

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 209**

Introduced by von Gillern, 4.

Read first time January 14, 2025

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-202 and 77-3506, Revised Statutes Cumulative Supplement, 2024; to
- 3 change provisions relating to homestead exemptions for certain
- 4 veterans and surviving spouses and a property tax exemption for
- 5 certain skilled nursing facilities, nursing facilities, and
- 6 assisted-living facilities; to repeal the original sections; and to
- 7 declare an emergency.
- 8 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 77-202, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           77-202 (1) The following property shall be exempt from property  
4 taxes:

5           (a) Property of the state and its governmental subdivisions to the  
6 extent used or being developed for use by the state or governmental  
7 subdivision for a public purpose. For purposes of this subdivision:

8           (i) Property of the state and its governmental subdivisions means  
9 (A) property held in fee title by the state or a governmental subdivision  
10 or (B) property beneficially owned by the state or a governmental  
11 subdivision in that it is used for a public purpose and is being acquired  
12 under a lease-purchase agreement, financing lease, or other instrument  
13 which provides for transfer of legal title to the property to the state  
14 or a governmental subdivision upon payment of all amounts due thereunder.  
15 If the property to be beneficially owned by a governmental subdivision  
16 has a total acquisition cost that exceeds the threshold amount or will be  
17 used as the site of a public building with a total estimated construction  
18 cost that exceeds the threshold amount, then such property shall qualify  
19 for an exemption under this section only if the question of acquiring  
20 such property or constructing such public building has been submitted at  
21 a primary, general, or special election held within the governmental  
22 subdivision and has been approved by the voters of the governmental  
23 subdivision. For purposes of this subdivision, threshold amount means the  
24 greater of fifty thousand dollars or six-tenths of one percent of the  
25 total actual value of real and personal property of the governmental  
26 subdivision that will beneficially own the property as of the end of the  
27 governmental subdivision's prior fiscal year; and

28           (ii) Public purpose means use of the property (A) to provide public  
29 services with or without cost to the recipient, including the general  
30 operation of government, public education, public safety, transportation,  
31 public works, civil and criminal justice, public health and welfare,

1 developments by a public housing authority, parks, culture, recreation,  
2 community development, and cemetery purposes, or (B) to carry out the  
3 duties and responsibilities conferred by law with or without  
4 consideration. Public purpose does not include leasing of property to a  
5 private party unless the lease of the property is at fair market value  
6 for a public purpose. Leases of property by a public housing authority to  
7 low-income individuals as a place of residence are for the authority's  
8 public purpose;

9 (b) Unleased property of the state or its governmental subdivisions  
10 which is not being used or developed for use for a public purpose but  
11 upon which a payment in lieu of taxes is paid for public safety, rescue,  
12 and emergency services and road or street construction or maintenance  
13 services to all governmental units providing such services to the  
14 property. Except as provided in Article VIII, section 11, of the  
15 Constitution of Nebraska, the payment in lieu of taxes shall be based on  
16 the proportionate share of the cost of providing public safety, rescue,  
17 or emergency services and road or street construction or maintenance  
18 services unless a general policy is adopted by the governing body of the  
19 governmental subdivision providing such services which provides for a  
20 different method of determining the amount of the payment in lieu of  
21 taxes. The governing body may adopt a general policy by ordinance or  
22 resolution for determining the amount of payment in lieu of taxes by  
23 majority vote after a hearing on the ordinance or resolution. Such  
24 ordinance or resolution shall nevertheless result in an equitable  
25 contribution for the cost of providing such services to the exempt  
26 property;

27 (c) Property owned by and used exclusively for agricultural and  
28 horticultural societies;

29 (d)(i) Property owned by educational, religious, charitable, or  
30 cemetery organizations, or any organization for the exclusive benefit of  
31 any such educational, religious, charitable, or cemetery organization,

1 and used exclusively for educational, religious, charitable, or cemetery  
2 purposes, when such property is not (A) owned or used for financial gain  
3 or profit to either the owner or user, (B) used for the sale of alcoholic  
4 liquors for more than twenty hours per week, or (C) owned or used by an  
5 organization which discriminates in membership or employment based on  
6 race, color, or national origin.

7 (ii) For purposes of subdivision (1)(d) of this section:

8 (A) Educational organization means (I) an institution operated  
9 exclusively for the purpose of offering regular courses with systematic  
10 instruction in academic, vocational, or technical subjects or assisting  
11 students through services relating to the origination, processing, or  
12 guarantying of federally reinsured student loans for higher education,  
13 (II) a museum or historical society operated exclusively for the benefit  
14 and education of the public, or (III) a nonprofit organization that owns  
15 or operates a child care facility; and

16 (B) Charitable organization includes (I) an organization operated  
17 exclusively for the purpose of the mental, social, or physical benefit of  
18 the public or an indefinite number of persons and (II) a fraternal  
19 benefit society organized and licensed under sections 44-1072 to  
20 44-10,109.

21 (iii) The property tax exemption authorized in subdivision (1)(d)(i)  
22 of this section shall apply to any for-profit skilled nursing facility as  
23 defined in section 71-429, for-profit nursing facility as defined in  
24 section 71-424, or for-profit assisted-living facility as defined in  
25 section 71-5903 that provides housing for medicaid beneficiaries, except  
26 that the exemption amount for such property shall be a percentage of the  
27 property taxes that would otherwise be due. Such percentage shall be  
28 equal to the average percentage of occupied beds in the facility provided  
29 to medicaid beneficiaries over the most recent three-year period. This  
30 subdivision shall not be construed to modify, limit, or reduce any  
31 property tax exemption provided to a nonprofit skilled nursing facility,

1 nonprofit nursing facility, or nonprofit assisted-living facility  
2 pursuant to subdivision (1)(d)(i) of this section. For purposes of this  
3 subdivision, skilled nursing facility has the same meaning as in section  
4 71-429, nursing facility has the same meaning as in section 71-424, and  
5 assisted-living facility has the same meaning as in section 71-5903.

6 (iv) The property tax exemption authorized in subdivision (1)(d)(i)  
7 of this section shall apply to a building that (A) is owned by a  
8 charitable organization, (B) is made available to students in attendance  
9 at an educational institution, and (C) is recognized by such educational  
10 institution as approved student housing, except that the exemption shall  
11 only apply to the commons area of such building, including any common  
12 rooms and cooking and eating facilities; and

13 (e) Household goods and personal effects not owned or used for  
14 financial gain or profit to either the owner or user.

15 (2) The increased value of land by reason of shade and ornamental  
16 trees planted along the highway shall not be taken into account in the  
17 valuation of land.

18 (3) Tangible personal property which is not depreciable tangible  
19 personal property as defined in section 77-119 shall be exempt from  
20 property tax.

21 (4) Motor vehicles, trailers, and semitrailers required to be  
22 registered for operation on the highways of this state shall be exempt  
23 from payment of property taxes.

24 (5) Business and agricultural inventory shall be exempt from the  
25 personal property tax. For purposes of this subsection, business  
26 inventory includes personal property owned for purposes of leasing or  
27 renting such property to others for financial gain only if the personal  
28 property is of a type which in the ordinary course of business is leased  
29 or rented thirty days or less and may be returned at the option of the  
30 lessee or renter at any time and the personal property is of a type which  
31 would be considered household goods or personal effects if owned by an

1 individual. All other personal property owned for purposes of leasing or  
2 renting such property to others for financial gain shall not be  
3 considered business inventory.

4 (6) Any personal property exempt pursuant to subsection (2) of  
5 section 77-4105 or section 77-5209.02 shall be exempt from the personal  
6 property tax.

7 (7) Livestock shall be exempt from the personal property tax.

8 (8) Any personal property exempt pursuant to the Nebraska Advantage  
9 Act or the Imagine Nebraska Act shall be exempt from the personal  
10 property tax.

11 (9) Any depreciable tangible personal property used directly in the  
12 generation of electricity using wind as the fuel source shall be exempt  
13 from the property tax levied on depreciable tangible personal property.  
14 Any depreciable tangible personal property used directly in the  
15 generation of electricity using solar, biomass, or landfill gas as the  
16 fuel source shall be exempt from the property tax levied on depreciable  
17 tangible personal property if such depreciable tangible personal property  
18 was installed on or after January 1, 2016, and has a nameplate capacity  
19 of one hundred kilowatts or more. Depreciable tangible personal property  
20 used directly in the generation of electricity using wind, solar,  
21 biomass, or landfill gas as the fuel source includes, but is not limited  
22 to, wind turbines, rotors and blades, towers, solar panels, trackers,  
23 generating equipment, transmission components, substations, supporting  
24 structures or racks, inverters, and other system components such as  
25 wiring, control systems, switchgears, and generator step-up transformers.

26 (10) Any tangible personal property that is acquired by a person  
27 operating a data center located in this state, that is assembled,  
28 engineered, processed, fabricated, manufactured into, attached to, or  
29 incorporated into other tangible personal property, both in component  
30 form or that of an assembled product, for the purpose of subsequent use  
31 at a physical location outside this state by the person operating a data

1 center shall be exempt from the personal property tax. Such exemption  
2 extends to keeping, retaining, or exercising any right or power over  
3 tangible personal property in this state for the purpose of subsequently  
4 transporting it outside this state for use thereafter outside this state.  
5 For purposes of this subsection, data center means computers, supporting  
6 equipment, and other organized assembly of hardware or software that are  
7 designed to centralize the storage, management, or dissemination of data  
8 and information, environmentally controlled structures or facilities or  
9 interrelated structures or facilities that provide the infrastructure for  
10 housing the equipment, such as raised flooring, electricity supply,  
11 communication and data lines, Internet access, cooling, security, and  
12 fire suppression, and any building housing the foregoing.

13 (11) For tax years prior to tax year 2020, each person who owns  
14 property required to be reported to the county assessor under section  
15 77-1201 shall be allowed an exemption amount as provided in the Personal  
16 Property Tax Relief Act. For tax years prior to tax year 2020, each  
17 person who owns property required to be valued by the state as provided  
18 in section 77-601, 77-682, 77-801, or 77-1248 shall be allowed a  
19 compensating exemption factor as provided in the Personal Property Tax  
20 Relief Act.

21 (12)(a) Broadband equipment shall be exempt from the personal  
22 property tax if such broadband equipment is:

23 (i) Deployed in an area funded in whole or in part by funds from the  
24 Broadband Equity, Access, and Deployment Program, authorized by the  
25 federal Infrastructure Investment and Jobs Act, Public Law 117-58; or

26 (ii) Deployed in a qualified census tract located within the  
27 corporate limits of a city of the metropolitan class and being utilized  
28 to provide end-users with access to the Internet at speeds of at least  
29 one hundred megabits per second for downloading and at least one hundred  
30 megabits per second for uploading.

31 (b) An owner of broadband equipment seeking an exemption under this

1 section shall apply for an exemption to the county assessor on or before  
2 December 31 of the year preceding the year for which the exemption is to  
3 begin. If the broadband equipment meets the criteria described in this  
4 subsection, the county assessor shall approve the application within  
5 thirty calendar days after receiving the application. The application  
6 shall be on forms prescribed by the Tax Commissioner.

7 (c) For purposes of this subsection:

8 (i) Broadband communications service means telecommunications  
9 service as defined in section 86-121, video programming as defined in 47  
10 U.S.C. 522, as such section existed on January 1, 2024, or Internet  
11 access as defined in section 1104 of the federal Internet Tax Freedom  
12 Act, Public Law 105-277;

13 (ii) Broadband equipment means machinery or equipment used to  
14 provide broadband communications service and includes, but is not limited  
15 to, wires, cables, fiber, conduits, antennas, poles, switches, routers,  
16 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
17 transmitters, circuit cards, insulating and protective materials and  
18 cases, power equipment, backup power equipment, diagnostic equipment,  
19 storage devices, modems, and other general central office or headend  
20 equipment, such as channel cards, frames, and cabinets, or equipment used  
21 in successor technologies, including items used to monitor, test,  
22 maintain, enable, or facilitate qualifying equipment, machinery,  
23 software, ancillary components, appurtenances, accessories, or other  
24 infrastructure that is used in whole or in part to provide broadband  
25 communications service. Machinery or equipment used to produce broadband  
26 communications service does not include personal consumer electronics,  
27 including, but not limited to, smartphones, computers, and tablets; and

28 (iii) Qualified census tract means a qualified census tract as  
29 defined in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on  
30 January 1, 2024.

31 **Sec. 2.** Section 77-3506, Revised Statutes Cumulative Supplement,



1 2024, is amended to read:

2 77-3506 (1) All homesteads in this state shall be assessed for  
3 taxation the same as other property, except that there shall be exempt  
4 from taxation, on any homestead described in subsection (2) of this  
5 section, one hundred percent of the exempt amount.

6 (2) The exemption described in subsection (1) of this section shall  
7 apply to homesteads of:

8 (a) A veteran who was discharged or otherwise separated with a  
9 characterization of honorable or general (under honorable conditions),  
10 who is drawing compensation from the United States Department of Veterans  
11 Affairs because of (i) one hundred percent service-connected permanent  
12 disability or (ii) assignment of total disability rating for compensation  
13 pursuant to 38 C.F.R. 4.16, and who is not eligible for total exemption  
14 under sections 77-3526 to 77-3528;

15 (b) An unremarried surviving spouse of a veteran described in  
16 subdivision (2)(a) of this section or a surviving spouse of such a  
17 veteran who remarries after attaining the age of fifty-seven years;

18 (c) A veteran who was discharged or otherwise separated with a  
19 characterization of honorable or general (under honorable conditions),  
20 who is drawing compensation from the United States Department of Veterans  
21 Affairs because of one hundred percent service-connected temporary  
22 disability, and who is not eligible for total exemption under sections  
23 77-3526 to 77-3528, an unremarried spouse of such a veteran, or a  
24 surviving spouse of such a veteran who remarries after attaining the age  
25 of fifty-seven years;

26 (d) An unremarried surviving spouse of any veteran, including a  
27 veteran other than a veteran described in section 80-401.01, who was  
28 discharged or otherwise separated with a characterization of honorable or  
29 general (under honorable conditions) and who died because of a service-  
30 connected disability or a surviving spouse of such a veteran who  
31 remarries after attaining the age of fifty-seven years;

1 (e) An unremarried surviving spouse of a serviceman or servicewoman,  
2 including a veteran other than a veteran described in section 80-401.01,  
3 whose death while on active duty was service-connected or a surviving  
4 spouse of such a serviceman or servicewoman who remarries after attaining  
5 the age of fifty-seven years; and

6 (f) An unremarried surviving spouse of a serviceman or servicewoman  
7 who died while on active duty during the periods described in section  
8 80-401.01 or a surviving spouse of such a serviceman or servicewoman who  
9 remarries after attaining the age of fifty-seven years.

10 (3) Application for exemption under subdivision (2)(a) of this  
11 section shall be required in every subsequent year evenly divisible by  
12 five and shall include certification of the status described in  
13 subdivision (2)(a) of this section from the United States Department of  
14 Veterans Affairs. Application for exemption under subdivision (2)(b),  
15 (c), (d), (e), or (f) of this section shall be required annually and  
16 shall include certification of the status described in subdivision (2)  
17 (b), (c), (d), (e), or (f) of this section from the United States  
18 Department of Veterans Affairs, except that such certification of status  
19 shall only be required in every subsequent year evenly divisible by five.

20 **Sec. 3.** Original sections 77-202 and 77-3506, Revised Statutes  
21 Cumulative Supplement, 2024, are repealed.

22 **Sec. 4.** Since an emergency exists, this act takes effect when  
23 passed and approved according to law.