

**ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017**  
**COMMITTEE STATEMENT**  
**LB217**

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**Hearing Date:** Thursday February 02, 2017  
**Committee On:** Revenue  
**Introducer:** Harr  
**One Liner:** Change provisions relating to the accrual of interest on denied and reduced homestead exemptions

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 8 Senators Larson, Smith, Schumacher, Lindstrom, Harr, Groene, Friesen, Brasch  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**

Jamison Wyatt  
Tom Placzek  
  
Beth Bazyn Ferrell

**Representing:**

Introducing on behalf of Senator Burke Harr  
Nebraska Assessor's, Nebraska Association of County Officials  
Nebraska Association of County Officials

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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

Legislative Bill 217 will provide clarity to the process for determining when interest accrues when a homestead exemption is rejected by the Tax Commissioner. When an application is rejected, the property owner must pay 14 percent interest on the taxes that became delinquent due to the rejection. LB217 will give the property owner 30 days after the county assessor receives approval from the county board to remove or reduce the exemption from the tax rolls to pay the taxes without accruing an interest penalty.

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**Explanation of amendments:**

The amendment incorporates the provisions of the following bills into LB217:

LB49, as amended;  
LB228, as amended;  
LB238, as amended;  
LB288 as amended by AM323;  
LB387; and  
LB233, as amended by AM127, and already advanced to General File.

Section 1. Eliminates obsolete language with respect to raffles and lotteries;

Section 2. Allows county assessors to notify political subdivisions of their certified taxable property values electronically or by mail if requested by the political subdivision.

Section 3. Makes a minor change to the allocation of funds under the Affordable Housing Trust Fund;

Section 4. Allows for the use of electronic reports for cigarette manufacturers;

Section 5. For Rent-Restricted Housing Projects, allows for the use of electronic statements; Requires the Department of Revenue to forward such statements to relevant county assessors;

Sections 6, 7 and 8. For purposes of a treasurer's tax deed, changes provisions for notice to owner-occupants or other persons entitled to notice;

Section 9. Allows for the use of electronic reports for cigarette wholesalers;

Section 10. Allows for the use of electronic reports for cigarette exporters;

Sections 11 and 12. Requires the Tax Commissioner to prepare a report within 60 days of the enactment of an amendment to the Internal Revenue Code that details the effect on state income taxes for a change that begins during the calendar year in which the amendment is enacted if the effect is more than \$5 million;

Section 13. Matches to the federal filing date for withholding tax reports;

Sections 14 and 15. Matches to the federal provisions allowing correction of mathematical or clerical errors regarding income tax information reported by a taxpayers;

Section 16. Clarifies the method for claiming an employer tax credit for hiring former recipients of benefits under the Temporary Assistance for Needy Families Program;

Section 17. Allows for the use of electronic forms for county assessors under the Homestead Exemption;

Section 18. Delays the accrual of interest on homestead exemptions claims that are reduced or denied until 30 days after the county assessor receives the approval from the county board to adjust the exemption;

Section 19. Under the Property Tax Credit Act, requires county treasurers to electronically file certain reports with the Property Tax Administrator;

Section 20. Under the Nebraska Advantage Act, clarifies that the property tax exemption applies to qualifying property based on the date the property was placed in service, rather than the date acquired, which conforms to other definitions;

Sections 21, 22, 23 and 24. Under the Nebraska Advantage Microenterprise Tax Credit Act, eliminates the definition of and references to "distressed areas" as that term has become unnecessary;

Sections 25, 26 and 27. Under the Angel Investment Tax Credit Act, removes the definition of and references to "distressed areas" and clarifies reporting requirements;

Section 28. Changes the reporting date for county assessors for school adjusted value from August 25th to August 20th of each year and the date for amended school adjusted value from September 30th to August 31st;

Section 29. Allows the Business Recruitment Division of the Department of Economic Development to withhold information regarding recruitment, location, relocation and expansion projects until after a public announcement by an authorized representative of the business or the Department or until negotiations have been completed, whichever is

earlier;

Sections 30, 31 and 32. Under the Business Innovation Act, removes the definition of and references to "distressed areas" and allows but does not mandate that the Department of Economic Development adopt and promulgate regulations;

Section 33. Provides an effective date of three calendar months after the bill becomes law, except for Sections 18 and 35 which become operative on January 1, 2018, and other effective dates as provided in the bill;

Section 34, 35 and 36. Repealer provisions;

Section 37. Outright repeals certain sections of statute;

Section 38. Emergency Clause.

Bills amended into LB 217:

LB 49 (Schumacher)

Public Hearing Date: 2.1.2017

Proponents:

Senator Paul Schumacher - Introducer

Renee Fry - OpenSky Policy Institute

Opponents:

None

Neutral:

None

LB 238 (Erdman)

Public Hearing Date: 2.23.2017

Proponents:

Senator Steve Erdman - Introducer

Larry Dix - Nebraska Association of County Officials

Opponents:

None

Neutral:

Lynn Rex - League of Nebraska Municipalities

LB 288 (Harr)

Public Hearing Date: 2.24.2017

Proponents:

Senator Burke Harr - Introducer  
Randy James - Vanderlay Investments, LLC.

Opponents:  
None

Neutral:  
None

LB 387 (Lindstrom)  
Public Hearing Date: 2.9.2017

Proponents:  
Senator Brett Lindstrom - Introducer  
Courtney Dentlinger - Nebraska Department of Economic Development

Opponent:  
None

Neutral:  
Jordan Rasmussen - Center for Rural Affairs

LB 233 (Smith)  
Public Hearing Date: 1.25.2017

Proponents:  
Mary Jane Egr Edson - Legal Counsel-Revenue Committee, Introducing on behalf of Senator Jim Smith  
George Kilpatrick - Nebraska Department of Revenue  
Terry Jessen - Self, Scottsbluff, NE

Opponents:  
None

Neutral:  
Larry Dix - Nebraska Association of County Officials  
Kathy Siefken - Nebraska Grocery Industry Association

LB 228 (Harr)  
Public Hearing Date: 3.3.2017

Proponents:  
Senator Burke Harr - Introducer  
Justin Brady - Housing Policy Network  
Rob Ogden - Rent Restricted Housing Projects Committee  
Beth Bazyn Ferrell - Nebraska Association of County Officials

Opponents:

None

Neutral:

None

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Jim Smith, Chairperson