

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 644

Introduced by Hansen, B., 16.

Read first time January 20, 2021

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-1601 and 77-1776, Reissue Revised Statutes of Nebraska, and
3 sections 77-1601.02 and 77-3443, Revised Statutes Cumulative
4 Supplement, 2020; to adopt the Property Tax Request Act; to change
5 certain dates relating to tax levies; to harmonize provisions; to
6 provide an operative date; and to repeal the original sections.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-1601, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-1601 (1) The county board of equalization shall each year, on or
4 before October ~~20~~ 15, levy the necessary taxes for the current year if
5 within the limit of the law. The levy shall include an amount for
6 operation of all functions of county government and shall also include
7 all levies necessary to fund tax requests certified under the Property
8 Tax Request Act ~~section 77-1601.02~~ that are authorized as provided in
9 sections 77-3442 to 77-3444.

10 (2) On or before November 5, the county board of equalization upon
11 its own motion may act to correct a clerical error which has resulted in
12 the calculation of an incorrect levy by any political subdivision entity
13 otherwise authorized to certify a tax request under the Property Tax
14 Request Act ~~section 77-1601.02~~. The county board of equalization shall
15 hold a public hearing to determine what adjustment to the levy is proper,
16 legal, or necessary. Notice shall be provided to the governing body of
17 each political subdivision affected by the error. Notice of the hearing
18 as required by section 84-1411 shall include the following: (a) The time
19 and place of the hearing, (b) the dollar amount at issue, and (c) a
20 statement setting forth the nature of the error.

21 (3) Upon the conclusion of the hearing, the county board of
22 equalization shall issue a corrected levy if it determines that an error
23 was made in the original levy which warrants correction. The county board
24 of equalization shall then order (a) the county assessor, county clerk,
25 and county treasurer to revise assessment books, unit valuation ledgers,
26 tax statements, and any other tax records to reflect the correction made
27 and (b) the recertification of the information provided to the Property
28 Tax Administrator pursuant to section 77-1613.01.

29 Sec. 2. Sections 2 to 6 of this act shall be known and may be cited
30 as the Property Tax Request Act.

31 Sec. 3. For purposes of the Property Tax Request Act:

1 (1) Political subdivision means any county, city, village, school
2 district, learning community, sanitary and improvement district, natural
3 resources district, educational service unit, or community college; and

4 (2) Property tax request means the total amount of property taxes
5 requested to be raised for a political subdivision through the levy
6 imposed pursuant to section 77-1601.

7 Sec. 4. Section 77-1601.02, Revised Statutes Cumulative Supplement,
8 2020, is amended to read:

9 ~~77-1601.02~~ (1) If the annual assessment of property would result in
10 an increase in the total property taxes levied by a political subdivision
11 ~~county, municipality, school district, learning community, sanitary and~~
12 ~~improvement district, natural resources district, educational service~~
13 ~~unit, or community college~~, as determined using the previous year's rate
14 of levy, such political subdivision's property tax request for the
15 current year shall be no more than its property tax request in the prior
16 year, and the political subdivision's rate of levy for the current year
17 shall be decreased accordingly when such rate is set by the county board
18 of equalization pursuant to section 77-1601. The governing body of the
19 political subdivision shall pass a resolution or ordinance to set the
20 amount of its property tax request after holding the public hearing
21 required in subsection (3) of this section. If the governing body of a
22 political subdivision seeks to set its property tax request at an amount
23 that exceeds its property tax request in the prior year, it may do so
24 after complying with the requirements of section 5 of this act holding
25 ~~the public hearing required in subsection (3) of this section and by~~
26 ~~passing a resolution or ordinance that complies with subsection (4) of~~
27 ~~this section.~~

28 (2) If the annual assessment of property would result in no change
29 or a decrease in the total property taxes levied by a political
30 subdivision ~~county, municipality, school district, learning community,~~
31 ~~sanitary and improvement district, natural resources district,~~

1 ~~educational service unit, or community college, as determined using the~~
2 ~~previous year's rate of levy, such political subdivision's property tax~~
3 ~~request for the current year shall be no more than its property tax~~
4 ~~request in the prior year, and the political subdivision's rate of levy~~
5 ~~for the current year shall be adjusted accordingly when such rate is set~~
6 ~~by the county board of equalization pursuant to section 77-1601. The~~
7 ~~governing body of the political subdivision shall pass a resolution or~~
8 ~~ordinance to set the amount of its property tax request after holding the~~
9 ~~public hearing required in subsection (3) of this section. If the~~
10 ~~governing body of a political subdivision seeks to set its property tax~~
11 ~~request at an amount that exceeds its property tax request in the prior~~
12 ~~year, it may do so after complying with the requirements of section 5 of~~
13 ~~this act holding the public hearing required in subsection (3) of this~~
14 ~~section and by passing a resolution or ordinance that complies with~~
15 ~~subsection (4) of this section.~~

16 (3) The resolution or ordinance required under this section shall
17 only be passed after a special public hearing called for such purpose is
18 held and after notice is published in a newspaper of general circulation
19 in the area of the political subdivision at least four calendar days
20 prior to the hearing. For purposes of such notice, the four calendar days
21 shall include the day of publication but not the day of hearing. If the
22 political subdivision's total operating budget, not including reserves,
23 does not exceed ten thousand dollars per year or twenty thousand dollars
24 per biennial period, the notice may be posted at the governing body's
25 principal headquarters. The hearing notice shall contain the following
26 information: The certified taxable valuation under section 13-509 for the
27 prior year, the certified taxable valuation under section 13-509 for the
28 current year, and the percentage increase or decrease in such valuations
29 from the prior year to the current year; the dollar amount of the prior
30 year's tax request and the property tax rate that was necessary to fund
31 that tax request; the property tax rate that would be necessary to fund

1 last year's tax request if applied to the current year's valuation; the
2 proposed dollar amount of the tax request for the current year and the
3 property tax rate that will be necessary to fund that tax request; the
4 percentage increase or decrease in the property tax rate from the prior
5 year to the current year; and the percentage increase or decrease in the
6 total operating budget from the prior year to the current year.

7 ~~(4) Any resolution or ordinance setting a political subdivision's~~
8 ~~property tax request at an amount that exceeds the political~~
9 ~~subdivision's property tax request in the prior year shall include, but~~
10 ~~not be limited to, the following information:~~

11 ~~(a) The name of the political subdivision;~~

12 ~~(b) The amount of the property tax request;~~

13 ~~(c) The following statements:~~

14 ~~(i) The total assessed value of property differs from last year's~~
15 ~~total assessed value by percent;~~

16 ~~(ii) The tax rate which would levy the same amount of property taxes~~
17 ~~as last year, when multiplied by the new total assessed value of~~
18 ~~property, would be \$..... per \$100 of assessed value;~~

19 ~~(iii) The (name of political subdivision) proposes to adopt a~~
20 ~~property tax request that will cause its tax rate to be \$..... per \$100~~
21 ~~of assessed value; and~~

22 ~~(iv) Based on the proposed property tax request and changes in other~~
23 ~~revenue, the total operating budget of (name of political subdivision)~~
24 ~~will exceed last year's by percent; and~~

25 ~~(d) The record vote of the governing body in passing such resolution~~
26 ~~or ordinance.~~

27 ~~(4) (5)~~ Any resolution or ordinance setting a property tax request
28 under this section shall be certified and forwarded to the county clerk
29 on or before October ~~15~~ ~~13~~ of the year for which the tax request is to
30 apply.

31 ~~(6) Any levy which is not in compliance with this section and~~

1 ~~section 77-1601 shall be construed as an unauthorized levy under section~~
2 ~~77-1606.~~

3 Sec. 5. (1) A political subdivision may set its property tax
4 request at an amount that exceeds its property tax request in the prior
5 year if:

6 (a) A public hearing is held and notice of such hearing is provided
7 in compliance with subsection (2) of this section; and

8 (b) The governing body of such political subdivision passes a
9 resolution or an ordinance that complies with subsection (3) of this
10 section.

11 (2)(a) Each political subdivision within a county that seeks to set
12 its property tax request at an amount that exceeds its property tax
13 request in the prior year shall participate in a joint public hearing. At
14 such hearing, there shall be no items on the agenda other than discussion
15 and action on each political subdivision's intent to approve a property
16 tax request that exceeds the political subdivision's property tax request
17 in the prior year.

18 (b) The joint hearing shall be held on or after August 20 and prior
19 to September 20 and before any of the participating political
20 subdivisions file their adopted budget statement pursuant to section
21 13-508.

22 (c) The joint public hearing shall be held after 6 p.m. on the
23 relevant date.

24 (d) At the joint public hearing, each political subdivision shall
25 give a brief presentation on the political subdivision's intent to
26 approve a property tax request that exceeds the political subdivision's
27 property tax request in the prior year and the effect of such request on
28 the political subdivision's budget. The presentation shall include:

29 (i) The name of the political subdivision;

30 (ii) The amount of the property tax request; and

31 (iii) The following statements:

1 (A) The total assessed value of property differs from last year's
2 total assessed value by percent;

3 (B) The tax rate which would levy the same amount of property taxes
4 as last year, when multiplied by the new total assessed value of
5 property, would be \$..... per \$100 of assessed value;

6 (C) The (name of political subdivision) proposes to adopt a property
7 tax request that will cause its tax rate to be \$..... per \$100 of
8 assessed value;

9 (D) Based on the proposed property tax request and changes in other
10 revenue, the total operating budget of (name of political subdivision)
11 will exceed last year's by percent; and

12 (E) To obtain more information regarding the increase in the
13 property tax request, citizens may contact the (name of political
14 subdivision) at (phone number and email address of political
15 subdivision).

16 (e) At the joint public hearing, interested parties desiring to be
17 heard shall be given an opportunity to present oral testimony:

18 (i) Within reasonable time limits, which shall be no less than three
19 minutes; and

20 (ii) Without unreasonable restriction on the number of individuals
21 allowed to make public comment.

22 (f) Notice of the joint public hearing shall be provided:

23 (i) By sending a postcard to all affected property taxpayers. The
24 postcard shall be sent to the name and address to which the property tax
25 statement is mailed; and

26 (ii) By posting notice of the hearing on the main page of the
27 relevant county's web site.

28 (g) The county shall mail the postcards required in this subsection.
29 The cost of mailing the postcards shall be divided among the political
30 subdivisions participating in the joint public hearing.

31 (h) The postcard sent by the county under this subsection and the

1 notice posted on the county's web site shall include the date, time, and
2 location for the public hearing, a listing of and contact information for
3 each political subdivision that will be participating in the public
4 hearing, and the amount of each participating political subdivision's
5 property tax request. The notice shall also contain the following
6 information with respect to each participating political subdivision:

7 NOTICE OF PROPOSED TAX INCREASE

8 (NAME OF POLITICAL SUBDIVISION)

9 The (name of political subdivision) is proposing to increase the
10 amount of revenue generated by its property tax request.

11 The total assessed value of property differs from last year's total
12 assessed value by percent.

13 The tax rate which would levy the same amount of property taxes as
14 last year, when multiplied by the new total assessed value of property,
15 would be \$..... per \$100 of assessed value.

16 The (name of political subdivision) proposes to adopt a property tax
17 request that will cause its tax rate to be \$..... per \$100 of assessed
18 value.

19 Based on the proposed property tax request and changes in other
20 revenue, the total operating budget of (name of political subdivision)
21 will exceed last year's by percent.

22 All concerned citizens are invited to a public hearing on the
23 proposed increase in the political subdivision's property tax request.

24 (3) Any resolution or ordinance setting a political subdivision's
25 property tax request at an amount that exceeds the political
26 subdivision's property tax request in the prior year shall include, but
27 not be limited to, the following information:

28 (a) The name of the political subdivision;

29 (b) The amount of the property tax request;

30 (c) The following statements:

31 (i) The total assessed value of property differs from last year's

1 total assessed value by percent;

2 (ii) The tax rate which would levy the same amount of property taxes
3 as last year, when multiplied by the new total assessed value of
4 property, would be \$..... per \$100 of assessed value;

5 (iii) The (name of political subdivision) proposes to adopt a
6 property tax request that will cause its tax rate to be \$..... per \$100
7 of assessed value; and

8 (iv) Based on the proposed property tax request and changes in other
9 revenue, the total operating budget of (name of political subdivision)
10 will exceed last year's by percent; and

11 (d) The record vote of the governing body in passing such resolution
12 or ordinance.

13 (4) Any resolution or ordinance setting a property tax request under
14 this section shall be certified and forwarded to the county clerk on or
15 before October 15 of the year for which the tax request is to apply.

16 Sec. 6. Any levy which is not in compliance with the Property Tax
17 Request Act and section 77-1601 shall be construed as an unauthorized
18 levy under section 77-1606.

19 Sec. 7. Section 77-1776, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 77-1776 Any political subdivision which has received proceeds from a
22 levy imposed on all taxable property within an entire county which is in
23 excess of that requested by the political subdivision under the Property
24 Tax Request Act ~~section 77-1601.02~~ as a result of a clerical error or
25 mistake shall, in the fiscal year following receipt, return the excess
26 tax collections, net of the collection fee, to the county. By July 31 of
27 the fiscal year following the receipt of any excess tax collections, the
28 county treasurer shall certify to the political subdivision the amount to
29 be returned. Such excess tax collections shall be restricted funds in the
30 budget of the county that receives the funds under section 13-518.

31 Sec. 8. Section 77-3443, Revised Statutes Cumulative Supplement,

1 2020, is amended to read:

2 77-3443 (1) All political subdivisions, other than (a) school
3 districts, community colleges, natural resources districts, educational
4 service units, cities, villages, counties, municipal counties, rural and
5 suburban fire protection districts that have levy authority pursuant to
6 subsection (10) of section 77-3442, and sanitary and improvement
7 districts and (b) political subdivisions subject to municipal allocation
8 under subsection (2) of this section, may levy taxes as authorized by law
9 which are authorized by the county board of the county or the council of
10 a municipal county in which the greatest portion of the valuation is
11 located, which are counted in the county or municipal county levy limit
12 provided in section 77-3442, and which do not collectively total more
13 than fifteen cents per one hundred dollars of taxable valuation on any
14 parcel or item of taxable property for all governments for which
15 allocations are made by the municipality, county, or municipal county,
16 except that such limitation shall not apply to property tax levies for
17 preexisting lease-purchase contracts approved prior to July 1, 1998, for
18 bonded indebtedness approved according to law and secured by a levy on
19 property, and for payments by a public airport to retire interest-free
20 loans from the Division of Aeronautics of the Department of
21 Transportation in lieu of bonded indebtedness at a lower cost to the
22 public airport. The county board or council shall review and approve or
23 disapprove the levy request of all political subdivisions subject to this
24 subsection. The county board or council may approve all or a portion of
25 the levy request and may approve a levy request that would allow the
26 requesting political subdivision to levy a tax at a levy greater than
27 that permitted by law. Unless a transit authority elects to convert to a
28 regional metropolitan transit authority in accordance with the Regional
29 Metropolitan Transit Authority Act, and for each fiscal year of such a
30 transit authority until the first fiscal year commencing after the
31 effective date of such conversion, the county board of a county or the

1 council of a municipal county which contains a transit authority
2 established pursuant to the Transit Authority Law shall allocate no less
3 than three cents per one hundred dollars of taxable property within the
4 city or municipal county subject to the levy to the transit authority if
5 requested by such authority. For any political subdivision subject to
6 this subsection that receives taxes from more than one county or
7 municipal county, the levy shall be allocated only by the county or
8 municipal county in which the greatest portion of the valuation is
9 located. The county board of equalization shall certify all levies by
10 October ~~20~~ 15 to insure that the taxes levied by political subdivisions
11 subject to this subsection do not exceed the allowable limit for any
12 parcel or item of taxable property. The levy allocated by the county or
13 municipal county may be exceeded as provided in section 77-3444.

14 (2) All city airport authorities established under the Cities
15 Airport Authorities Act, community redevelopment authorities established
16 under the Community Development Law, transit authorities established
17 under the Transit Authority Law unless and until the first fiscal year
18 commencing after the effective date of any conversion by such a transit
19 authority into a regional metropolitan transit authority pursuant to the
20 Regional Metropolitan Transit Authority Act, and offstreet parking
21 districts established under the Offstreet Parking District Act may be
22 allocated property taxes as authorized by law which are authorized by the
23 city, village, or municipal county and are counted in the city or village
24 levy limit or municipal county levy limit provided by section 77-3442,
25 except that such limitation shall not apply to property tax levies for
26 preexisting lease-purchase contracts approved prior to July 1, 1998, for
27 bonded indebtedness approved according to law and secured by a levy on
28 property, and for payments by a public airport to retire interest-free
29 loans from the Division of Aeronautics of the Department of
30 Transportation in lieu of bonded indebtedness at a lower cost to the
31 public airport. For offstreet parking districts established under the

1 Offstreet Parking District Act, the tax shall be counted in the
2 allocation by the city proportionately, by dividing the total taxable
3 valuation of the taxable property within the district by the total
4 taxable valuation of the taxable property within the city multiplied by
5 the levy of the district. Unless a transit authority elects to convert
6 into a regional metropolitan transit authority pursuant to the Regional
7 Metropolitan Transit Authority Act, and for each fiscal year of such a
8 transit authority until the first fiscal year commencing after the
9 effective date of such conversion, the city council of a city which has
10 established a transit authority pursuant to the Transit Authority Law or
11 the council of a municipal county which contains a transit authority
12 shall allocate no less than three cents per one hundred dollars of
13 taxable property subject to the levy to the transit authority if
14 requested by such authority. The city council, village board, or council
15 shall review and approve or disapprove the levy request of the political
16 subdivisions subject to this subsection. The city council, village board,
17 or council may approve all or a portion of the levy request and may
18 approve a levy request that would allow a levy greater than that
19 permitted by law. The levy allocated by the municipality or municipal
20 county may be exceeded as provided in section 77-3444.

21 (3) On or before August 1, all political subdivisions subject to
22 county, municipal, or municipal county levy authority under this section
23 shall submit a preliminary request for levy allocation to the county
24 board, city council, village board, or council that is responsible for
25 levying such taxes. The preliminary request of the political subdivision
26 shall be in the form of a resolution adopted by a majority vote of
27 members present of the political subdivision's governing body. The
28 failure of a political subdivision to make a preliminary request shall
29 preclude such political subdivision from using procedures set forth in
30 section 77-3444 to exceed the final levy allocation as determined in
31 subsection (4) of this section.

1 (4) Each county board, city council, village board, or council shall
2 (a) adopt a resolution by a majority vote of members present which
3 determines a final allocation of levy authority to its political
4 subdivisions and (b) forward a copy of such resolution to the chairperson
5 of the governing body of each of its political subdivisions. No final
6 levy allocation shall be changed after September 1 except by agreement
7 between both the county board, city council, village board, or council
8 which determined the amount of the final levy allocation and the
9 governing body of the political subdivision whose final levy allocation
10 is at issue.

11 Sec. 9. This act becomes operative on January 1, 2022.

12 Sec. 10. Original sections 77-1601 and 77-1776, Reissue Revised
13 Statutes of Nebraska, and sections 77-1601.02 and 77-3443, Revised
14 Statutes Cumulative Supplement, 2020, are repealed.