

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 242**

Introduced by Riepe, 12; Clouse, 37; Dorn, 30; Jacobson, 42.

Read first time January 14, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 14-109, 15-202, 15-203, 16-205, and 17-525, Reissue Revised Statutes  
3 of Nebraska, and sections 13-518, 13-3403, 13-3404, 13-3405,  
4 13-3406, 18-1208, 77-1701, and 77-7305, Revised Statutes Cumulative  
5 Supplement, 2024; to redefine a term relating to budget limitations;  
6 to change provisions of the Property Tax Growth Limitation Act  
7 relating to calculation of property tax request authority,  
8 authorized increases to such authority, and unused property tax  
9 request authority; to change provisions relating to municipal  
10 occupation taxes; to change provisions relating to property tax  
11 statements; to change certain calculations and authorize the county  
12 to retain certain funds for costs under the School District Property  
13 Tax Relief Act; to repeal the original sections; and to declare an  
14 emergency.  
15 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 13-518, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           13-518 For purposes of sections 13-518 to 13-522:

4           (1) Allowable growth means (a) for governmental units other than  
5 community colleges, the percentage increase in taxable valuation in  
6 excess of the base limitation established under section 77-3446, if any,  
7 due to (i) improvements to real property as a result of new construction  
8 and 7 additions to existing buildings, (ii) any other improvements to  
9 real property which increase the value of such property, (iii) and any  
10 increase in valuation due to annexation of real property by the  
11 governmental unit, (iv) a change in the use of real property, (v) and any  
12 increase in personal property valuation over the prior year, and (vi) the  
13 increase in excess valuation over the redevelopment project valuation  
14 described in section 18-2147 for redevelopment projects within the  
15 governmental unit, provided the accumulated excess valuation which exists  
16 as of July 1, 2025, shall be included in the calculation of the increase  
17 in excess valuation for the governmental unit's first fiscal year  
18 beginning on or after July 1, 2025, and (b) for community colleges, the  
19 percentage increase in excess of the base limitation, if any, in full-  
20 time equivalent students from the second year to the first year preceding  
21 the year for which the budget is being determined;

22           (2) Capital improvements means (a) acquisition of real property or  
23 (b) acquisition, construction, or extension of any improvements on real  
24 property;

25           (3) Governing body has the same meaning as in section 13-503, except  
26 that for fiscal years beginning on or after July 1, 2025, such term shall  
27 not include the governing body of any county, city, or village;

28           (4) Governmental unit means every political subdivision which has  
29 authority to levy a property tax or authority to request levy authority  
30 under section 77-3443, except that such term shall not include (a)  
31 sanitary and improvement districts which have been in existence for five

1 years or less, (b) school districts, or (c) for fiscal years beginning on  
2 or after July 1, 2025, counties, cities, or villages;

3 (5) Qualified sinking fund means a fund or funds maintained  
4 separately from the general fund to pay for acquisition or replacement of  
5 tangible personal property with a useful life of five years or more which  
6 is to be undertaken in the future but is to be paid for in part or in  
7 total in advance using periodic payments into the fund. The term includes  
8 sinking funds under subdivision (13) of section 35-508 for firefighting  
9 and rescue equipment or apparatus;

10 (6) Restricted funds means (a) property tax, excluding any amounts  
11 refunded to taxpayers, (b) payments in lieu of property taxes, (c) local  
12 option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers  
13 of surpluses from any user fee, permit fee, or regulatory fee if the fee  
14 surplus is transferred to fund a service or function not directly related  
15 to the fee and the costs of the activity funded from the fee, (g) any  
16 funds excluded from restricted funds for the prior year because they were  
17 budgeted for capital improvements but which were not spent and are not  
18 expected to be spent for capital improvements, (h) the tax provided in  
19 sections 77-27,223 to 77-27,227 beginning in the second fiscal year in  
20 which the county will receive a full year of receipts, and (i) any excess  
21 tax collections returned to the county under section 77-1776. Funds  
22 received pursuant to the nameplate capacity tax levied under section  
23 77-6203 for the first five years after a renewable energy generation  
24 facility has been commissioned are nonrestricted funds; and

25 (7) State aid means:

26 (a) For all governmental units, state aid paid pursuant to sections  
27 60-3,202 and 77-3523 and reimbursement provided pursuant to section  
28 77-1239;

29 (b) For municipalities, state aid to municipalities paid pursuant to  
30 sections 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and insurance  
31 premium tax paid to municipalities;

1 (c) For counties, state aid to counties paid pursuant to sections  
2 60-3,184 to 60-3,190, insurance premium tax paid to counties, and  
3 reimbursements to counties from funds appropriated pursuant to section  
4 29-3933;

5 (d) For community colleges, state aid to community colleges paid  
6 pursuant to the Community College Aid Act;

7 (e) For educational service units, state aid appropriated under  
8 sections 79-1241.01 and 79-1241.03; and

9 (f) For local public health departments as defined in section  
10 71-1626, state aid as distributed under section 71-1628.08.

11 **Sec. 2.** Section 13-3403, Revised Statutes Cumulative Supplement,  
12 2024, is amended to read:

13 13-3403 (1) Except as otherwise provided in the Property Tax Growth  
14 Limitation Act, for fiscal years beginning on or after July 1, 2025, a  
15 political subdivision's property tax request for any year shall not  
16 exceed its property tax request authority as determined under this  
17 section. The preliminary property tax request authority for each  
18 political subdivision shall be the amount of property taxes levied by the  
19 county board of equalization pursuant to section 77-1601 for such  
20 political subdivision in the prior fiscal year, less the sum of  
21 exceptions utilized in the prior year pursuant to subdivisions (1) to (9)  
22 of section 13-3404.

23 (2) In addition to the preliminary property tax request authority,  
24 the political subdivision's property tax request authority may be  
25 increased by ~~the product of~~:

26 (a) The product of (i) the amount of property taxes levied in the  
27 prior year increased by the political subdivision's growth percentage,  
28 less the sum of exceptions utilized in the prior year pursuant to  
29 subdivisions (1) and (2) of section 13-3404 and (ii) the political  
30 subdivision's growth percentage; and

31 (b) The product of (i) the amount of property taxes levied in the

1 prior year, less the sum of exceptions utilized in the prior year  
2 pursuant to subdivisions (1) and (2) of section 13-3404 and (ii) the  
3 greater of zero or the inflation percentage.

4 **Sec. 3.** Section 13-3404, Revised Statutes Cumulative Supplement,  
5 2024, is amended to read:

6 13-3404 A political subdivision may increase its property tax  
7 request authority over the amount determined under section 13-3403 by:

8 (1) The amount of property taxes budgeted for approved bonds;

9 (2) The amount of property taxes needed to respond to an emergency  
10 declared in the preceding year, as certified to the auditor;

11 (3) The amount of unused property tax request authority determined  
12 in accordance with section 13-3406;

13 (4) The amount of property taxes budgeted in support of (a) a  
14 service relating to an imminent and significant threat to public safety  
15 that (i) was not previously provided by the political subdivision and  
16 (ii) is the subject of an agreement or a modification of an existing  
17 agreement executed after August 21, 2024, whether provided by one of the  
18 parties to the agreement or by an independent joint entity or joint  
19 public agency or (b) an interlocal agreement relating to public safety;

20 (5) The increase in property tax request authority approved by the  
21 legal voters as provided in section 13-3405;

22 (6) The amount of property taxes budgeted for public safety services  
23 as defined in section 13-320; and

24 (7) The amount of property taxes budgeted for county attorneys and  
25 public defenders; -

26 (8) The amount of property taxes budgeted for substance abuse  
27 prevention, behavioral health, and opioid use prevention;

28 (9) The amount of property taxes budgeted for matching state and  
29 federal grants; and

30 (10) The amount of property taxes needed to replace any revenue  
31 stream collected in the prior year that was eliminated or reduced through

1 legislative action.

2       **Sec. 4.** Section 13-3405, Revised Statutes Cumulative Supplement,  
3 2024, is amended to read:

4       13-3405 (1) A political subdivision may increase its property tax  
5 request authority over the amount determined under section 13-3403 if  
6 such increase is approved by a majority of legal voters voting on the  
7 issue at an election described in subsection (2) of this section. Such  
8 issue shall be placed on the ballot (a) upon the recommendation of the  
9 governing body of such political subdivision or (b) upon the receipt by  
10 the county clerk or election commissioner of a petition requesting such  
11 issue to be placed on the ballot which is signed by at least five percent  
12 of the legal voters of the political subdivision. The recommendation of  
13 the governing body or the petition of the legal voters shall include the  
14 amount by which the political subdivision would increase its property tax  
15 request authority over and above the amount determined under section  
16 13-3403.

17       (2) Upon receipt of such recommendation or legal voter petition, the  
18 county clerk or election commissioner shall place such issue on the  
19 ballot at the next regularly scheduled election or a special election  
20 called for such purpose ~~and held on the first Tuesday after the second~~  
21 ~~Monday in May of an odd-numbered year.~~ The election shall be held  
22 pursuant to the Election Act, and all costs shall be paid by the  
23 political subdivision. The issue may be approved on the same question as  
24 a vote to exceed the levy limits provided in section 77-3444. If a  
25 majority of the votes cast on the issue are in favor of increasing the  
26 political subdivision's property tax request authority, the political  
27 subdivision shall be empowered to do so.

28       **Sec. 5.** Section 13-3406, Revised Statutes Cumulative Supplement,  
29 2024, is amended to read:

30       13-3406 (1) A political subdivision may choose not to increase its  
31 total property taxes levied by the full amount of the property tax

1 request authority allowed in a particular year. In such cases, the  
2 political subdivision may carry forward to future budget years the amount  
3 of unused property tax request authority, but accumulation of unused  
4 property tax request authority shall not exceed an aggregate of five  
5 percent of the total property tax request authority from the prior year.

6 (2) A political subdivision may choose to convert its accumulated  
7 amount of unused restricted funds authority existing on June 30, 2025, as  
8 determined in accordance with section 13-521, into unused property tax  
9 request authority. The amount converted may then be used by the political  
10 subdivision as unused property tax request authority for fiscal years  
11 beginning on or after July 1, 2025. The amount converted shall not exceed  
12 five percent of the total property taxes levied for the political  
13 subdivision in calendar year 2024.

14 **Sec. 6.** Section 14-109, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 14-109 (1)(a) The city council of a city of the metropolitan class  
17 shall have power to tax for revenue, license, and regulate any person  
18 within the limits of the city by ordinance except as otherwise provided  
19 in this section. Such tax may include both a tax for revenue and license.  
20 The city council may raise revenue by levying and collecting a tax on any  
21 occupation or business within the limits of the city. After March 27,  
22 2014, any occupation tax imposed pursuant to this section shall make a  
23 reasonable classification of businesses, users of space, or kinds of  
24 transactions for purposes of imposing such tax, except that no occupation  
25 tax shall be imposed on any transaction which is subject to tax under  
26 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,  
27 or 77-4008 or which is exempt from tax under section 77-2704.24. The  
28 ~~occupation tax shall be imposed in the manner provided in section~~  
29 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~  
30 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to  
31 the class upon which they are imposed. All scientific and literary

1 lectures and entertainments shall be exempt from taxation, as well as  
2 concerts and all other musical entertainments given exclusively by the  
3 citizens of the city. It shall be the duty of the city clerk to deliver  
4 to the city treasurer a copy of the ordinance levying such tax.

5 (b) For purposes of this subsection, limits of the city does not  
6 include the extraterritorial zoning jurisdiction of such city.

7 (2)(a) Except as otherwise provided in subdivision (c) of this  
8 subsection, the city council shall also have the power to require any  
9 individual whose primary residence or person who owns a place of business  
10 which is within the limits of the city and that owns and operates a motor  
11 vehicle within such limits to annually register such motor vehicle in  
12 such manner as may be provided and to require such person to pay an  
13 annual motor vehicle fee therefor and to require the payment of such fee  
14 upon the change of ownership of such vehicle. All such fees which may be  
15 provided for under this subsection shall be credited to a separate fund  
16 of the city, thereby created, to be used exclusively for constructing,  
17 repairing, maintaining, or improving streets, roads, alleys, public ways,  
18 or parts of such streets, roads, alleys, or ways or for the amortization  
19 of bonded indebtedness when created for such purposes.

20 (b) No motor vehicle fee shall be required under this subsection if  
21 (i) a vehicle is used or stored but temporarily in such city for a period  
22 of six months or less in a twelve-month period, (ii) an individual does  
23 not have a primary residence or a person does not own a place of business  
24 within the limits of the city and does not own and operate a motor  
25 vehicle within the limits of the city, or (iii) an individual is a full-  
26 time student attending a postsecondary institution within the limits of  
27 the city and the motor vehicle's situs under the Motor Vehicle  
28 Certificate of Title Act is different from the place at which he or she  
29 is attending such institution.

30 (c) After December 31, 2012, no motor vehicle fee shall be required  
31 of any individual whose primary residence is within the extraterritorial



1 zoning jurisdiction of such city or any person who owns a place of  
2 business within such jurisdiction.

3 (d) For purposes of this subsection, limits of the city includes the  
4 extraterritorial zoning jurisdiction of such city.

5 (3) For purposes of this section, person includes bodies corporate,  
6 societies, communities, the public generally, individuals, partnerships,  
7 limited liability companies, joint-stock companies, cooperatives, and  
8 associations. Person does not include any federal, state, or local  
9 government or any political subdivision thereof.

10 **Sec. 7.** Section 15-202, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 15-202 A city of the primary class shall have the power to levy  
13 taxes for general revenue purposes on all property within the corporate  
14 limits of the city taxable according to the laws of Nebraska and to levy  
15 an occupation tax on public service property or corporations in such  
16 amounts as may be proper and necessary, in the judgment of the mayor and  
17 city council, for purposes of revenue. All such taxes shall be uniform  
18 with respect to the class upon which they are imposed. The occupation tax  
19 may be based upon a certain percentage of the gross receipts of such  
20 public service corporation or upon such other basis as may be determined  
21 upon by the mayor and city council. After March 27, 2014, any occupation  
22 tax imposed pursuant to this section shall make a reasonable  
23 classification of businesses, users of space, or kinds of transactions  
24 for purposes of imposing such tax, except that no occupation tax shall be  
25 imposed on any transaction which is subject to tax under section 53-160,  
26 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or  
27 which is exempt from tax under section 77-2704.24. ~~The occupation tax~~  
28 ~~shall be imposed in the manner provided in section 18-1208, except that~~  
29 ~~section 18-1208 does not apply to an occupation tax subject to section~~  
30 ~~86-704.~~

31 **Sec. 8.** Section 15-203, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 15-203 A city of the primary class shall have power to raise revenue  
3 by levying and collecting a license or occupation tax on any person,  
4 partnership, limited liability company, corporation, or business within  
5 the limits of the city and regulate the same by ordinance except as  
6 otherwise provided in this section and in section 15-212. After March 27,  
7 2014, any occupation tax imposed pursuant to this section shall make a  
8 reasonable classification of businesses, users of space, or kinds of  
9 transactions for purposes of imposing such tax, except that no occupation  
10 tax shall be imposed on any transaction which is subject to tax under  
11 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,  
12 or 77-4008 or which is exempt from tax under section 77-2704.24. The  
13 ~~occupation tax shall be imposed in the manner provided in section~~  
14 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~  
15 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to  
16 the class upon which they are imposed. All scientific and literary  
17 lectures and entertainments shall be exempt from such taxation as well as  
18 concerts and all other musical entertainments given exclusively by the  
19 citizens of the city.

20 **Sec. 9.** Section 16-205, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 16-205 A city of the first class may raise revenue by levying and  
23 collecting a license or occupation tax on any person, partnership,  
24 limited liability company, corporation, or business within the limits of  
25 the city and may regulate the same by ordinance. After March 27, 2014,  
26 any occupation tax imposed pursuant to this section shall make a  
27 reasonable classification of businesses, users of space, or kinds of  
28 transactions for purposes of imposing such tax, except that no occupation  
29 tax shall be imposed on any transaction which is subject to tax under  
30 section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602,  
31 or 77-4008 or which is exempt from tax under section 77-2704.24. The

1 ~~occupation tax shall be imposed in the manner provided in section~~  
2 ~~18-1208, except that section 18-1208 does not apply to an occupation tax~~  
3 ~~subject to section 86-704.~~ All such taxes shall be uniform in respect to  
4 the class upon which they are imposed. All scientific and literary  
5 lectures and entertainments shall be exempt from such taxation as well as  
6 concerts and all other musical entertainments given exclusively by the  
7 citizens of the city.

8 **Sec. 10.** Section 17-525, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 17-525 Cities of the second class and villages shall have power to  
11 raise revenue by levying and collecting a license tax on any occupation  
12 or business within the limits of the city or village and regulate such  
13 occupation or business by ordinance. After March 27, 2014, any occupation  
14 tax imposed pursuant to this section shall make a reasonable  
15 classification of businesses, users of space, or kinds of transactions  
16 for purposes of imposing such tax, except that no occupation tax shall be  
17 imposed on any transaction which is subject to tax under section 53-160,  
18 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or  
19 which is exempt from tax under section 77-2704.24. ~~The occupation tax~~  
20 ~~shall be imposed in the manner provided in section 18-1208, except that~~  
21 ~~section 18-1208 does not apply to an occupation tax subject to section~~  
22 ~~86-704.~~ All such taxes shall be uniform in respect to the classes upon  
23 which they are imposed. All scientific and literary lectures and  
24 entertainments shall be exempt from such taxation, as well as concerts  
25 and other musical entertainments given exclusively by the citizens of the  
26 city or village.

27 **Sec. 11.** Section 18-1208, Revised Statutes Cumulative Supplement,  
28 2024, is amended to read:

29 18-1208 (1) ~~Except as otherwise provided in this section, after~~  
30 ~~July 19, 2012, a municipality may impose a new occupation tax or increase~~  
31 ~~the rate of an existing occupation tax, which new occupation tax or~~

1 ~~increased rate of an existing occupation tax is projected to generate~~  
2 ~~annual occupation tax revenue in excess of the applicable amount listed~~  
3 ~~in subsection (2) of this section, pursuant to section 14-109, 15-202,~~  
4 ~~15-203, 16-205, or 17-525 if the question of whether to impose the tax or~~  
5 ~~increase the rate of an existing occupation tax has been submitted at an~~  
6 ~~election held within the municipality and in which all registered voters~~  
7 ~~shall be entitled to vote on the question. The officials of the~~  
8 ~~municipality shall order the submission of the question by submitting a~~  
9 ~~certified copy of the resolution proposing the tax or tax rate increase~~  
10 ~~to the election commissioner or county clerk at least fifty days before~~  
11 ~~the election. The election shall be conducted in accordance with the~~  
12 ~~Election Act. If a majority of the votes cast upon the question are in~~  
13 ~~favor of the new tax or increased rate of an existing occupation tax,~~  
14 ~~then the governing body of such municipality shall be empowered to impose~~  
15 ~~the new tax or to impose the increased tax rate. If a majority of those~~  
16 ~~voting on the question are opposed to the new tax or increased rate, then~~  
17 ~~the governing body of the municipality shall not impose the new tax or~~  
18 ~~increased rate but shall maintain any existing occupation tax at its~~  
19 ~~current rate.~~

20 ~~(2) The applicable amount of annual revenue for each new occupation~~  
21 ~~tax or annual revenue raised by the increased rate for an existing~~  
22 ~~occupation tax for purposes of subsection (1) of this section is:~~

- 23 ~~(a) For cities of the metropolitan class, six million dollars;~~
- 24 ~~(b) For cities of the primary class, three million dollars;~~
- 25 ~~(c) For cities of the first class, seven hundred thousand dollars;~~

26 and

- 27 ~~(d) For cities of the second class and villages, three hundred~~  
28 ~~thousand dollars.~~

29 ~~(3) After July 19, 2012, a municipality shall not be required to~~  
30 ~~submit the following questions to the registered voters:~~

- 31 ~~(a) Whether to change the rate of an occupation tax imposed for a~~

1 ~~specific project which does not provide for deposit of the tax proceeds~~  
2 ~~in the municipality's general fund; or~~

3 ~~(b) Whether to terminate an occupation tax earlier than the~~  
4 ~~determinable termination date under the original question submitted to~~  
5 ~~the registered voters.~~

6 ~~This subsection applies to occupation taxes imposed prior to, on, or~~  
7 ~~after July 19, 2012.~~

8 ~~(4) This section shall not apply to (a) an occupation tax subject to~~  
9 ~~section 86-704 or (b) a municipality imposing an occupation tax within~~  
10 ~~that portion of a good life district established pursuant to the Good~~  
11 ~~Life Transformational Projects Act which is located within the corporate~~  
12 ~~limits of such municipality if the good life district applicant has~~  
13 ~~approved of the occupation tax. The changes made in this subdivision by~~  
14 ~~Laws 2024, LB1317, shall not be construed to invalidate an occupation tax~~  
15 ~~imposed prior to April 24, 2024.~~

16 ~~(5) No later than ninety days after the end of the fiscal year, each~~  
17 ~~municipality that imposes a new occupation tax or increases the rate of~~  
18 ~~an existing any occupation tax on or after the effective date of this act~~  
19 ~~as provided under this section shall provide an annual report on the~~  
20 ~~collection and use of such occupation tax. The report shall be posted on~~  
21 ~~the municipality's public website or made available for public inspection~~  
22 ~~at a location designated by the municipality. The report shall include,~~  
23 ~~but not be limited to:~~

24 ~~(1) (a) A list of all such occupation taxes collected by the~~  
25 ~~municipality;~~

26 ~~(2) (b) The amount generated annually by each such occupation tax;~~

27 ~~(3) (c) Whether funds generated by each such occupation tax are~~  
28 ~~deposited in the general fund, cash funds, or other funds of the~~  
29 ~~municipality;~~

30 ~~(4) (d) Whether any such occupation tax is dedicated for a specific~~  
31 ~~purpose, and if so, the amount dedicated for such purpose; and~~

1           (5) ~~(e)~~ The scheduled or projected termination date, if any, of each  
2 such occupation tax.

3           **Sec. 12.** Section 77-1701, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5           77-1701 (1) The county treasurer shall be ex officio county  
6 collector of all taxes levied within the county. The county board shall  
7 designate a county official to mail or otherwise deliver a statement of  
8 the amount of taxes due and a notice that special assessments are due, to  
9 the last-known address of the person, firm, association, or corporation  
10 against whom such taxes or special assessments are assessed or to the  
11 lending institution or other party responsible for paying such taxes or  
12 special assessments. Such statement shall clearly indicate, for each  
13 political subdivision, ~~the levy rate and~~ the amount of property taxes due  
14 to fund any and all public safety services, regardless of whether such  
15 amount is taken as an exception to the political subdivision's property  
16 tax request authority under section 13-3404 as defined in section 13-320,  
17 ~~county attorneys, and public defenders.~~ Such statement shall also clearly  
18 indicate, for each political subdivision, the levy rate and the amount of  
19 taxes due as the result of principal or interest payments on bonds issued  
20 by the political subdivision and shall show such rate and amount separate  
21 from any other levy. When taxes on real property are delinquent for a  
22 prior year, the county treasurer shall indicate this information on the  
23 current year tax statement in bold letters. The information provided  
24 shall inform the taxpayer that delinquent taxes and interest are due for  
25 the prior year or years and shall indicate the specific year or years for  
26 which such taxes and interest remain unpaid. The language shall read  
27 "Back Taxes and Interest Due For", followed by numbers to indicate each  
28 year for which back taxes and interest are due and a statement indicating  
29 that failure to pay the back taxes and interest may result in the loss of  
30 the real property. Failure to receive such statement or notice shall not  
31 relieve the taxpayer from any liability to pay such taxes or special

1 assessments and any interest or penalties accrued thereon. In any county  
2 in which a city of the metropolitan class is located, all statements of  
3 taxes shall also include notice that special assessments for cutting  
4 weeds, removing litter, and demolishing buildings are due.

5 (2) Notice that special assessments are due shall not be required  
6 for special assessments levied by sanitary and improvement districts  
7 organized under Chapter 31, article 7, except that such notice may be  
8 provided by the county at the discretion of the county board or by the  
9 sanitary and improvement district with the approval of the county board.

10 (3) A statement of the amount of taxes due and a notice that special  
11 assessments are due shall not be required to be mailed or otherwise  
12 delivered pursuant to subsection (1) of this section if the total amount  
13 of the taxes and special assessments due is less than two dollars.  
14 Failure to receive the statement or notice shall not relieve the taxpayer  
15 from any liability to pay the taxes or special assessments but shall  
16 relieve the taxpayer from any liability for interest or penalties. Taxes  
17 and special assessments of less than two dollars shall be added to the  
18 amount of taxes and special assessments due in subsequent years and shall  
19 not be considered delinquent until the total amount is two dollars or  
20 more.

21 **Sec. 13.** Section 77-7305, Revised Statutes Cumulative Supplement,  
22 2024, is amended to read:

23 77-7305 (1) The School District Property Tax Relief Act shall apply  
24 to tax year 2024 and each tax year thereafter. For tax year 2024, the  
25 total amount of relief granted under the act shall be seven hundred fifty  
26 million dollars. For tax year 2025, the total amount of relief granted  
27 under the act shall be seven hundred eighty million dollars. For tax year  
28 2026, the total amount of relief granted under the act shall be eight  
29 hundred eight million dollars. For tax year 2027, the total amount of  
30 relief granted under the act shall be eight hundred thirty-eight million  
31 dollars. For tax year 2028, the total amount of relief granted under the

1 act shall be eight hundred seventy million dollars. For tax year 2029,  
2 the total amount of relief granted under the act shall be nine hundred  
3 two million dollars. For tax year 2030 and each tax year thereafter, the  
4 total amount of relief granted under the act shall be the total amount of  
5 relief from the prior year increased by three percent. The relief shall  
6 be in the form of property tax credits which appear on property tax  
7 statements. Property tax credits granted under the act shall be credited  
8 against the amount of property taxes owed to school districts.

9 (2) To determine the amount of the property tax credit for each  
10 parcel, the county treasurer shall multiply the amount disbursed to the  
11 county under subsection (4) of this section by the ratio of the school  
12 district taxes levied in the current ~~prior~~ year on the parcel to the  
13 school district taxes levied in the current ~~prior~~ year on all real  
14 property in the county. The amount so determined shall be the property  
15 tax credit for that parcel.

16 (3) If the real property owner qualifies for a homestead exemption  
17 under sections 77-3501 to 77-3529, the owner shall also be qualified for  
18 the property tax credit provided in this section to the extent of any  
19 remaining liability after calculation of the homestead exemption. If the  
20 property tax credit provided in this section results in a property tax  
21 liability on the homestead that is less than zero, the amount of the  
22 credit which cannot be used by the taxpayer shall be returned to the  
23 Property Tax Administrator by July 1 of the year the amount disbursed to  
24 the county was disbursed. The Property Tax Administrator shall  
25 immediately credit any funds returned under this subsection to the School  
26 District Property Tax Relief Credit Fund. Upon the return of any funds  
27 under this subsection, the county treasurer shall electronically file a  
28 report with the Property Tax Administrator, on a form prescribed by the  
29 Tax Commissioner, indicating the amount of funds distributed to each  
30 school district in the county in the year the funds were returned and the  
31 amount of unused credits returned.



1 (4) The amount disbursed to each county under this section shall be  
2 equal to the amount available for disbursement under subsection (1) of  
3 this section multiplied by the ratio of the school district taxes levied  
4 in the prior year on all real property in the county to the school  
5 district taxes levied in the prior year on all real property in the  
6 state. By September 15, 2024, and by September 15 of each year  
7 thereafter, the Property Tax Administrator shall determine the amount to  
8 be disbursed under this subsection to each county and shall certify such  
9 amounts to the State Treasurer and to each county. The disbursements to  
10 the counties shall occur in two equal payments, the first on or before  
11 January 31 and the second on or before April 1.

12 (5) After retaining one percent of the amount ~~The county treasurer~~  
13 ~~shall disburse amounts~~ received under subsection (4) of this section for  
14 costs, the county treasurer shall disburse the remaining funds, which are  
15 credited against the amount of property taxes owed to school districts,  
16 in the same manner as if such funds had been received in the form of  
17 property tax payments for property taxes owed to school districts,  
18 meaning any amounts attributable to divided taxes pursuant to section  
19 18-2147 of the Community Development Law shall be remitted to the  
20 applicable authority for which such taxes were divided.

21 (6) The School District Property Tax Relief Credit Fund shall be  
22 used for purposes of making the disbursements to counties required under  
23 subsection (4) of this section.

24 **Sec. 14.** Original sections 14-109, 15-202, 15-203, 16-205, and  
25 17-525, Reissue Revised Statutes of Nebraska, and sections 13-518,  
26 13-3403, 13-3404, 13-3405, 13-3406, 18-1208, 77-1701, and 77-7305,  
27 Revised Statutes Cumulative Supplement, 2024, are repealed.

28 **Sec. 15.** Since an emergency exists, this act takes effect when  
29 passed and approved according to law.