

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SPECIAL SESSION

LEGISLATIVE BILL 22

Introduced by Cavanaugh, J., 9.

Read first time July 26, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-3509.01, 77-3509.03, 77-3510, 77-3514, and 77-3516, Reissue
3 Revised Statutes of Nebraska; sections 77-3512 and 77-3513, Revised
4 Statutes Supplement, 2023; sections 77-3501, 77-3506.03, 77-3511,
5 77-3521, and 77-3529, Reissue Revised Statutes of Nebraska, as
6 amended by Laws 2024, LB126, sections 2, 4, 5, 7, and 10,
7 respectively; sections 77-3517 and 77-3523, Revised Statutes
8 Cumulative Supplement, 2022, as amended by Laws 2024, LB126,
9 sections 6 and 9; and sections 77-3522 and 77-4212, Revised Statutes
10 Supplement, 2023, as amended by Laws 2024, LB126, sections 8 and 11;
11 to state findings and declarations; to create a homestead exemption;
12 to harmonize provisions; to provide an operative date; and to repeal
13 the original sections.

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

1 Section 1. Section 77-3501, Reissue Revised Statutes of Nebraska, as
2 amended by Laws 2024, LB126, section 2, is amended to read:

3 77-3501 For purposes of sections 77-3501 to 77-3529, ~~and~~ section 3
4 of this act, and section 3 of this act, unless the context otherwise
5 requires, the definitions found in sections 77-3501.01 to 77-3505.05 and
6 section 3 of this act shall be used.

7 Sec. 2. Section 77-3506.03, Reissue Revised Statutes of Nebraska, as
8 amended by Laws 2024, LB126, section 4, is amended to read:

9 77-3506.03 (1) Except as provided in subsection (2) of this section,
10 for homesteads valued at or above the maximum value, the exempt amount
11 for any exemption under section 77-3507 or 77-3508 shall be reduced by
12 ten percent for each two thousand five hundred dollars of value by which
13 the homestead exceeds the maximum value and any homestead which exceeds
14 the maximum value by twenty thousand dollars or more is not eligible for
15 any exemption under section 77-3507 or 77-3508.

16 (2)(a) For homesteads valued at or above the maximum value, the
17 exempt amount shall not be reduced and the homestead shall remain
18 eligible for an exemption under section 77-3507 or 77-3508 for the
19 current year if the homestead:

20 (i) Received an exemption under section 77-3507 or 77-3508 in the
21 previous year;

22 (ii) Was valued below the maximum value in such previous year; and

23 (iii) Is not ineligible for an exemption under section 77-3507 or
24 77-3508 for any reason other than as provided in subsection (1) of this
25 section.

26 (b) If a homestead remains eligible for an exemption under
27 subdivision (a) of this subsection for any year, the homestead shall
28 continue to be eligible for each year thereafter unless the homestead is
29 not eligible for such exemption for any reason other than as provided in
30 subsection (1) of this section.

31 (c) The percentage of the exempt amount for a homestead for any year

1 such homestead is valued at or above the maximum value and remains
2 eligible for exemption under this subsection shall be equal to the
3 percentage of the exempt amount for the homestead in the last year the
4 homestead received an exemption under section 77-3507 or 77-3508 and was
5 valued below the maximum value.

6 (d) If the homestead's increase in value from the previous year to a
7 value at or above the maximum value is due to improvements to the
8 homestead, this subsection shall not apply to such homestead.

9 (3) This section shall not apply to any exemption under section
10 77-3506 or section 3 of this act.

11 Sec. 3. (1) The Legislature finds and declares that:

12 (a) Pursuant to Article VIII, section 2, of the Constitution of
13 Nebraska, the Legislature may exempt from taxation a portion of the value
14 of any residence actually occupied as a homestead by any classification
15 of owners;

16 (b) The existing homestead exemption system should be protected and
17 expanded; and

18 (c) Exempting a larger portion of homesteads from taxation will
19 provide broad-based property tax relief to Nebraska residents.

20 (2) All homesteads in this state shall be assessed for taxation the
21 same as other property, except that commencing January, 1, 2025, there
22 shall be exempt from taxation of homesteads the first one hundred
23 thousand dollars of the actual value of the homestead.

24 (3) The exemptions in sections 77-3506, 77-3507, and 77-3508 shall
25 be in addition to the exemption described in subsection (2) of this
26 section.

27 Sec. 4. Section 77-3509.01, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 77-3509.01 If an owner of a homestead applies for an exemption under
30 section 77-3506, 77-3507, or 77-3508 or section 3 of this act for any
31 year and such owner subsequently becomes the owner of another homestead

1 prior to August 15 of such year, the owner may file an application with
2 the county assessor of the county where the new homestead is located for
3 a transfer of the exemption to the new homestead. The owner shall file
4 the application for transfer with the county assessor on or before August
5 15 of such year or within thirty days after receiving a notice of
6 rejection on the owner's application for exemption for the original
7 homestead. The county assessor shall examine each application for
8 transfer and determine whether or not the new homestead, except for the
9 January 1 through August 15 ownership and occupancy requirement and the
10 income requirements, is eligible for exemption under section 77-3506,
11 77-3507, or 77-3508 or section 3 of this act. If the application for
12 transfer is approved by the county assessor, he or she shall make a
13 deduction upon the assessment rolls using the same criteria as previously
14 applied to the original homestead. The county assessor may allow the
15 application for transfer to also be considered an application for a
16 homestead exemption for the subsequent year.

17 Sec. 5. Section 77-3509.03, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 77-3509.03 All property tax statements for homesteads granted an
20 exemption in sections 77-3506, 77-3507, and 77-3508 and section 3 of this
21 act shall show the amount of the exemption, the tax that would otherwise
22 be due, and a statement that the tax loss shall be reimbursed by the
23 state as a homestead exemption.

24 Sec. 6. Section 77-3510, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 77-3510 On or before February 1 of each year, the Tax Commissioner
27 shall prescribe forms to be used by all claimants for homestead exemption
28 or for transfer of homestead exemption. Such forms shall contain
29 provisions for the showing of all information which the Tax Commissioner
30 may deem necessary to (1) enable the county officials and the Tax
31 Commissioner to determine whether each claim for exemption under sections

1 77-3506, 77-3507, and 77-3508 and section 3 of this act should be allowed
2 and (2) enable the county assessor to determine whether each claim for
3 transfer of homestead exemption pursuant to section 77-3509.01 should be
4 allowed. It shall be the duty of the county assessor of each county in
5 this state to furnish such forms, upon request, to each person desiring
6 to make application for homestead exemption or for transfer of homestead
7 exemption. The forms so prescribed shall be used uniformly throughout the
8 state, and no application for exemption or for transfer of homestead
9 exemption shall be allowed unless the applicant uses the prescribed form
10 in making an application. The forms shall require the attachment of an
11 income statement for any applicant seeking an exemption under section
12 77-3507 or 77-3508 as prescribed by the Tax Commissioner fully accounting
13 for all household income. The Tax Commissioner shall provide to each
14 county assessor claim forms and address lists of applicants from the
15 prior year in the manner approved by the Tax Commissioner. The
16 application and information contained on any attachments to the
17 application shall be confidential and available to tax officials only.

18 Sec. 7. Section 77-3511, Reissue Revised Statutes of Nebraska, as
19 amended by Laws 2024, LB126, section 5, is amended to read:

20 77-3511 The application for homestead exemption or for transfer of
21 homestead exemption shall be signed by the owner of the property who
22 qualifies for exemption under sections 77-3501 to 77-3529, ~~and~~ section 3
23 of this act, and section 3 of this act unless the owner is an incompetent
24 or unable to make such application, in which case it shall be signed by
25 the guardian. If an owner who in all respects qualifies for a homestead
26 exemption under such sections dies after January 1 and before the last
27 day for filing an application for a homestead exemption and before
28 applying for a homestead exemption, his or her personal representative
29 may file the application for exemption on or before the last day for
30 filing an application for a homestead exemption of that year if the
31 surviving spouse of such owner continues to occupy the homestead. Any

1 exemption granted as a result of such application signed by a personal
2 representative shall be in effect for only the year in which the owner
3 died.

4 Sec. 8. Section 77-3512, Revised Statutes Supplement, 2023, is
5 amended to read:

6 77-3512 (1) It shall be the duty of each owner who wants a homestead
7 exemption under section 77-3506, 77-3507, or 77-3508 or section 3 of this
8 act to file an application therefor with the county assessor of the
9 county in which the homestead is located after February 1 and on or
10 before June 30 of each year, except that:

11 (a) The county board of the county in which the homestead is located
12 may, by majority vote, extend the deadline for an applicant to on or
13 before July 20. An extension shall not be granted to an applicant who
14 received an extension in the immediately preceding year;

15 (b) An owner may file a late application pursuant to section
16 77-3514.01 if he or she includes documentation of a medical condition
17 which impaired the owner's ability to file the application in a timely
18 manner;

19 (c) An owner may file a late application pursuant to section
20 77-3514.01 if he or she includes a copy of the death certificate of a
21 spouse who died during the year for which the exemption is requested;

22 (d) A veteran qualifying for a homestead exemption under subdivision
23 (2)(a) of section 77-3506 shall only be required to file an application
24 in every subsequent year evenly divisible by five; and

25 (e) If a veteran who has been granted a homestead exemption under
26 subdivision (2)(a) of section 77-3506 dies during the five-year exemption
27 period, the surviving spouse of such veteran shall continue to receive
28 such exemption for the remainder of the five-year exemption period. After
29 the expiration of the five-year exemption period, the surviving spouse
30 shall be required to file for an exemption under subdivision (2)(b) of
31 section 77-3506 on an annual basis.

1 (2) Failure to file an application as required in subsection (1) of
2 this section shall constitute a waiver of the exemption for the year in
3 which the failure occurred.

4 Sec. 9. Section 77-3513, Revised Statutes Supplement, 2023, is
5 amended to read:

6 77-3513 The county assessor shall mail a notice on or before April 1
7 to claimants who are the owners of a homestead which was granted an
8 exemption under section 77-3506, 77-3507, or 77-3508 or section 3 of this
9 act and who are required to refile for such exemption in the current year
10 unless the claimant has already filed the application for the current
11 year or the county assessor has reason to believe there has been a change
12 of circumstances so that the claimant no longer qualifies. The notice
13 shall include the claimant's name, the application deadlines for the
14 current year, a list of documents that must be filed with the
15 application, and the county assessor's office address and telephone
16 number.

17 Sec. 10. Section 77-3514, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 77-3514 A claimant who is the owner of a homestead which has been
20 granted an exemption under section 77-3506, 77-3507, or 77-3508 or
21 section 3 of this act may notify the county assessor by August 15 of each
22 year of any change in the homestead exemption status occurring in the
23 preceding portion of the calendar year as a result of a transfer of the
24 homestead exemption pursuant to sections 77-3509.01 and 77-3509.02. If by
25 his or her failure to give such notice any property owner permits the
26 allowance of the homestead exemption for any year after the homestead
27 exemption status of such property has changed, an amount equal to the
28 amount of the taxes lawfully due but not paid by reason of such unlawful
29 and improper allowance of homestead exemption, together with penalty and
30 interest on such total sum as provided by statute on delinquent ad
31 valorem taxes, shall be due and shall upon entry of the amount thereof on

1 the books of the county treasurer be a lien on such property while
2 unpaid. Such lien may be enforced in the manner provided for liens for
3 other delinquent taxes. Any person who has permitted the improper and
4 unlawful allowance of such homestead exemption on his or her property
5 shall, as an additional penalty, also forfeit his or her right to a
6 homestead exemption on any property in this state for the two succeeding
7 years.

8 Sec. 11. Section 77-3516, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 77-3516 The county assessor shall examine each application for
11 homestead exemption filed with him or her for an exemption pursuant to
12 section 77-3506, 77-3507, or 77-3508 or section 3 of this act and shall
13 determine, except for the income requirements, whether or not such
14 application should be approved or rejected. If the application is
15 approved, the county assessor shall mark the same approved and sign the
16 application. In case he or she finds that the exemption should not be
17 allowed by reason of not being in conformity to law, the county assessor
18 shall mark the application rejected, state thereon the reason for such
19 rejection, and sign the application. In any case when the county assessor
20 rejects an application for exemption, he or she shall notify the
21 applicant of such action by mailing written notice to the applicant at
22 the address shown in the application within ten days after the
23 application is rejected. The notice shall be on forms prescribed by the
24 Tax Commissioner.

25 Sec. 12. Section 77-3517, Revised Statutes Cumulative Supplement,
26 2022, as amended by Laws 2024, LB126, section 6, is amended to read:

27 77-3517 (1) On or before August 1 of each year, the county assessor
28 shall forward the approved applications for homestead exemptions and a
29 copy of the certification of disability status that have been examined
30 pursuant to section 77-3516 to the Tax Commissioner. The Tax Commissioner
31 shall determine if the applicant meets the income requirements and may

1 also review any other application information he or she deems necessary
2 in order to determine whether the application should be approved. The Tax
3 Commissioner shall, on or before November 1, certify his or her
4 determinations to the county assessor. If the application is approved,
5 the county assessor shall make the proper deduction on the assessment
6 rolls. If the application is denied or approved in part, the Tax
7 Commissioner shall notify the applicant of the denial or partial approval
8 by mailing written notice to the applicant at the address shown on the
9 application. The applicant may appeal the Tax Commissioner's denial or
10 partial approval pursuant to section 77-3520. Late applications
11 authorized under section 77-3512 shall be processed in a similar manner
12 after approval by the county assessor. If the Tax Commissioner approves a
13 late application after any of the real estate taxes in question become
14 delinquent, such delinquency and any interest associated with the amount
15 of the approved exemption shall be removed from the tax rolls of the
16 county within thirty days after the county assessor receives notice from
17 the Tax Commissioner of the approved exemption.

18 (2)(a) Upon his or her own action or upon a request by an applicant,
19 a spouse, or an owner-occupant, the Tax Commissioner may review any
20 information necessary to determine whether an application is in
21 compliance with sections 77-3501 to 77-3529, ~~and~~ section 3 of this act,
22 and section 3 of this act. Any action taken by the Tax Commissioner
23 pursuant to this subsection shall be taken within three years after
24 December 31 of the year in which the exemption was claimed.

25 (b) If after completion of the review the Tax Commissioner
26 determines that an exemption should have been approved or increased, the
27 Tax Commissioner shall notify the applicant, spouse, or owner-occupant
28 and the county treasurer and assessor of his or her determination. The
29 applicant, spouse, or owner-occupant shall receive a refund of the tax,
30 if any, that was paid as a result of the exemption being denied, in whole
31 or in part. The county treasurer shall make the refund and shall amend

1 the county's claim for reimbursement from the state.

2 (c) If after completion of the review the Tax Commissioner
3 determines that an exemption should have been denied or reduced, the Tax
4 Commissioner shall notify the applicant, spouse, or owner-occupant of
5 such denial or reduction. The applicant, the spouse, and any owner-
6 occupant may appeal the Tax Commissioner's denial or reduction pursuant
7 to section 77-3520. Upon the expiration of the appeal period in section
8 77-3520, the Tax Commissioner shall notify the county assessor of the
9 denial or reduction and the county assessor shall remove or reduce the
10 exemption from the tax rolls of the county. Upon notification by the Tax
11 Commissioner to the county assessor, the amount of tax due as a result of
12 the action of the Tax Commissioner shall become a lien on the homestead
13 until paid. Upon attachment of the lien, the county treasurer shall
14 refund to the Tax Commissioner the amount of tax equal to the denied or
15 reduced exemption for deposit into the General Fund. No lien shall be
16 created if a change in ownership of the homestead or death of the
17 applicant, the spouse, and all other owner-occupants has occurred prior
18 to the Tax Commissioner's notice to the county assessor. Beginning thirty
19 days after the county assessor receives approval from the county board to
20 remove or reduce the exemption from the tax rolls of the county, interest
21 at the rate specified in section 45-104.01, as such rate may from time to
22 time be adjusted by the Legislature, shall begin to accrue on the amount
23 of tax due.

24 Sec. 13. Section 77-3521, Reissue Revised Statutes of Nebraska, as
25 amended by Laws 2024, LB126, section 7, is amended to read:

26 77-3521 It shall be the duty of the Tax Commissioner to adopt and
27 promulgate rules and regulations for the information and guidance of the
28 county assessors and county boards of equalization, not inconsistent with
29 sections 77-3501 to 77-3529, ~~and~~ section 3 of this act, and section 3 of
30 this act, affecting the application, hearing, assessment, or equalization
31 of property which is claimed to be entitled to the exemption granted by

1 such sections.

2 Sec. 14. Section 77-3522, Revised Statutes Supplement, 2023, as
3 amended by Laws 2024, LB126, section 8, is amended to read:

4 77-3522 (1) Any person who makes any false or fraudulent claim for
5 exemption or any false statement or false representation of a material
6 fact in support of such claim or any person who knowingly assists another
7 in the preparation of any such false or fraudulent claim or enters into
8 any collusion with another by the execution of a fictitious deed or other
9 instrument for the purpose of obtaining unlawful exemption under sections
10 77-3501 to 77-3529, ~~and section 3 of this act,~~ and section 3 of this act
11 shall be guilty of a Class II misdemeanor and shall be subject to a
12 forfeiture of any such exemption for a period of two years from the date
13 of conviction. Any person who shall make an oath or affirmation to any
14 false or fraudulent application for homestead exemption knowing the same
15 to be false or fraudulent shall be guilty of a Class I misdemeanor.

16 (2) In addition to the penalty provided in subsection (1) of this
17 section, if any person (a) files a claim for exemption as provided in
18 section 77-3506, 77-3507, or 77-3508 or section 3 of this act which is
19 excessive due to misstatements by the owner filing such claim or (b)
20 fails to notify the county assessor of a change in status of a veteran
21 qualifying for a homestead exemption under subdivision (2)(a) of section
22 77-3506 which affected all or a portion of the exemption period,
23 including a change in rating, the death of the veteran, or a transfer of
24 property not covered by section 77-3514, the claim may be disallowed in
25 full and, if the claim has been allowed, an amount equal to the amount of
26 taxes lawfully due during the applicable exemption period but not paid by
27 reason of such unlawful and improper allowance of homestead exemption
28 shall be due and shall upon entry of the amount thereof on the books of
29 the county treasurer be a lien on such property until paid and a penalty
30 and interest on such total sum as provided by statute on delinquent ad
31 valorem taxes shall be assessed. Any amount paid to satisfy a lien

1 imposed pursuant to this subsection shall be paid to the county treasurer
2 in the same manner that other property taxes are paid, and the county
3 treasurer shall remit such amount to the State Treasurer for credit to
4 the General Fund. Any penalty collected pursuant to this subsection shall
5 be retained by the county in which such penalty is assessed.

6 (3) For any veteran claiming a homestead exemption under subdivision
7 (2)(a) of section 77-3506, the county assessor may revoke such exemption
8 back to the date on which the county assessor has reason to believe that
9 the exemption was improper upon notice to the veteran of the revocation.
10 The veteran may then provide evidence in favor of receiving the exemption
11 to the county assessor, and the county assessor may revise any revocation
12 based on such evidence. Any decision of the county assessor to revoke a
13 homestead exemption under this subsection may be appealed to the county
14 board of equalization within thirty days after the decision. The county
15 board of equalization may reverse or modify the revocation if there is
16 clear and convincing evidence that the veteran qualified for the
17 exemption for a particular period of time.

18 (4) Any additional taxes or penalties imposed pursuant to this
19 section may be appealed in the same manner as appeals are made under
20 section 77-3519.

21 Sec. 15. Section 77-3523, Revised Statutes Cumulative Supplement,
22 2022, as amended by Laws 2024, LB126, section 9, is amended to read:

23 77-3523 The county treasurer and county assessor shall, on or before
24 November 30 of each year, certify to the Tax Commissioner the total tax
25 revenue that will be lost to all taxing agencies within the county from
26 taxes levied and assessed in that year because of exemptions allowed
27 under sections 77-3501 to 77-3529, ~~and~~ section 3 of this act, and section
28 3 of this act. The county treasurer and county assessor may amend the
29 certification to show any change or correction in the total tax that will
30 be lost until May 30 of the next succeeding year. If a homestead
31 exemption is approved, denied, or corrected by the Tax Commissioner under

1 subsection (2) of section 77-3517 after May 1 of the next year, the
2 county treasurer and county assessor shall prepare and submit amended
3 reports to the Tax Commissioner and the political subdivisions covering
4 any affected year and shall adjust the reimbursement to the county and
5 the other political subdivisions by adjusting the reimbursement due under
6 this section in later years. The Tax Commissioner shall, on or before
7 January 1 next following such certification or within thirty days of any
8 amendment to the certification, notify the Director of Administrative
9 Services of the amount so certified to be reimbursed by the state.
10 Reimbursement of the funds lost shall be made to each county according to
11 the certification and shall be distributed in six as nearly as possible
12 equal monthly payments on the last business day of each month beginning
13 in January. The Director of Administrative Services shall, on the last
14 business day of each month, issue payments by electronic funds transfer.
15 Out of the amount so received the county treasurer shall distribute to
16 each of the taxing agencies within his or her county the full amount so
17 lost by such agency, except that one percent of such amount shall be
18 deposited in the county general fund and that the amount due a Class V
19 school district shall be paid to the district and the county shall be
20 compensated one percent of such amount. Each taxing agency shall, in
21 preparing its annual or biennial budget, take into account the amount to
22 be received under this section.

23 Sec. 16. Section 77-3529, Reissue Revised Statutes of Nebraska, as
24 amended by Laws 2024, LB126, section 10, is amended to read:

25 77-3529 If any application for exemption pursuant to sections
26 77-3501 to 77-3529, ~~and section 3 of this act, and section 3 of this act~~
27 is denied and the applicant would be qualified for any other exemption
28 under such sections, then such denied application shall be treated as an
29 application for the highest exemption for which qualified. Any additional
30 documentation necessary for such other exemption shall be submitted to
31 the county assessor within a reasonable time after receipt of the notice

1 of denial.

2 Sec. 17. Section 77-4212, Revised Statutes Supplement, 2023, as
3 amended by Laws 2024, LB126, section 11, is amended to read:

4 77-4212 (1) For tax year 2007, the amount of relief granted under
5 the Property Tax Credit Act shall be one hundred five million dollars.
6 For tax year 2008, the amount of relief granted under the act shall be
7 one hundred fifteen million dollars. It is the intent of the Legislature
8 to fund the Property Tax Credit Act for tax years after tax year 2008
9 using available revenue. For tax year 2017, the amount of relief granted
10 under the act shall be two hundred twenty-four million dollars. For tax
11 year 2020 through tax year 2022, the minimum amount of relief granted
12 under the act shall be two hundred seventy-five million dollars. For tax
13 year 2023, the minimum amount of relief granted under the act shall be
14 three hundred sixty million dollars. For tax year 2024, the minimum
15 amount of relief granted under the act shall be three hundred ninety-five
16 million dollars. For tax year 2025, the minimum amount of relief granted
17 under the act shall be four hundred thirty million dollars. For tax year
18 2026, the minimum amount of relief granted under the act shall be four
19 hundred forty-five million dollars. For tax year 2027, the minimum amount
20 of relief granted under the act shall be four hundred sixty million
21 dollars. For tax year 2028, the minimum amount of relief granted under
22 the act shall be four hundred seventy-five million dollars. For tax year
23 2029, the minimum amount of relief granted under the act shall be the
24 minimum amount from the prior tax year plus a percentage increase equal
25 to the percentage increase, if any, in the total assessed value of all
26 real property in the state from the prior year to the current year, as
27 determined by the Department of Revenue, plus an additional seventy-five
28 million dollars. For tax year 2030 and each tax year thereafter, the
29 minimum amount of relief granted under the act shall be the minimum
30 amount from the prior tax year plus a percentage increase equal to the
31 percentage increase, if any, in the total assessed value of all real

1 property in the state from the prior year to the current year, as
2 determined by the Department of Revenue. If money is transferred or
3 credited to the Property Tax Credit Cash Fund pursuant to any other state
4 law, such amount shall be added to the minimum amount required under this
5 subsection when determining the total amount of relief granted under the
6 act. The relief shall be in the form of a property tax credit which
7 appears on the property tax statement.

8 (2)(a) For tax years prior to tax year 2017, to determine the amount
9 of the property tax credit, the county treasurer shall multiply the
10 amount disbursed to the county under subdivision (4)(a) of this section
11 by the ratio of the real property valuation of the parcel to the total
12 real property valuation in the county. The amount determined shall be the
13 property tax credit for the property.

14 (b) Beginning with tax year 2017, to determine the amount of the
15 property tax credit, the county treasurer shall multiply the amount
16 disbursed to the county under subdivision (4)(b) of this section by the
17 ratio of the credit allocation valuation of the parcel to the total
18 credit allocation valuation in the county. The amount determined shall be
19 the property tax credit for the property.

20 (3) If the real property owner qualifies for a homestead exemption
21 under sections 77-3501 to 77-3529, ~~and section 3 of this act,~~ and section
22 3 of this act, the owner shall also be qualified for the relief provided
23 in the act to the extent of any remaining liability after calculation of
24 the relief provided by the homestead exemption. If the credit results in
25 a property tax liability on the homestead that is less than zero, the
26 amount of the credit which cannot be used by the taxpayer shall be
27 returned to the Property Tax Administrator by July 1 of the year the
28 amount disbursed to the county was disbursed. The Property Tax
29 Administrator shall immediately credit any funds returned under this
30 subsection to the Property Tax Credit Cash Fund. Upon the return of any
31 funds under this subsection, the county treasurer shall electronically

1 file a report with the Property Tax Administrator, on a form prescribed
2 by the Tax Commissioner, indicating the amount of funds distributed to
3 each taxing unit in the county in the year the funds were returned, any
4 collection fee retained by the county in such year, and the amount of
5 unused credits returned.

6 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
7 each county shall be equal to the amount available for disbursement
8 determined under subsection (1) of this section multiplied by the ratio
9 of the real property valuation in the county to the real property
10 valuation in the state. By September 15, the Property Tax Administrator
11 shall determine the amount to be disbursed under this subdivision to each
12 county and certify such amounts to the State Treasurer and to each
13 county. The disbursements to the counties shall occur in two equal
14 payments, the first on or before January 31 and the second on or before
15 April 1. After retaining one percent of the receipts for costs, the
16 county treasurer shall allocate the remaining receipts to each taxing
17 unit levying taxes on taxable property in the tax district in which the
18 real property is located in the same proportion that the levy of such
19 taxing unit bears to the total levy on taxable property of all the taxing
20 units in the tax district in which the real property is located.

21 (b) Beginning with tax year 2017, the amount disbursed to each
22 county shall be equal to the amount available for disbursement determined
23 under subsection (1) of this section multiplied by the ratio of the
24 credit allocation valuation in the county to the credit allocation
25 valuation in the state. By September 15, the Property Tax Administrator
26 shall determine the amount to be disbursed under this subdivision to each
27 county and certify such amounts to the State Treasurer and to each
28 county. The disbursements to the counties shall occur in two equal
29 payments, the first on or before January 31 and the second on or before
30 April 1. After retaining one percent of the receipts for costs, the
31 county treasurer shall allocate the remaining receipts to each taxing

1 unit based on its share of the credits granted to all taxpayers in the
2 taxing unit.

3 (5) For purposes of this section, credit allocation valuation means
4 the taxable value for all real property except agricultural land and
5 horticultural land, one hundred twenty percent of taxable value for
6 agricultural land and horticultural land that is not subject to special
7 valuation, and one hundred twenty percent of taxable value for
8 agricultural land and horticultural land that is subject to special
9 valuation.

10 (6) The State Treasurer shall transfer from the General Fund to the
11 Property Tax Credit Cash Fund one hundred five million dollars by August
12 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

13 (7) The Legislature shall have the power to transfer funds from the
14 Property Tax Credit Cash Fund to the General Fund.

15 Sec. 18. This act becomes operative on January 1, 2025.

16 Sec. 19. Original sections 77-3509.01, 77-3509.03, 77-3510,
17 77-3514, and 77-3516, Reissue Revised Statutes of Nebraska; sections
18 77-3512 and 77-3513, Revised Statutes Supplement, 2023; sections 77-3501,
19 77-3506.03, 77-3511, 77-3521, and 77-3529, Reissue Revised Statutes of
20 Nebraska, as amended by Laws 2024, LB126, sections 2, 4, 5, 7, and 10,
21 respectively; sections 77-3517 and 77-3523, Revised Statutes Cumulative
22 Supplement, 2022, as amended by Laws 2024, LB126, sections 6 and 9; and
23 sections 77-3522 and 77-4212, Revised Statutes Supplement, 2023, as
24 amended by Laws 2024, LB126, sections 8 and 11, are repealed.