

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 189

Introduced by Halloran, 33; Groene, 42.

Read first time January 08, 2021

Committee: Revenue

- 1 A BILL FOR AN ACT relating to property taxes; to amend section
- 2 77-1736.06, Revised Statutes Cumulative Supplement, 2020; to change
- 3 provisions relating to property tax refunds; and to repeal the
- 4 original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-1736.06, Revised Statutes Cumulative
2 Supplement, 2020, is amended to read:

3 77-1736.06 The following procedure shall apply when making a
4 property tax refund:

5 (1) Within thirty days of the entry of a final nonappealable order,
6 an unprotested determination of a county assessor, an unappealed decision
7 of a county board of equalization, or other final action requiring a
8 refund of real or personal property taxes paid or, for property valued by
9 the state, within thirty days of a recertification of value by the
10 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
11 county assessor shall determine the amount of refund due the person
12 entitled to the refund, certify that amount to the county treasurer, and
13 send a copy of such certification to the person entitled to the refund.
14 Within thirty days from the date the county assessor certifies the amount
15 of the refund, the county treasurer shall notify each political
16 subdivision, including any school district receiving a distribution
17 pursuant to section 79-1073 and any land bank receiving real property
18 taxes pursuant to subdivision (3)(a) of section 18-3411, of its
19 respective share of the refund, except that for any political subdivision
20 whose share of the refund is two hundred dollars or less, the county
21 board may waive this notice requirement. Notification shall be by first-
22 class mail, postage prepaid, to the last-known address of record of the
23 political subdivision. The county treasurer shall pay the refund from
24 funds in his or her possession belonging to any political subdivision,
25 including any school district receiving a distribution pursuant to
26 section 79-1073 and any land bank receiving real property taxes pursuant
27 to subdivision (3)(a) of section 18-3411, which received any part of the
28 tax or penalty being refunded. If sufficient funds are not available ~~or~~
29 ~~the political subdivision, within thirty days of the mailing of the~~
30 ~~notice by the county treasurer if applicable, certifies to the county~~
31 ~~treasurer that a hardship would result and create a serious interference~~

1 ~~with its governmental functions if the refund of the tax or penalty is~~
2 ~~paid,~~ the county treasurer shall register the refund or portion thereof
3 which remains unpaid as a claim against such political subdivision and
4 shall issue the person entitled to the refund a receipt for the
5 registration of the claim. ~~The certification by a political subdivision~~
6 ~~declaring a hardship shall be binding upon the county treasurer;~~

7 (2) The refund of a tax or penalty or the receipt for the
8 registration of a claim made or issued pursuant to this section shall be
9 satisfied in full as soon as practicable and ~~in no event later than five~~
10 ~~years from the date the final order or other action approving a refund is~~
11 ~~entered. If a receipt for the registration of a claim is given:~~

12 ~~(a) The governing body of the political subdivision shall make~~
13 ~~provisions in its next budget for the amount of such any refund or claim;~~
14 ~~or to be satisfied pursuant to this section. If a receipt for the~~
15 ~~registration of a claim is given:~~

16 ~~(b) If mutually agreed to by the governing body of the political~~
17 ~~subdivision and the person holding the receipt, such (a) Such receipt~~
18 ~~shall be applied to satisfy any tax levied or assessed by that political~~
19 ~~subdivision which becomes next falling due from the person holding the~~
20 ~~receipt until the claim is satisfied in full; after the sixth next~~
21 ~~succeeding levy is made on behalf of the political subdivision following~~
22 ~~the final order or other action approving the refund; and~~

23 ~~(b) To the extent the amount of such receipt exceeds the amount of~~
24 ~~such tax liability, the unsatisfied balance of the receipt shall be paid~~
25 ~~and satisfied within the five-year period prescribed in this subdivision~~
26 ~~from a combination of a credit against taxes anticipated to be due to the~~
27 ~~political subdivision during such period and cash payment from any funds~~
28 ~~expected to accrue to the political subdivision pursuant to a written~~
29 ~~plan to be filed by the political subdivision with the county treasurer~~
30 ~~no later than thirty days after the claim against the political~~
31 ~~subdivision is first reduced by operation of a credit against taxes due~~

1 ~~to such political subdivision.~~

2 ~~If a political subdivision fails to fully satisfy the refund or~~
3 ~~claim prior to the sixth next succeeding levy following the entry of a~~
4 ~~final nonappealable order or other action approving a refund, interest~~
5 ~~shall accrue on the unpaid balance commencing on the sixth next~~
6 ~~succeeding levy following such entry or action at the rate set forth in~~
7 ~~section 45-103;~~

8 (3) The county treasurer shall mail the refund or the receipt by
9 first-class mail, postage prepaid, to the last-known address of the
10 person entitled thereto. Multiple refunds to the same person may be
11 combined into one refund ~~or credit~~. If a refund is not claimed by June 1
12 of the year following the year of mailing, the refund shall be canceled
13 and the resultant amount credited to the various funds originally
14 charged;

15 (4) When the refund involves property valued by the state, the Tax
16 Commissioner shall be authorized to negotiate a settlement of the amount
17 of the refund or claim due pursuant to this section on behalf of the
18 political subdivision from which such refund or claim is due. Any
19 political subdivision which does not agree with the settlement terms as
20 negotiated may reject such terms, and the refund or claim due from the
21 political subdivision then shall be satisfied as set forth in this
22 section as if no such negotiation had occurred;

23 (5) In the event that the Legislature appropriates state funds to be
24 disbursed for the purposes of satisfying all or any portion of any refund
25 or claim, the Tax Commissioner shall order the county treasurer to
26 disburse such refund amounts directly to the persons entitled to the
27 refund in partial or total satisfaction of such persons' claims. The
28 county treasurer shall disburse such amounts within forty-five days after
29 receipt thereof; ~~and~~

30 (6) If all or any portion of the refund is reduced by way of
31 settlement or forgiveness by the person entitled to the refund, the

1 proportionate amount of the refund that was paid by an appropriation of
2 state funds shall be reimbursed by the county treasurer to the State
3 Treasurer within forty-five days after receipt of the settlement
4 agreement or receipt of the forgiven refund. The amount so reimbursed
5 shall be credited to the General Fund; and -

6 (7) For any refund or claim due under this section, interest shall
7 accrue on the unpaid balance at the rate of nine percent beginning on the
8 date of entry of the final nonappealable order or other action approving
9 the refund.

10 Sec. 2. Original section 77-1736.06, Revised Statutes Cumulative
11 Supplement, 2020, is repealed.