77-3507 to 77-3509 or  
2 section 2 of this act. If the application is approved by the county  
3 assessor, he or she shall make a deduction upon the assessment  
4 rolls using the same criteria as previously applied to the original  
5 homestead. The county assessor may allow the application for  
6 transfer to also be considered an application for a homestead  
7 exemption for the subsequent year.

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

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

22           Sec. 7. Section 77-3509.03, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24           77-3509.03 All property tax statements for homesteads  
25 granted an exemption in sections 77-3507 to 77-3509 or section 2

1 of this act shall show the amount of the exemption, the tax that  
2 would otherwise be due, and a statement that the tax loss shall be  
3 reimbursed by the state as a homestead exemption.

4           Sec. 8. Section 77-3510, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

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

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

3 Sec. 9. 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. 10. 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. 11. Section 77-3513, Revised Statutes Cumulative  
9 Supplement, 2008, 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 2010, 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 2011 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.

12 Sec. 12. Section 77-3514, Revised Statutes Cumulative  
13 Supplement, 2008, is amended to read:

14 77-3514 A claimant who is the owner of a homestead which  
15 has been granted an exemption under sections 77-3507 to 77-3509,  
16 except subdivision (1)(b)(i) of section 77-3508 and section 2 of  
17 this act, shall certify to the county assessor on or before June  
18 30 of each year that a change in the homestead exemption status  
19 has occurred or that no change in the homestead exemption status  
20 has occurred. The county board of the county in which the homestead  
21 is located may, by majority vote, extend the deadline to on or  
22 before July 20 of each year. An extension shall not be granted to  
23 an applicant who received an extension in the immediately preceding  
24 year. For purposes of this section, change in the homestead  
25 exemption status shall include any change in the name of the owner,



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

1 unpaid. Such lien may be enforced in the manner provided for  
2 liens for other delinquent taxes. Any person who has permitted the  
3 improper and unlawful allowance of such homestead exemption on his  
4 or her property shall, as an additional penalty, also forfeit his  
5 or her right to a homestead exemption on any property in this state  
6 for the two succeeding years.

7           Sec. 13. Section 77-3516, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

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

1 be sent within a reasonable time. The notice shall be on forms  
2 prescribed by the Tax Commissioner.

3 Sec. 14. Section 77-3521, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

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

12 Sec. 15. Section 77-3522, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

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

1 shall be guilty of a Class I misdemeanor.

2 (2) In addition to the penalty provided in subsection  
3 (1) of this section, if any person files a claim for exemption  
4 as provided in section 77-3507, 77-3508, or 77-3509 or section 2  
5 of this act which is excessive due to misstatements by the owner  
6 filing such claim, the claim may be disallowed in full and, if the  
7 claim has been allowed, an amount equal to the amount of taxes  
8 lawfully due but not paid by reason of such unlawful and improper  
9 allowance of homestead exemption shall be due and shall upon entry  
10 of the amount thereof on the books of the county treasurer be a  
11 lien on such property until paid and a penalty equal to the amount  
12 of taxes lawfully due but claimed for exemption shall be assessed.

13 Sec. 16. Section 77-3523, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

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

1 complies with the standards of equalization as determined by  
2 the commission shall be deemed to be 100 for such purpose. The  
3 county treasurer may amend the certification to show any change  
4 or correction in the total tax that will be lost until May 30 of  
5 the next succeeding year. If a homestead exemption is approved,  
6 denied, or corrected by the Tax Commissioner under subsection (2)  
7 of section 77-3517 after May 1 of the next year, the county  
8 treasurer shall prepare and submit amended reports to the Tax  
9 Commissioner and the political subdivisions covering any affected  
10 year and shall adjust the reimbursement to the county and the  
11 other political subdivisions by adjusting the reimbursement due  
12 under this section in later years. The Tax Commissioner shall, on  
13 or before January 1 next following such certification or within  
14 thirty days of any amendment to the certification, notify the  
15 Director of Administrative Services of the amount so certified to  
16 be reimbursed by the state. Reimbursement of the funds lost shall  
17 be made to each county according to the certification and shall  
18 be distributed in six as nearly as possible equal monthly payments  
19 on the last business day of each month beginning in January. The  
20 State Treasurer shall, on the business day preceding the last  
21 business day of each month, notify the Director of Administrative  
22 Services of the amount of funds available in the General Fund for  
23 payment purposes. The Director of Administrative Services shall, on  
24 the last business day of each month, draw warrants against funds  
25 appropriated. Out of the amount so received the county treasurer

1 shall distribute to each of the taxing agencies within his or  
2 her county the full amount so lost by such agency, multiplied by  
3 the aggregate assessment sales ratio calculated by the Property  
4 Tax Administrator for all single-family residential real property  
5 in the county for the current year after adjustments by the  
6 commission, except that any assessment sales ratio greater than 100  
7 or any assessment sales ratio that complies with the standards of  
8 equalization as determined by the commission shall be deemed to be  
9 100 for such purpose, except that one percent of such amount shall  
10 be deposited in the county general fund and that the amount due  
11 a Class V school district shall be paid to the district and the  
12 county shall be compensated pursuant to section 14-554. Each taxing  
13 agency shall, in preparing its annual or biennial budget, take into  
14 account the amount to be received under this section.

15           Sec. 17. Section 77-3529, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

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

25           Sec. 18. Section 77-4212, Revised Statutes Cumulative

1 Supplement, 2008, is amended to read:

2           77-4212 (1) For tax year 2007, the amount of relief  
3 granted under the Property Tax Credit Act shall be one hundred five  
4 million dollars. For tax year 2008, the amount of relief granted  
5 under the act shall be one hundred fifteen million dollars. It is  
6 the intent of the Legislature to fund the Property Tax Credit Act  
7 for tax years after tax year 2008 using available revenue. The  
8 relief shall be in the form of a property tax credit which appears  
9 on the property tax statement.

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

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

1 section to the Property Tax Credit Cash Fund.

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

18 (5) The State Treasurer shall transfer from the General  
19 Fund to the Property Tax Credit Cash Fund one hundred five million  
20 dollars by August 1, 2007, and one hundred fifteen million dollars  
21 by August 1, 2008.

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

24 Sec. 19. Original sections 77-3501, 77-3506.03,  
25 77-3509.01, 77-3509.02, 77-3509.03, 77-3510, 77-3511, 77-3512,



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1 77-3516, 77-3521, 77-3522, 77-3523, and 77-3529, Reissue Revised  
2 Statutes of Nebraska, and sections 77-3506.02, 77-3513, 77-3514,  
3 and 77-4212, Revised Statutes Cumulative Supplement, 2008, are  
4 repealed.