

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 444**

Introduced by McDonnell, 5; Arch, 14; Blood, 3; Brewer, 43; Clements, 2;  
Crawford, 45; La Grone, 49.

Read first time January 18, 2019

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-3502, 77-3503, and 77-3506, Reissue Revised Statutes of Nebraska;
- 3 to redefine terms; to provide a homestead exemption for certain
- 4 dwelling complexes located on military installations as prescribed;
- 5 to redefine terms; to harmonize provisions; to provide an operative
- 6 date; and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3502, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 77-3502 Homestead shall mean ~~either~~ (1) a residence or mobile home,  
4 and the land surrounding it, not exceeding one acre, in this state  
5 actually occupied as such by a natural person who is the owner of record  
6 thereof from January 1 through August 15 in each year, (2) a residence or  
7 mobile home located on land leased by the owner of the residence or  
8 mobile home, which is located within this state, and is actually occupied  
9 by the person who is the owner of record from January 1 through August 15  
10 in each year, or so occupied by the surviving spouse and minor children,  
11 if any, of such owner of record during the year of the owner's death, or  
12 so much thereof as shall be so occupied, ~~or~~ (3) a residential unit in a  
13 dwelling complex, the record title owner of which is a not-for-profit  
14 corporation, when the purchase for fair market value of a life tenancy in  
15 a taxable unit of the dwelling complex entitles the purchaser to  
16 exclusive occupancy of that unit for life, actually occupied by a natural  
17 person who has a life tenancy therein from January 1 through August 15 in  
18 each year, or (4) a dwelling complex and any related amenities located on  
19 a United States Department of Defense military installation in this state  
20 if (a) the owner of record of the land upon which such installation is  
21 situated is the United States Government or any instrumentality thereof,  
22 (b) such complex and amenities are developed pursuant to a federal  
23 military housing privatization initiative, and (c) such complex and  
24 amenities are provided primarily for use by military personnel of the  
25 United States and, as applicable, their families. For purposes of this  
26 section, mobile home shall include every transportable or relocatable  
27 device of any description without motive power and designed for living  
28 quarters, whether or not permanently attached to real estate, but shall  
29 not include a cabin trailer registered for operation upon the highways of  
30 this state.

31 Sec. 2. Section 77-3503, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-3503 (1) Owner shall mean:

3 (a) The ~~the~~ owner of record or surviving spouse, the vendee in  
4 possession under a land contract or surviving spouse, one of the joint  
5 tenants or tenants in common or surviving spouse, or the beneficiary of a  
6 trust of which the trustee is the record title owner and the beneficiary-  
7 occupant (i) ~~(1)~~ has a specific right to occupy the premises as stated in  
8 the trust instrument, (ii) ~~(2)~~ has the right to amend or revoke the trust  
9 to obtain such power of occupancy or of title, or (iii) ~~(3)~~ has the power  
10 to withdraw the homestead premises from the trust and place the record  
11 title in such occupant's name; ~~or~~ -

12 (b) A ~~Owner shall also mean~~ a resident of a dwelling complex, the  
13 record title owner of which is a not-for-profit corporation, who has by  
14 purchase for fair market value secured a life tenancy in a taxable unit  
15 of the complex; ~~or~~ -

16 (c) A resident of a dwelling complex that constitutes a homestead as  
17 defined in subdivision (4) of section 77-3502.

18 (2) In the case of an owner as defined in subdivision (1)(a) or (b)  
19 of this section, ~~The~~ deed, trust instrument, contract, or memorandum  
20 showing that the criteria of this section have been met shall be on file  
21 on the appropriate public record as of January 1 of the year for which  
22 exemption is sought, except that if such instrument is not on file as of  
23 January 1, a copy of such instrument shall be attached to such  
24 application before the homestead exemption shall be granted.

25 Sec. 3. Section 77-3506, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 77-3506 ~~(1)~~ All homesteads in this state shall be assessed for  
28 taxation the same as other property, except that:

29 (1)(a) There ~~there~~ shall be exempt from taxation, on any homestead  
30 described in subdivision (1)(b) ~~subsection (2)~~ of this section, one  
31 hundred percent of the exempt amount.

1           **(b) (2)** The exemption described in subdivision (1)(a) ~~subsection (1)~~  
2 of this section shall apply to homesteads of:

3           **(i) (a)** A veteran who was discharged or otherwise separated with a  
4 characterization of honorable or general (under honorable conditions),  
5 who is drawing compensation from the United States Department of Veterans  
6 Affairs because of one hundred percent service-connected disability, and  
7 who is not eligible for total exemption under sections 77-3526 to  
8 77-3528, an unremarried surviving spouse of such a veteran, or a  
9 surviving spouse of such a veteran who remarries after attaining the age  
10 of fifty-seven years;

11           **(ii) (b)** An unremarried surviving spouse of any veteran, including a  
12 veteran other than a veteran described in section 80-401.01, who was  
13 discharged or otherwise separated with a characterization of honorable or  
14 general (under honorable conditions) and who died because of a service-  
15 connected disability or a surviving spouse of such a veteran who  
16 remarries after attaining the age of fifty-seven years;

17           **(iii) (c)** An unremarried surviving spouse of a serviceman or  
18 servicewoman, including a veteran other than a veteran described in  
19 section 80-401.01, whose death while on active duty was service-connected  
20 or a surviving spouse of such a serviceman or servicewoman who remarries  
21 after attaining the age of fifty-seven years; and

22           **(iv) (d)** An unremarried surviving spouse of a serviceman or  
23 servicewoman who died while on active duty during the periods described  
24 in section 80-401.01 or a surviving spouse of such a serviceman or  
25 servicewoman who remarries after attaining the age of fifty-seven years.

26           **(c) (3)** Application for exemption under subdivision (1) of this  
27 section shall include certification of the status set forth in  
28 subdivision (1)(b) ~~subsection (2)~~ of this section from the United States  
29 Department of Veterans Affairs; and -

30           **(2)(a)** There shall be exempt from taxation, on any homestead as  
31 defined in subdivision (4) of section 77-3502, one hundred percent of the

1 exempt amount, except that the amount exempted under this subdivision  
2 shall be reduced by a percentage equal to the total number of residential  
3 units within the applicable dwelling complex that are unoccupied or that  
4 are not occupied by military personnel of the United States or their  
5 families, divided by the total number of residential units within such  
6 dwelling complex. The record title owner of the homestead shall calculate  
7 such percentage as of January 1 of each year and shall provide the  
8 percentage to the county assessor as part of the application filed  
9 pursuant to section 77-3512.

10 (b) The record title owner of any homestead receiving an exemption  
11 pursuant to subdivision (2)(a) of this section shall be required to:

12 (i) Make an annual payment in lieu of taxes in an amount equal to  
13 the amount of property taxes that would be payable to school districts in  
14 this state if the exemption provided in subdivision (2)(a) of this  
15 section did not apply. Such payment shall be made to the county treasurer  
16 of the county in which the relevant school district is located and  
17 thereafter shall be distributed by the county treasurer to such school  
18 district; and

19 (ii) Make an annual payment equal to the amount of property taxes  
20 that would be payable to political subdivisions other than school  
21 districts if the exemption provided in subdivision (2)(a) of this section  
22 did not apply. Such payment shall be made into a restricted  
23 infrastructure maintenance trust fund in a financial institution as  
24 defined in section 8-101.03.

25 (c) The infrastructure maintenance trust fund must be used  
26 exclusively for the payment of the cost of capital repairs, replacements,  
27 maintenance, and improvements to infrastructure for a homestead as  
28 defined in subdivision (4) of section 77-3502. The record title owner of  
29 such homestead shall not commingle the assets maintained in the  
30 infrastructure maintenance trust fund with any other assets of such  
31 owner.

1       (d) The record title owner of any homestead receiving an exemption  
2 pursuant to subdivision (2)(a) of this section shall by December 31 of  
3 each year file with the Department of Revenue a certificate of compliance  
4 with the infrastructure maintenance trust fund requirements of this  
5 section for the immediately preceding calendar year. The certificate  
6 shall contain the name of the party responsible for the infrastructure  
7 maintenance trust fund and the name, address, and account number of the  
8 financial institution with which the infrastructure maintenance trust  
9 fund is maintained.

10       (e) If there is a failure to file an annual certificate of  
11 compliance pursuant to subdivision (2)(d) of this section, the Department  
12 of Revenue shall, within ninety days of such failure, provide notice of  
13 such failure to the office of the Attorney General. Thereafter, the  
14 office of the Attorney General may, after written notice to the record  
15 title owner to comply, order an audit of the infrastructure maintenance  
16 trust fund involved at the cost of the record title owner. If a record  
17 title owner fails to correct any violation within sixty days after the  
18 violation is discovered through the audit process, or otherwise fails to  
19 comply with the requirements of subdivision (2) of this section, the  
20 exemption provided in subdivision (2)(a) of this section shall be revoked  
21 by the Department of Revenue and shall not be reinstated within two years  
22 of the date of such revocation.

23       Sec. 4. This act becomes operative on January 1, 2020.

24       Sec. 5. Original sections 77-3502, 77-3503, and 77-3506, Reissue  
25 Revised Statutes of Nebraska, are repealed.