

## LEGISLATIVE BILL 499

Approved by the Governor May 23, 1995

Introduced by Warner, 25, at the request of the Governor

AN ACT relating to revenue and taxation; to amend sections 77-3506.02 and 77-3523, Revised Statutes Supplement, 1994, and section 77-3517, Revised Statutes Supplement, 1994, as amended by section 5, Legislative Bill 133, Ninety-fourth Legislature, First Session, 1995; to change application and approval provisions for homestead exemptions; to change and provide powers and duties for county assessors and the Tax Commissioner; to change provisions relating to calculations used for homestead exemption purposes; and to repeal the original sections.

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

Section 1. Section 77-3506.02, Revised Statutes Supplement, 1994, is amended to read:

77-3506.02. By June 1, 1994, and by January On or before September 1 each year, thereafter, the county assessor shall determine the average assessed value of single-family residential property in the county for the preceding current year for purposes of sections 77-3507 to 77-3509.

Sec. 2. Section 77-3517, Revised Statutes Supplement, 1994, as amended by section 5, Legislative Bill 133, Ninety-fourth Legislature, First Session, 1995, is amended to read:

77-3517. (1) On or before June 1, the county assessor shall forward approved applications for homestead exemptions and a copy of the certification of disability status which have been examined pursuant to section 77-3516 to the Tax Commissioner who shall determine from the records of the Department of Revenue whether or not if the applicant meets the required income standards requirements and, on or before November 1, certify his or her determinations to the county assessor. The Tax Commissioner may at any time review all other information in order to determine whether the application should be accepted. If the county assessor's and Tax Commissioner's determination is that the application should be accepted, then if the application is approved, the county assessor shall make the proper deduction on the assessment rolls. If the Tax Commissioner's determination is that the application does not meet all the requirements, he or she If the application is denied or approved in part, the Tax Commissioner shall notify the applicant of the action denial or partial approval by mailing written notice to the applicant at the address shown on the application. The applicant may appeal the Tax Commissioner's denial or partial approval pursuant to section 77-3520. Late applications authorized by the county board shall be processed in a similar manner after approval by the county assessor.

(2) Upon his or her own action or upon a request by an applicant or surviving spouse, the Tax Commissioner may review the income information of applicants. Any action taken by the Tax Commissioner pursuant to this subsection shall be taken within three years after December 31 of the year in which the exemption was claimed. If an exemption should have been approved or increased for reasons of the income requirements, the Tax Commissioner shall notify the applicant or the surviving spouse and the county treasurer and assessor of his or her determination. The applicant or surviving spouse shall receive a refund of the tax, if any, that was paid as a result of the exemption being denied, in whole or in part. The county treasurer shall make the refund and shall amend the county's claim for reimbursement from the state. No reimbursement shall be made if the applicant and surviving spouse are deceased. If an exemption should have been denied or reduced for reasons of the income requirements, the Tax Commissioner shall notify the applicant or surviving spouse of such denial or reduction. The applicant or surviving spouse may appeal the Tax Commissioner's denial or reduction pursuant to section 77-3520. Upon the expiration of the appeal period in section 77-3520, the Tax Commissioner shall notify the county assessor of the denial or reduction and the county assessor shall remove or reduce the exemption from the tax rolls of the county. Upon notification by the Tax Commissioner to the county assessor, the amount of tax due as a result of the action of the Tax Commissioner shall become a lien on the homestead until paid. Upon attachment of the lien, the county treasurer shall refund to the Tax Commissioner the amount of tax equal to the denied or reduced exemption for deposit into the General Fund. No lien shall be created if a change in ownership of the homestead or death of the applicant and surviving spouse has occurred prior to

the Tax Commissioner's notice to the county assessor.

Sec. 3. Section 77-3523, Revised Statutes Supplement, 1994, is amended to read:

77-3523. The county treasurer shall, on or before November 30 of each year, certify to the Tax Commissioner: (1) For tax years 1987 through 1994, the total tax revenue that will be lost to all taxing agencies within his or her county from taxes levied and assessed in that year because of exemptions allowed under Chapter 77, article 35; and (2) for tax year 1995 and each tax year thereafter, the total tax revenue that will be lost to all taxing agencies within his or her county from taxes levied and assessed in that year because of exemptions allowed under Chapter 77, article 35, multiplied by the aggregate assessment sales ratio calculated by the Department of Revenue for all single-family residential real property in the county for the current year after adjustments by the State Board of Equalization and Assessment, except that any assessment sales ratio greater than 100 or any assessment sales ratio that complies with the standards of equalization as determined by the State Board of Equalization and Assessment shall be deemed to be 100 for such purpose. The county treasurer may amend the certification to show any change or correction in the total tax that will be lost until May 30 of the next succeeding year. If a homestead exemption is approved, denied, or corrected by the Tax Commissioner under subsection (2) of section 77-3517 after May 1 of the next year, the county treasurer shall prepare and submit amended reports to the Tax Commissioner and the political subdivisions covering any affected year and shall adjust the reimbursement to the county and the other political subdivisions by adjusting the reimbursement due under this section in later years. The Tax Commissioner shall, on or before January 1 next following such certification or within thirty days of any amendment to the certification, notify the Director of Administrative Services of the amount so certified to be reimbursed by the state. Reimbursement of the funds lost shall be made to each county according to the certification and shall be distributed in six as nearly as possible equal monthly payments on the last business day of each month beginning in January. The State Treasurer shall, on the business day preceding the last business day of each month, notify the Director of Administrative Services of the amount of funds available in the General Fund for payment purposes. The Director of Administrative Services shall, on the last business day of each month, draw warrants against funds appropriated. Out of the amount so received the county treasurer shall distribute to each of the taxing agencies within his or her county: (a) For tax years 1987 through 1994, the full amount so lost by such agency; and (b) for tax year 1995 and each tax year thereafter, the full amount so lost by such agency, multiplied by the aggregate assessment sales ratio calculated by the Department of Revenue for all single-family residential real property in the county for the current year after adjustments by the State Board of Equalization and Assessment, except that any assessment sales ratio greater than 100 or any assessment sales ratio that complies with the standards of equalization as determined by the State Board of Equalization and Assessment shall be deemed to be 100 for such purpose, except that one percent of such amount shall be deposited in the county general fund and that the amount due a Class V school district shall be paid to the district and the county shall be compensated pursuant to section 14-554. Each taxing agency shall, in preparing its annual budget, take into account the amount to be received under this section.

Sec. 4. Original sections 77-3506.02 and 77-3523, Revised Statutes Supplement, 1994, and section 77-3517, Revised Statutes Supplement, 1994, as amended by section 5, Legislative Bill 133, Ninety-fourth Legislature, First Session, 1995, are repealed.