

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 144**

Introduced by Friesen, 34.

Read first time January 09, 2017

Committee: Education

1 A BILL FOR AN ACT relating to the Tax Equity and Educational  
2 Opportunities Support Act; to amend section 79-1016, Reissue Revised  
3 Statutes of Nebraska; to change the calculation of adjusted  
4 valuation for agricultural and horticultural land; and to repeal the  
5 original section.  
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1016, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 79-1016 (1) On or before August 25, the county assessor shall  
4 certify to the Property Tax Administrator the total taxable value by  
5 school district in the county for the current assessment year on forms  
6 prescribed by the Tax Commissioner. The county assessor may amend the  
7 filing for changes made to the taxable valuation of the school district  
8 in the county if corrections or errors on the original certification are  
9 discovered. Amendments shall be certified to the Property Tax  
10 Administrator on or before September 30.

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

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

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

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

9 (i) For the calculation of aid for school fiscal years prior to  
10 school fiscal year 2018-19, the applicable percentage shall be seventy-  
11 two percent;

12 (ii) For the calculation of aid for school fiscal year 2018-19, the  
13 applicable percentage shall be fifty percent;

14 (iii) For the calculation of aid for school fiscal year 2019-20, the  
15 applicable percentage shall be forty percent;

16 (iv) For the calculation of aid for school fiscal year 2020-21, the  
17 applicable percentage shall be thirty percent; and

18 (v) For the calculation of aid for school fiscal year 2021-22 and  
19 each school fiscal year thereafter, the applicable percentage shall be  
20 twenty percent; and

21 (c) For personal property, the net book value as defined in section  
22 77-120.

23 (4) On or before November 10, any local system may file with the Tax  
24 Commissioner written objections to the adjusted valuations prepared by  
25 the Property Tax Administrator, stating the reasons why such adjusted  
26 valuations are not the valuations required by subsection (3) of this  
27 section. The Tax Commissioner shall fix a time for a hearing. Either  
28 party shall be permitted to introduce any evidence in reference thereto.  
29 On or before January 1, the Tax Commissioner shall enter a written order  
30 modifying or declining to modify, in whole or in part, the adjusted  
31 valuations and shall certify the order to the State Department of

1 Education. Modification by the Tax Commissioner shall be based upon the  
2 evidence introduced at hearing and shall not be limited to the  
3 modification requested in the written objections or at hearing. A copy of  
4 the written order shall be mailed to the local system within seven days  
5 after the date of the order. The written order of the Tax Commissioner  
6 may be appealed within thirty days after the date of the order to the Tax  
7 Equalization and Review Commission in accordance with section 77-5013.

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

17 (6) On or before May 31 of the year following the certification of  
18 adjusted valuation pursuant to subsection (2) of this section, any local  
19 system or county official may file with the Tax Commissioner a written  
20 request for a nonappealable correction of the adjusted valuation due to  
21 changes to the tax list that change the assessed value of taxable  
22 property. Upon the filing of the written request, the Tax Commissioner  
23 shall require the county assessor to recertify the taxable valuation by  
24 school district in the county on forms prescribed by the Tax  
25 Commissioner. The recertified valuation shall be the valuation that was  
26 certified on the tax list, pursuant to section 77-1613, increased or  
27 decreased by changes to the tax list that change the assessed value of  
28 taxable property in the school district in the county in the prior  
29 assessment year. On or before the following July 31, the Tax Commissioner  
30 shall approve or deny the request and, if approved, certify the corrected  
31 adjusted valuations resulting from such action to the State Department of

1 Education.

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

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

17 Sec. 2. Original section 79-1016, Reissue Revised Statutes of  
18 Nebraska, is repealed.