

LEGISLATIVE BILL 1

Approved by the Governor August 12, 1992

Introduced by Warner, 25; Hall, 7; Landis, 46;
Withem, 14, at the request of the
Governor

AN ACT relating to revenue and taxation; to amend sections 2-2444, 13-501, 13-503, 13-508, 13-509, 14-1821, 15-808, 16-702, 17-955, 17-957, 18-2107, 21-17,126, 23-104, 23-132, 23-227, 23-250, 23-259, 23-320.07, 23-3201, 23-3502, 23-3515, 31-333, 31-410.01, 31-411.02, 31-447, 31-513, 31-711, 31-739, 31-773, 31-779, 32-4,114, 35-507, 39-1518, 39-1621, 46-541, 46-542, 46-543, 46-544, 46-631, 77-101, 77-398, 77-399, 77-3,100, 77-505, 77-506, 77-507.01, 77-508, 77-604, 77-908, 77-1201, 77-1202, 77-1209, 77-1209.02, 77-1209.03, 77-1211, 77-1219, 77-1229, 77-1229.01, 77-1232, 77-1233.02, 77-1233.04, 77-1233.05, 77-1236, 77-1238, 77-1239, 77-1240.01, 77-1241.01, 77-1248, 77-1249, 77-1301, 77-1301.07, 77-1301.12, 77-1303, 77-1311.01, 77-1315, 77-1317, 77-1338, 77-1342, 77-1502, 77-1503.01, 77-1514, 77-1601, 77-1612, 77-1613, 77-1617, 77-1618, 77-1703, 77-1704, 77-1802, 77-1803, 77-1804, 77-1806, 77-1807, 77-1808, 77-1810, 77-1812, 77-1814, 77-1815, 77-1818, 77-1820, 77-1823, 77-1824, 77-1826, 77-1827, 77-1829, 77-1830, 77-1831, 77-1832, 77-1833, 77-1834, 77-1836, 77-1842, 77-1845, 77-1846, 77-1847, 77-1848, 77-1856, 77-1904, 77-1906, 77-1907, 77-1909, 77-1910, 77-1911, 77-1912, 77-1914, 77-1915, 77-1916, 77-1917, 77-1918, 77-27,136, 77-27,137, 77-27,139, 77-3402, 77-3411, 77-3701, 79-547.03, 79-1007, 79-1372, and 79-2210, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, sections 1 to 19, 21, 22, 24 to 41, 43, 54 to 60, 64, 91 to 93, 111 to 113, 96 to 110, 114, 116 to 125, 129 to 136, 139 to 179, 185 to 189, 195, 196, 198, 199, and 201, respectively, section 79-903, Revised Statutes Supplement, 1990, as amended by Laws 1992, LB 1063, section 197, sections 77-103, 77-112,

77-201, 77-202, 77-509, 77-510, 77-1301.01, 77-1504, 77-1506.02, 77-1736.06, 77-2708, 77-3440, 77-3441, and 79-3814, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, sections 44, 46, 52, 53, 61, 63, 115, 126, 127, 138, 183, 193, 194, and 202, respectively, section 23-3501, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1240, section 20, and Laws 1992, LB 1063, section 20, section 23-3552, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1019, section 28, and Laws 1992, LB 1063, section 23, section 77-1510, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 360, section 35, and Laws 1992, LB 1063, section 128, section 77-3439, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1001, section 10, and Laws 1992, LB 1063, section 192, sections 77-3437, 79-2203, 79-3816, and 79-3818, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 245, sections 10, 70, 86, and 88, respectively, and Laws 1992, LB 1063, sections 190, 200, 203, and 204, respectively, section 79-3819, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 245, section 89, Laws 1992, LB 719, section 4, and Laws 1992, LB 1063, section 205, sections 77-2701 and 77-2703, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 871, sections 3 and 25, respectively, and Laws 1992, LB 1063, sections 180 and 182, respectively, Laws 1981, LB 81, section 6, as amended by Laws 1992, LB 1063, section 207, Laws 1981, LB 81, section 5, as amended by Laws 1986, LB 124, section 3, Laws 1991, LB 137, section 2, and Laws 1992, LB 1063, section 206, and Laws 1992, LB 1063, sections 45, 47, 49 to 51, 62, 70, 94, 95, 137, and 181; to reenact provisions of Laws 1992, LB 1063; to eliminate conditional language relating to passage of a constitutional amendment in 1992; to change operative date and repealer provisions; to eliminate provisions on tax commissioners for cities of the primary class, the applicability of prior legislation, mobile home stickers, and taxation and listing of certain personal property; to harmonize provisions; to provide

operative dates; to repeal the original sections, and also sections 13-514, 15-318, 15-319, 15-320, 15-321, 77-103.01, 77-202.46, 77-202.47, 77-1209.04, 77-1209.05, 77-1212, 77-1725, 77-27,140, 77-3702, 77-3703, 77-3704, and 77-3705, Reissue Revised Statutes of Nebraska, 1943, Laws 1992, LB 1063, sections 78 to 90, and Laws 1992, LB 1063, section 94, as amended by section 67 of this legislative bill; and to declare an emergency.

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

Section 1. That section 2-2444, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 1, be amended to read as follows:

2-2444. The board of directors shall, on or before September 1 for 1992 and on or before August 1 for all other years, prepare an estimate showing the amount of money required to finance the activities of the district for the ensuing year and may levy and collect each year the taxes necessary to finance the activities of such district for the ensuing year to the amount of not more than three and five-tenths cents on each one hundred dollars of the taxable value of the taxable property within such district. It shall, on or before September 1 for 1992 and on or before August 1 for all other years, certify its tax levy to the county clerks of the counties wholly or partially within the district who shall extend the levy on the county tax list, and the levy shall be collected by the county treasurer in the same manner as county taxes. It shall be the duty of the board to apply for and to receive from the county treasurers all money to the credit of the district. The county treasurers shall disburse the taxes collected to the order of the treasurer of the district.

Sec. 2. That section 13-501, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 2, be amended to read as follows:

13-501. Sections 2-958, 3-504, 12-914, 13-501 to 13-513, 16-702, 16-706, 16-718, 17-702, 17-703, 17-708, 17-711, 17-715, 17-718, 18-1006, 19-1302, 23-132, 23-904, 23-920, 23-3519, 23-3552, 31-513, 35-509, 39-1621, 39-1634, 46-543, 46-544, 51-316, 71-1611, 79-435, 79-1007.02, and 79-2210 shall be known and may be cited as the Nebraska Budget Act.

Sec. 3. That section 13-503, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 3, be amended to read as follows:

13-503. For purposes of the Nebraska Budget Act, unless the context otherwise requires:

(1) Governing body shall mean, in the case of a city, the council; in the case of a village, cemetery district, community hospital for two or more adjoining counties, road improvement district, sanitary drainage district, or sanitary and improvement district, the board of trustees; in the case of a county, the county board; in the case of a township, the town board; in the case of a school district, the school board; in the case of a rural or suburban fire protection district, reclamation district, natural resources district, or hospital district, the board of directors; in the case of a health district, the board of health; in the case of a regional library, the regional library commission; in the case of an educational service unit, the board; in the case of a community college, the Community College Board of Governors for the area the board serves; in the case of an airport authority, the airport authority board; in the case of a weed control authority, the board; and in the case of a county agricultural society, the board of directors;

(2) Levying board shall mean any governing body which has the power or duty to levy a tax;

(3) Fiscal year shall mean the twelve-month period used by each governing body in determining and carrying on its financial and taxing affairs;

(4) Tax shall mean any general or special tax levied against persons, property, or business for public purposes as provided by law but shall not include any special assessment;

(5) Auditor shall mean the Auditor of Public Accounts;

(6) Cash reserve shall mean funds required for the period before revenue would become available for expenditure;

(7) Public funds shall mean all money, including nontax money, used in the operation and functions of governing bodies; and

(8) Adopted budget statement shall mean a proposed budget statement which has been adopted or amended and adopted as provided in section 13-506. Such term shall include additions, if any, to an adopted budget statement made by a supplemental budget which has been adopted as provided in section 13-511.

Sec. 4. That section 13-508, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 4, be amended to read as follows:

13-508. After publication and hearing thereon

and within the time prescribed by law, each governing body shall file with and certify to the levying board on or before September 1 for 1992 and on or before August 25 for all other years and file with the auditor a copy of the adopted budget statement which complies with sections 77-3438 to 77-3440 or 79-3814 to 79-3821, together with the amount of the tax to be levied. Proof of publication shall be attached to the statement. The governing body shall certify the amount of tax to be levied by the levying board, which levy shall not exceed the maximum levy prescribed by state law. The governing body, in certifying the amount to be so levied, may make allowance for delinquent taxes not exceeding five percent of the amount to be levied plus the actual percentage of delinquent taxes for the preceding tax year and for the amount of estimated tax loss from any pending or anticipated litigation which involves taxation and in which tax collections have been or can be withheld or escrowed by court order. For purposes of this section, anticipated litigation shall be limited to the anticipation of an action being filed by a taxpayer who or which filed a similar action for the preceding year which is still pending. Except for such allowances, a governing body shall not certify, nor a levying board levy, an amount of tax greater than the amount determined under section 13-505. Each governing body empowered to levy or certify a levy shall use the final adjusted values as provided by the county assessor pursuant to section 13-509 for the current year in setting or certifying the levy. Each governing body may designate one of its members to perform any duty or responsibility required of such body by this section.

Sec. 5. That section 13-509, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 5, be amended to read as follows:

13-509. On or before August 25 for 1992 and on or before August 20 for all other years, the county assessor shall certify to each governing body or board empowered to levy or certify a tax levy the current taxable value of the taxable property subject to the applicable levy. ~~If a constitutional amendment amending Article VIII of the Constitution of Nebraska is adopted in 1992, current~~ Current taxable value for real property shall mean the value established by the county assessor and equalized by the county board of equalization and the State Board of Equalization and Assessment, and current taxable value for tangible personal property shall mean the net book value reported by the taxpayer and certified by the county assessor. ~~if a~~

constitutional amendment amending Article VIII of the Constitution of Nebraska is not adopted in 1992, current taxable value shall mean that value established by the county assessor and equalized by the county board of equalization and the State Board of Equalization and Assessment and for tax year 1991 shall include the value of personal property which was immediately prior to June 11, 1991, subject to tax for tax year 1991 but which is exempt from tax solely because of the changes made to section 77-202 by Laws 1991, LB 829.

Sec. 6. That section 14-1821, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 6, be amended to read as follows:

14-1821. To assist in the defraying of all character of expense of the authority and to such extent as in its discretion and judgment may be necessary, the board shall annually certify a tax for the fiscal year commencing on the following January 1. Such tax shall not exceed in any one year ten cents on each one hundred dollars on the taxable value of the taxable property in the city of the metropolitan class. The board shall by resolution, on or before September 1 for 1992 and on or before July 31 for all other years, certify such tax levy to the city council of such city. Such city is hereby authorized and required to cause such tax to be levied and to be collected as are other taxes by the treasurer of such city or the county treasurer as ex officio treasurer of the city in which the city is situated and paid over by him or her to the treasurer of such board subject to the order of such board. If in any year the full amount so certified and collected is not needed for the current purposes of such authority, the balance shall be credited to reserves of such authority to be used for acquisition of necessary property and equipment.

Sec. 7. That section 15-808, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 7, be amended to read as follows:

15-808. The city council sitting as a board of equalization shall hold a session of not less than three nor more than thirty days annually commencing on the first Tuesday after the third Monday in June and shall have power:

- (1) To assess any taxable property, real and personal, not assessed;
- (2) To review assessments made and correct the same as appears to be just. The board shall not increase the assessment of any person, partnership, or corporation until such person, partnership, or

corporation has been notified by the board to appear and show cause, if any, why the assessment should not be increased. If personal service of such notice cannot be made in the city, notice may be given by publication and it shall be sufficient if such notice is published in one issue of a daily paper of general circulation within the city; and

(3) To equalize the assessments of all taxable property in the city and to correct any errors in the listing or value thereof. The city council sitting as a board of equalization shall be authorized and empowered to meet at any time for the purpose of equalizing assessment of any omitted or undervalued property and to add to the assessment rolls any taxable property not included.

Sec. 8. That section 16-702, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 8, be amended to read as follows:

16-702. (1) The mayor and council shall have power to levy and collect taxes for all municipal purposes on the taxable property within the corporate limits of the city. All city taxes, except special assessments otherwise provided for, shall become due on the first day of December of each year.

(2) At the time provided for by law, the council shall cause to be certified to the county clerk the amount of tax to be levied for purposes of the adopted budget statement on the taxable property within the corporation for the year then ensuing, as shown by the assessment roll for such year, including all special assessments and taxes assessed as hereinbefore provided. The clerk shall place the same on the proper tax list to be collected in the manner provided by law for the collection of county taxes in the county where such city is situated.

(3) In all sales for delinquent taxes for municipal purposes, if there are other delinquent taxes due from the same person or lien on the same property, the sales shall be for all the delinquent taxes. Such sales and all sales made under and by virtue of this section or the provisions of law herein referred to shall be of the same validity and, in all respects, shall be deemed and treated as though such sale had been made for the delinquent county taxes exclusively.

(4) The maximum amount of tax which may be certified, assessed, and collected for purposes of the adopted budget statement shall not require a tax levy in excess of eighty-seven and five-tenths cents on each one hundred dollars upon the taxable value of the taxable

property within such municipality. Any special assessments, special taxes, amounts assessed as taxes, such sums as may be authorized by law to be levied for the payment of outstanding bonds and debts, levies to pay or fund pension plans of firefighters or police officers, and levies to pay judgments may be made by the council in addition to the levy of eighty-seven and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property within such municipality. The council may certify a further amount of tax to be levied which shall not require a tax levy in excess of seven cents on each one hundred dollars upon the taxable value of the taxable property within such city for the purpose of establishing the sinking fund or sinking funds authorized by sections 19-1301 to 19-1304, and in addition thereto, when required by section 18-501, a further levy of ten and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property within such city may be imposed.

(5) Nothing in this section shall be construed to authorize an increase in the amounts of levies for any specific municipal purpose or purposes elsewhere limited by law, whether limited in specific sums or by tax levies.

Sec. 9. That section 17-955, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 9, be amended to read as follows:

17-955. The mayor and council of cities of the second class and chairperson and board of trustees of villages shall have the power to levy an annual tax not to exceed seven cents on each one hundred dollars upon the taxable value of the taxable property in such cities or villages for the purpose of maintaining an auditorium, municipal building, or community house and shall, by ordinance, determine and declare how it shall be managed.

Sec. 10. That section 17-957, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 10, be amended to read as follows:

17-957. The cost of such utilities may be defrayed by the levy of a tax of not to exceed three and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property within the corporate limits of such city or village in any one year for a cold storage or refrigeration plant or, when such tax is insufficient for the purpose, by the issuance of bonds of the municipality.

Sec. 11. That section 18-2107, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws

1992, LB 1063, section 11, be amended to read as follows:

18-2107. An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Community Development Law and sections 18-2147 to 18-2151, including the power:

(1) To sue and to be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules, and regulations not inconsistent with the Community Development Law;

(2) To prepare or cause to be prepared and recommend redevelopment plans to the governing body of the city and to undertake and carry out redevelopment projects within its area of operation;

(3) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities for or in connection with a redevelopment project; and, notwithstanding anything to the contrary contained in the Community Development Law or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a redevelopment project, and to include in any contract let in connection with such a project provisions to fulfill such federally imposed conditions as it may deem reasonable and appropriate;

(4) Within its area of operation, to purchase, lease, obtain options upon, or acquire by gift, grant, bequest, devise, eminent domain, or otherwise any real or personal property or any interest therein, together with any improvements thereon, necessary or incidental to a redevelopment project; to hold, improve, clear, or prepare for redevelopment any such property; to sell, lease for a term not exceeding ninety-nine years, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property containing covenants,

restrictions, and conditions regarding the use of such property for residential, commercial, industrial, or recreational purposes or for public purposes in accordance with the redevelopment plan and such other covenants, restrictions, and conditions as the authority may deem necessary to prevent a recurrence of substandard or blighted areas or to effectuate the purposes of the Community Development Law; to make any of the covenants, restrictions, or conditions of the foregoing contracts covenants running with the land and to provide appropriate remedies for any breach of any such covenants or conditions, including the right in the authority to terminate such contracts and any interest in the property created pursuant thereto; to borrow money, issue bonds, and provide security for loans or bonds; to establish a revolving loan fund; to insure or provide for the insurance of any real or personal property or the operation of the authority against any risks or hazards, including the power to pay premiums on any such insurance; to enter into any contracts necessary to effectuate the purposes of the Community Development Law; and to provide grants, loans, or other means of financing to public or private parties in order to accomplish the rehabilitation or redevelopment in accordance with a redevelopment plan. No statutory provision with respect to the acquisition, clearance, or disposition of property by other public bodies shall restrict an authority exercising powers hereunder, in such functions, unless the Legislature shall specifically so state;

(5) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement in property or securities in which savings banks or other banks may legally invest funds subject to their control; and to redeem its bonds at the redemption price established therein or to purchase its bonds at less than redemption price, and such bonds redeemed or purchased shall be canceled;

(6) To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, from the state, county, municipality, or other public body, or from any sources, public or private, including charitable funds, foundations, corporations, trusts, or bequests, for purposes of the Community Development Law, to give such security as may be required, and to enter into and carry out contracts in connection therewith; and notwithstanding any other provision of law, to include in any contract for

financial assistance with the federal government for a redevelopment project such conditions imposed pursuant to federal law as the authority may deem reasonable and appropriate and which are not inconsistent with the purposes of the Community Development Law;

(7) Acting through one or more members of an authority or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths and to issue commissions for the examination of witnesses who are outside of the state or unable to attend before the authority or excused from attendance; and to make available to appropriate agencies or public officials, including those charged with the duty of abating or requiring the correction of nuisances or like conditions, demolishing unsafe or insanitary structures, or eliminating conditions of blight within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, safety, morals, or welfare;

(8) Within its area of operation, to make or have made all surveys, appraisals, studies, and plans, but not including the preparation of a general plan for the community, necessary to the carrying out of the purposes of the Community Development Law and to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of such surveys, appraisals, studies, and plans;

(9) To prepare plans and provide reasonable assistance for the relocation of families, business concerns, and others displaced from a redevelopment project area to permit the carrying out of the redevelopment project to the extent essential for acquiring possession of and clearing such area or parts thereof; and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government;

(10) To make such expenditures as may be necessary to carry out the purposes of the Community Development Law; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

(11) To certify on or before September 1 for 1992 and in July for all other years to the governing

body of the city the amount of tax to be levied for the succeeding fiscal year for community redevelopment purposes, not to exceed two and six-tenths cents on each one hundred dollars upon the taxable value of the taxable property in such city. The governing body shall levy and collect the taxes so certified at the same time and in the same manner as other city taxes are levied and collected, and the proceeds of such taxes, when due and as collected, shall be set aside and deposited in the special account or accounts in which other revenue of the authority is deposited. Such proceeds shall be employed to assist in the defraying of all expenses of the authority. If in any year the full amount so certified and collected is not needed for the current purposes of such authority, the balance shall be credited to reserves of such authority, including sinking funds;

(12) To exercise all or any part or combination of powers granted in this section; and

(13) To plan, undertake, and carry out neighborhood development programs consisting of redevelopment project undertakings and activities in one or more community redevelopment areas which are planned and carried out on the basis of annual increments in accordance with the Community Development Law and sections 18-2145 and 18-2146 for planning and carrying out redevelopment projects.

Sec. 12. That section 21-17,126, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 12, be amended to read as follows:

21-17,126. The property of a credit union shall be subject to taxation in the same manner as provided by law in the case of other corporations and individuals. Nothing in this section shall prevent holdings in any credit union organized under the Credit Union Act from being included in the valuation of the personal property of the owners or holders thereof in assessing taxes imposed by the authority of the state or any political subdivision thereof in which the credit union is located, except that the duty or burden of collecting or enforcing the payment of such tax shall not be imposed upon any such credit union.

Sec. 13. That section 23-104, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 13, be amended to read as follows:

23-104. Each county shall have power: (1) To purchase and hold the real and personal estate necessary for the use of the county; (2) to purchase, lease, lease

with option to buy, acquire by gift or devise, and hold for the benefit of the county real estate sold by virtue of judicial proceedings in which the county is plaintiff or is interested; (3) to hold all real estate conveyed by general warranty deed to trustees in which the county is the beneficiary, whether the real estate is situated in the county so interested or in some other county or counties of the state; (4) to sell, convey, exchange, or lease any real or personal estate owned by the county in such manner and upon such terms and conditions as may be deemed in the best interest of the county; (5) to enter into compacts with other counties to exercise and carry out powers possessed by or conferred by law upon each county separately; and (6) to make all contracts and to do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers, except that no lease agreement for the rental of equipment shall be entered into if the consideration for all lease agreements for the fiscal year exceeds one-tenth of one percent of the total taxable value of the taxable property of the county.

Sec. 14. That section 23-132, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 14, be amended to read as follows:

23-132. The county board, after the adoption of the annual county budget statement, may issue warrants against the various funds provided for in such budget statement within the limitations prescribed in this section. It shall be unlawful for the county board of any county to issue any warrants on any fund or contract any indebtedness against any fund, prior to the annual levy made by the county board, in excess of fifty percent of the fund provided for in the adopted budget statement for the ensuing year unless there is money in the treasury to the credit of the proper fund for the payment of the same. After the tax levy has been made by the county board, it shall be unlawful for the county board of any county to (1) issue any warrants for any amount exceeding eighty-five percent of the aggregate of the amount provided by the budget as finally determined when the levy is made unless there is money in the treasury to the credit of the proper fund for the payment of the same or (2) issue any certificate of indebtedness in any form in payment of any account or claim, make any contracts for or incur any indebtedness in any form in payment of any account or claim, or make any contracts for or incur any indebtedness against the county in excess of the amount provided for and appropriated to any or all of the several funds by the

annual county budget statement for the current year except as provided in section 13-511.

Sec. 15. That section 23-227, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 15, be amended to read as follows:

23-227. The citizens of the several towns of this state, qualified by the Constitution of Nebraska to vote at general elections, shall assemble and hold annual town meetings at their respective towns at the time of the budget hearing as provided by the Nebraska Budget Act. Notice of the time and the place of holding such meeting, after the first meeting, shall be given by the town clerk by publishing the notice in a newspaper in or of general circulation in the town at least ten days prior to the meeting.

Sec. 16. That section 23-250, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 16, be amended to read as follows:

23-250. Not later than the date specified in section 13-504, the town clerk in counties under township organization shall proceed to prepare the township budget as prescribed in the Nebraska Budget Act.

Sec. 17. That section 23-259, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 17, be amended to read as follows:

23-259. The money necessary to defray the town charges of each town shall be levied on the taxable property in such town in the manner prescribed by the Nebraska Budget Act. The rate of taxes for town purposes shall not exceed twenty-eight cents on each one hundred dollars upon the taxable value of the taxable property in such township for all purposes.

Sec. 18. That section 23-320.07, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 18, be amended to read as follows:

23-320.07. Except as herein otherwise expressly provided, all of the rights, powers, authority, and jurisdiction conferred on counties and county boards by sections 23-320.01 to 23-320.06 are hereby also conferred upon and vested in any city of the first or second class or village located in any county such as described in section 23-320.01 and the governing body thereof. The governing body of any such city or village, in the name of the city or village, shall have the power to enter into undertakings and contracts and make agreements in like manner and for like purposes as provided in sections 23-320.01 to 23-320.06 for county

boards. Such governing body may provide funds for construction costs and expenses in excess of amounts contributed by the federal government, may acquire lands, rights-of-way, and easements either within or without the limits of the city or village in like manner and for like purposes as provided in section 23-320.02 for county boards, and without further authorization may issue general obligation bonds of the city or village to pay the costs thereof and expenses connected therewith in the manner now provided by law, but the aggregate of any such bonds so issued shall not be in excess of one and eight-tenths percent of the taxable value of the taxable property of the city or village. Such bonds shall not be subject to nor included in any restrictions or limitations upon the amount of bonded indebtedness of the city or village contained in any other law. Funds received from the sale of bonds by any such city or village may be used to pay any loss, damage, or expense for which the city or village or the governing body thereof may be liable in like manner as counties are authorized to pay such loss, damage, or expense under section 23-320.04. For the purposes of maintaining and operating flood control works constructed by the United States Army Corps of Engineers or other agencies of the United States Government, when the flood control works have been completed and turned over to the city or village, the governing body of such city or village shall be empowered to make an annual tax levy of not to exceed five and two-tenths cents on each one hundred dollars upon the taxable value of the taxable property within such city or village. This levy shall be in addition to all other levies authorized or limited by law. It shall be the duty of the governing body of the city or village to keep all such flood control works in serviceable condition and to make such repairs as may from time to time be necessary.

Sec. 19. That section 23-3201, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 19, be amended to read as follows:

23-3201. Each county having a population of more than thirty-five hundred inhabitants and having more than twelve hundred tax returns in any tax year shall have an elected county assessor. Each other county shall have an elected county assessor or shall have the county clerk serve as county assessor as determined by the electors of the county in accordance with section 32-310.

The county assessor shall work full time and

his or her office shall be separate from that of the county clerk except in counties which do not elect a full-time assessor.

For purposes of sections 23-3201 to 23-3210, county assessor shall mean a county assessor or a county clerk who is the ex officio county assessor. For the performance of the duties as county assessor, the county clerk shall receive such additional salary as may be fixed by the county board.

Sec. 20. That section 23-3501, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1240, section 20, and Laws 1992, LB 1063, section 20, be amended to read as follows:

23-3501. The county board in any county in this state having thirty-six hundred inhabitants or more or in which the taxable value of the taxable property is twenty-eight million six hundred thousand dollars or more may issue and sell bonds of such county in such an amount as the county board may deem advisable for the construction or acquisition of an indigent hospital, a home for aged or infirm persons, a county community hospital, a mental health clinic, a clinic or facility to combat mental retardation, a public health center, a medical complex, multiunit housing, or a similar facility required to protect the health and welfare of the people and to purchase suitable equipment for the same. Such bonds shall bear interest at a rate set by the county board.

No bonds shall be issued until the question of the issuance of the bonds has been submitted to the voters of such county at a general election or a special election called for such purpose. The issuance of such bonds shall be approved by a majority vote of the electors voting on such proposition at any such election. Such election may be called either by resolution of the county board or upon a petition submitted to the county board calling for an election. Such petition shall be signed by the legal voters of the county equal in number to ten percent of the number of votes cast in the county for the office of Governor at the last general election.

Sec. 21. That section 23-3502, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 21, be amended to read as follows:

23-3502. (1) When a county with a population of three thousand six hundred or more and less than two hundred thousand inhabitants or with a taxable value of the taxable property of twenty-eight million six hundred

thousand dollars or more establishes a facility or facilities as provided by section 23-3501, the county board of the county shall proceed at once to appoint a board of trustees. Such board shall consist of three or five members as fixed by the county board. All members of the board shall be residents of such county. When the board is first established, one member shall be appointed for a term of two years, one for four years, and one for six years from the date they are appointed if the county board provides for a three-member board. Otherwise one additional member shall be appointed for four years and one for six years. When the board is changed to a five-member board, the three members who are serving as such trustees at the time of a change from a three-member to a five-member board shall each complete his or her respective term of office. The two additional members shall be appointed by the county board, one for a term of four years and one for a term of six years. Thereafter, as their terms expire, members shall be appointed for terms of six years.

(2) Except in any county having a population of more than three hundred thousand inhabitants, not over two members of the board of trustees shall be from the city in which such facility or facilities are located. In any county having a population of more than three hundred thousand inhabitants, a minimum of one member of the board of trustees shall be a resident of the county and shall reside outside the corporate limits of the city in which such facility or facilities are located. In any county having a population of more than three hundred thousand inhabitants, if only one member of the board of trustees resides outside the corporate limits of the city in which the facility or facilities are located and the residence of the member is annexed by the city, he or she shall be allowed to complete his or her term of office but shall not be eligible for reappointment. The trustees shall, within ten days after their appointment, qualify by taking the oath of county officers and by furnishing a bond in an amount to be fixed by the county board. They shall organize as a board of trustees by the election of one of their number as chairperson, one as secretary, and one as treasurer, except that in counties with two hundred thousand inhabitants or more, the county treasurer of the county in which such facility or facilities are located shall be the treasurer of the board of trustees. The treasurer shall receive and pay out all the money under the control of such board as ordered by it and shall report such expenditures and receipts to the county

board on a monthly basis and as required by section 23-3507. The monthly report shall include a statement of the amount of currently outstanding registered warrants.

(3)(a) When a member or trustee is absent from three consecutive board meetings either regular or special without being excused by the remaining members of the board, his or her office shall become vacant and a new member shall be appointed by the county board to fill the vacancy for the unexpired term of such member pursuant to subdivision (3)(b) of this section. Such vacancy shall become effective when the county board finds that there is such a vacancy or fills the same as provided in this subsection.

(b) Any member of such board may at any time be removed from office by the county board. Vacancies shall be filled in substantially the same manner as the original appointments are made. The person appointed to fill such a vacancy shall hold office for the unexpired term.

(4) In counties having a population of two hundred thousand inhabitants or more, the county board of the county having such facility or facilities, in lieu of appointing a board of trustees of such facility or facilities, may elect to serve as the board of trustees of such facility or facilities. If the county board makes such election, the county board shall assume all the duties and responsibilities of the board of trustees of the institution. Such election shall be evidenced by the adoption of a resolution by the county board.

Sec. 22. That section 23-3515, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 22, be amended to read as follows:

23-3515. Any two or more adjoining counties having a combined population of thirty-six hundred inhabitants or more or having a combined taxable value of the taxable property of twenty-eight million six hundred thousand dollars or more may, upon resolution of the county board of each county, issue their joint bonds in the amount, for the purposes, and upon the conditions provided in section 23-3501. No bonds shall be issued until the question of their issuance has been submitted to the voters of each county at a general election or at a special election called for such purpose. The issuance of such bonds shall be approved by a majority vote of the electors voting on such question in each county, which election may be called either by resolution of the county boards or upon a petition

submitted to the county boards calling for the same signed by the legal voters of each county equal in number to ten percent of the number of votes cast in each county for the office of Governor at the last general election.

Sec. 23. That section 23-3552, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1019, section 28, and Laws 1992, LB 1063, section 23, be amended to read as follows:

23-3552. (1) The board of directors may, after the adoption of the budget statement, levy and collect an annual tax which the district requires under the adopted budget statement to be received from taxation for the ensuing fiscal year not to exceed three and five-tenths cents on each one hundred dollars of the taxable value of the taxable property within such district.

(2) In addition to the levy authorized in subsection (1) of this section, the board of directors of a hospital district may authorize an additional annual tax not to exceed three and five-tenths cents on each one hundred dollars of the taxable value of the taxable property within such district, except that such tax shall not be authorized until the question of such additional tax has been submitted to the qualified electors of the district at a primary or general election or a special election called for that purpose and a majority of those voting approve the additional tax. Notice of the time and place of the special election shall be given by publication at least once each week in a legal newspaper of general circulation in the district for three successive weeks immediately preceding such election.

(3) The taxes authorized by subsections (1) and (2) of this section shall not be included within the levy limitations for general county purposes prescribed in section 23-119 or Article VIII, section 5, of the Constitution of Nebraska.

(4) The board shall annually, on or before September 1 for 1992 and on or before August 1 for all other years, certify the taxes authorized by this section to the county clerk of each of the counties having land embraced within such district. The county clerk shall extend such levies on the tax list, and the county treasurer shall collect the tax in the same manner as county taxes and shall remit the taxes collected to the county treasurer of the county in which the petition for the formation of the district was filed. The county treasurer shall credit the local

hospital district with the amount thereof and make disbursements therefrom on warrants of the district signed by the chairperson and secretary-treasurer of the board of directors.

Sec. 24. That section 31-333, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 24, be amended to read as follows:

31-333. The board of supervisors shall annually thereafter determine, order, and levy the amount of the installment of the tax hereinbefore named which shall become due and be collected during the year at the same time that county taxes are due and collected, and in case bonds are issued, the amount of the interest which will accrue on such bonds shall be included and added to the tax. The annual installment and levy shall be evidenced and certified by the board, on or before September 1 for 1992 and on or before August 1 for all other years, to the county clerk of each county in which lands of the district are situated, which certificate shall be substantially in the following form:

State of Nebraska,)
) ss.
County of

To county clerk of the county:

This is to certify that by virtue of the provisions of sections 31-330 to 31-333, Reissue Revised Statutes of Nebraska, 1943, the board of supervisors of drainage district, including lands and property in the counties of in the State of Nebraska, have determined to and do hereby levy the annual installment of the total tax, heretofore certified to you under the direction of such sections, on the lands and property situated in your county described in the following table in which are (1) the names of the owners of such lands and properties as they appeared in the decree of the district court organizing the district or as shown by the certificate heretofore filed showing the total assessment against the property, (2) the description of the lands and property opposite the names of owners, and (3) the amount of the annual installment and interest levied on each tract of land or piece of property: (Here insert table). The installments of tax shall be collectible and payable the present year at the same time that county taxes are due and collected. Witness the signature of the chairperson of the board of supervisors and attested by the seal of the district and the signature of the secretary of the board this day of A.D. 19.....

.....
Secretary (Seal) Chairperson

The certificate shall be filed in the office of the clerk, and the annual installment of the total tax so certified shall be extended by the county clerk on the tax books of the county against the real property, right-of-way, road, or property to be benefited, situated in such drainage district, in the same manner that other taxes are extended on the tax books of the county in a column under the heading of Drainage Tax, and the taxes shall be collected by the treasurer of the county in which the real property is situated on which the tax is levied at the same time and in the same manner that the county taxes on such property are collected. The county clerk shall be allowed the same fees as he or she receives for like services in other cases.

Sec. 25. That section 31-410.01, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 25, be amended to read as follows:

31-410.01. The board of directors, having first, with the aid of such engineer, surveyor, and other assistants as it may have chosen, made detailed plans of the public works to be done in accordance with section 31-401, shall cause a notice to be inserted at least once in a newspaper of general circulation in the district stating the time and place where the directors shall meet for the purpose of conducting a public hearing on the proposed public works and the method of financing such works. All parties interested in the proposed public works may appear at such public hearing in person or by counsel or may file written objections thereto. The directors shall then proceed to hear and consider the same and determine whether to adopt the public works in accordance with the detailed plans presented at such hearing and whether to finance such works by benefits accruing to the several tracts of land within the district or by a tax levy upon the taxable value of the taxable property in the district. The hearing may be continued from time to time upon notice given by publication at least once in a newspaper of general circulation in the district stating the time and place of such continuance.

Sec. 26. That section 31-411.02, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 26, be amended to read as follows:

31-411.02. The board of directors having

adopted the plans of public works and the tax levy method of financing shall prepare an itemized budget of funds necessary to carry out the authorities granted under sections 31-401 to 31-450 and transmit such budget to the county board of the county or counties involved. Thereupon the board of directors shall cause to be published, once each week for three consecutive weeks in a newspaper of general circulation in the district, a copy of the itemized budget of funds necessary to carry out the authorities granted under such sections and a statement of the total taxable value of the taxable property in the drainage district. If portions of the drainage district are in more than one county, the county assessors involved shall ratably apportion such amounts of the total budget requested between the counties based on the total taxable value of the taxable property within the drainage district and transmit and certify the prorated portion to the respective county boards of each county involved. The county board shall levy a tax sufficient to raise the amount of funds requested but not to exceed ten and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property in the drainage district. Such levy shall be in addition to all other levies authorized by law or limited by law. The tax so levied shall be collected in the same manner as other property taxes, and the proceeds therefrom shall be kept in a separate account identified by the official name of the drainage district. The county treasurer shall transfer such funds to the drainage district as requested by the board of directors.

The board of directors shall provide a legal description and map of the boundaries of the district and transmit such information to the county assessor of the county or counties involved who shall indicate for the use of the county treasurer such information on the tax rolls. The county assessor shall also provide the county treasurer with the taxable value of the taxable personal property of each property owner within the drainage district which shall also be taxed at the same rate as real property.

When the property tax rolls and the taxable value of the taxable personal property of each taxpayer are received by the county treasurer from the county assessor as required by sections 31-401 to 31-450, the county treasurer shall compute the tax due the drainage district from each taxpayer in accordance with the rate required to meet the budget request but not to exceed a levy of ten and five-tenths cents on each one hundred

dollars upon the taxable value of the taxable property of the district. If a drainage district needs additional funds to pay outstanding warrants issued under section 31-416, the property owners within such district may, by majority vote of those voting in an election authorized by the board of directors of such district and conducted according to section 31-407, approve the issuance of bonds which shall be paid by an additional levy.

Sec. 27. That section 31-447, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 27, be amended to read as follows:

31-447. All special assessments provided for under sections 31-401 to 31-450 shall, as between vendor and purchaser, be a lien upon the real property involved from and upon the filing with the county clerk of the lists of the tracts, with the amount of money chargeable to each, as provided for in section 31-424, or if the board of directors has elected the tax levy method of financing, all special assessments provided for under sections 31-401 to 31-450 shall, as between vendor and purchaser, be a lien upon the real property involved from and upon the filing with the county clerk of the property tax rolls and the taxable value of the taxable personal property of each taxpayer as provided for in section 31-411.02.

Sec. 28. That section 31-513, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 28, be amended to read as follows:

31-513. (1) The board of trustees may levy and collect annually taxes for corporate purposes upon property within the limits of such sanitary district to the amount of not more than three and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property of such district.

(2) The board of trustees shall, on or before September 1 for 1992 and on or before August 1 for all other years, certify the amount of tax to be levied to the county clerk who shall place the proper levy upon the county tax list, and the tax shall be collected by the county treasurer in the same manner as county taxes.

(3) The tax money collected by the levy shall be used exclusively for the purpose or purposes set forth in subsection (1) of this section. The county treasurer shall disburse the taxes on warrants of the board of trustees, and in respect to such fund, the county treasurer shall be ex officio treasurer of the sanitary district.

Sec. 29. That section 31-711, Reissue Revised

Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 29, be amended to read as follows:

31-711. The board of trustees may annually levy and collect taxes for corporate purposes upon property within the limits of such sanitary and improvement district to the amount of not more than three and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property in such district for general purposes and, on or before September 1 for 1992 and on or before August 1 for all other years, certify the levy to the county clerks of the counties in which such district is located who shall extend the levy upon the county tax list. The county treasurer of the county in which the greater portion of the area of the district is located shall be ex officio treasurer of the sanitary and improvement district and shall be responsible for all funds of the district coming into his or her hands. The treasurer shall collect all taxes and special assessments levied by the district and all money derived from the sale of bonds or warrants. The trustees of the district may authorize the clerk or appoint an independent agent to collect connection charges, service charges, and all items other than taxes and funds from the sale of bonds and warrants, but all funds so collected shall, at least once each month, be remitted to the treasurer. The treasurer shall not be responsible for such funds until they are received by him or her. The treasurer shall disburse the funds of the district only on warrants authorized by the trustees and signed by the president and clerk.

Sec. 30. That section 31-739, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 30, be amended to read as follows:

31-739. (1) The district may borrow money for corporate purposes and issue its general obligation bonds therefor and shall annually levy a tax on the taxable value of the taxable property in the district sufficient to pay the interest and principal on the bonds and for the purpose of creating a sinking fund for the maintenance and repairing of any sewer or water system or electric lines and conduits in the district, for the payment of any hydrant rentals, for the maintenance and repairing of any sidewalks, public roads, streets, and highways, public waterways, docks, or wharfs, and related appurtenances in the district, for the cost of operating any street lighting system for the public streets and highways within the district, for the cost of building, acquiring, maintaining, and

operating public parks, playgrounds, and recreational facilities, or, when permitted by section 31-727, for contracting with other sanitary and improvement districts for building, acquiring, maintaining, and operating public parks, playgrounds, and recreational facilities for the joint use of the residents of the contracting districts, or for the cost of any other services for which the district has contracted. The district shall also be required to levy a tax to make up any deficiencies caused by the nonpayment of any special assessments. On or before September 1 for 1992 and on or before August 1 for all other years, the clerk of the board shall certify the tax to the county clerk of the counties in which such district is located in order that the tax may be extended upon the county tax list. Nothing contained in this section shall authorize any district which has been annexed by a city or village to levy any taxes within or upon the annexed area after the effective date of the annexation if the effective date of the annexation is prior to such levy certification date of the district for the year in which such annexation occurs.

(2) The county treasurer of the county in which the greater portion of the area of the district is located shall be ex officio treasurer of the sanitary and improvement district and shall be responsible for all funds of the district coming into his or her hands. He or she shall collect all taxes and special assessments levied by the district and deposit the same in a bond sinking fund for the payment of principal and interest on any bonds outstanding.

(3) The trustees or administrator of the district may authorize the clerk or appoint an independent agent to collect service charges and all items other than taxes, connection charges, special assessments, and funds from sale of bonds and warrants, but all funds so collected shall, at least once each month, be remitted to the treasurer to be held in a fund, separate from the general fund or construction fund of the district, which shall be known as the Service Fee Fund, which fund is hereby created. The trustees or administrator may direct the district's treasurer to disburse funds held in the Service Fee Fund to maintain and operate any service for which the funds have been collected or to deposit such funds into the general fund of the district.

(4) The treasurer of the district shall not be responsible for such funds until they are received by him or her. The treasurer shall disburse the funds of

the district only on warrants authorized by the trustees or the administrator and signed by the chairperson and clerk or the administrator.

Sec. 31. That section 31-773, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 31, be amended to read as follows:

31-773. The petition shall state that the sanitary and improvement district (1) has been in default for more than ninety days on its issued and outstanding bonds or construction fund warrants of the district, (2) has levied a tax upon the taxable value of the taxable property in the district which, along with the sinking fund derived from special assessments, has not been sufficient to meet payments of interest and principal on the issued and outstanding bonds of the district, (3) has failed to levy special assessments on all lots, parcels, or pieces of real property within the terms provided in section 31-751, or (4) lacks a functioning board of trustees. The petition shall pray for referral of the sanitary and improvement district to the Auditor of Public Accounts for the appointment of an administrator for the district and for an order suspending the authority of the board of trustees of the district to exercise the powers granted to such board pursuant to sections 31-727 to 31-770 during the period of such administrator's appointment or for such other relief as the court may determine appropriate.

Sec. 32. That section 31-779, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 32, be amended to read as follows:

31-779. (1) The administrator may levy a separate tax upon the taxable value of the taxable property in the district which shall be known as the administration tax and which shall be separately accounted for by the treasurer of the district. Such tax shall be payable annually in money. Such tax may be used to pay the fees and expenses of the administrator and his or her administration, including the cost of audit services, legal services, and financial advisory services ordered by the administrator.

(2) The administrator shall receive a minimum fee of five hundred dollars per month during the term of his or her appointment. The administrator shall also be entitled to reimbursement for his or her actual and necessary expenses upon presentation of an accounting of his or her expenses to the Auditor of Public Accounts. The monthly administrator's fee provided for in this subsection shall be subject to adjustment at any time during the term of the administrator's appointment by

the Auditor of Public Accounts. The factors to be considered by the auditor in his or her determination to increase the administrator's fee shall include the nature and extent of the administrator's services, the complexity of the problems confronting the district, and the value of the services of the administrator to the district. The auditor should also consider the cost of obtaining comparable services of the administrator in the private sector.

Sec. 33. That section 32-4,114, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 33, be amended to read as follows:

32-4,114. The governing body of any county may acquire voting machines, electronic counting devices, or punch card voting systems in such manner as it may deem in the best interests of the county and may for that purpose issue bonds, certificates of indebtedness, or other obligations or levy not to exceed one and seven-tenths cents on each one hundred dollars of taxable value of the taxable property in the county. Any amounts levied and collected in excess of actual costs of voting machines, electronic counting devices, or punch card voting systems shall revert to the general fund of the county. Any bonds, certificates, or other obligations may be issued with or without interest, payable at such time or times as the governing body may determine, but shall not be issued or sold at less than par. In addition the governing body of the county may rent, lease, lease-purchase, or contract for voting machines, electronic counting devices, and punch card voting systems and provide for installment payments which extend over a period of more than one year, notwithstanding the provisions of sections 23-132 and 23-916 or any other provision of law.

Sec. 34. That section 35-507, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 34, be amended to read as follows:

35-507. A regular meeting of the electors who are owners of any interest in taxable property in the district and who are residing within the boundaries of a district shall be held at the time of the budget hearing as provided by the Nebraska Budget Act, and special meetings may be called by the board of directors at any time. Notice of a meeting shall be given by the secretary-treasurer by one publication in a legal newspaper of general circulation in each county in which such district is situated. The meeting shall be held not less than seven days nor more than fourteen

days after the date of publication of such notice.

Sec. 35. That section 39-1518, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 35, be amended to read as follows:

39-1518. If the county board of supervisors determines that there are insufficient funds in the county road and bridge fund to compensate a township for the transfer of road machinery, equipment, and material for the construction and maintenance of roads within that township or to pay the cost of making payments on the contracts of purchase or lease of road machinery, equipment, and material assumed by the county under section 39-1517, the board may issue registered warrants for the purpose of paying such costs. The total amount of such warrants issued shall not exceed the total appraised value of all such road machinery and equipment received from all townships plus the amount necessary to make such payments on the contracts of purchase or lease of road machinery, equipment, and material assumed by such county. The proceeds received from the sale of the warrants shall only be used for the purpose for which the warrants are authorized to be issued. Whenever any county board of supervisors issues warrants under this section, the board shall levy a tax upon the taxable value of the taxable property in such county at the first tax-levying period after such warrants are issued sufficient to pay the warrants and the interest on such warrants. If the board deems it advisable not to make all of such levy in any one year, then the board may make an annual tax levy at not more than the next three tax-levying periods occurring after the issuance of the warrants, the total of which levies shall be sufficient to pay the warrants and the interest.

Sec. 36. That section 39-1621, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 36, be amended to read as follows:

39-1621. (1) The board of trustees may, after adoption of the budget statement for such district, annually levy and collect the amount of taxes provided in the adopted budget statement of the district to be received from taxation for corporate purposes upon property within the limits of such road improvement district to the amount of not more than three and five-tenths cents on each one hundred dollars upon the taxable value of the taxable property in such district for general maintenance and operating purposes. The board shall, on or before September 1 for 1992 and on or

before August 1 for all other years, certify any such levy to the county clerk of the counties in which such district is located who shall extend the levy upon the county tax list.

(2) The county treasurer of the county in which the greater portion of the area of the district is located shall be ex officio treasurer of the road improvement district and shall be responsible for all funds of the district coming into his or her hands. The treasurer shall collect all taxes and special assessments levied by the district and collected by him or her from his or her county or from other county treasurers if there is more than one county having land in the district and all money derived from the sale of bonds or warrants. The treasurer shall not be responsible for such funds until they are received by him or her. The treasurer shall disburse the funds of the district only on warrants authorized by the trustees and signed by the president and clerk.

Sec. 37. That section 46-541, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 37, be amended to read as follows:

46-541. The board shall have power on behalf of the districts:

(1) To have perpetual succession, except that all districts organized prior to January 1, 1950, which have not entered into a bona fide construction of their works shall within fifteen years following January 1, 1961, cause to be submitted to the qualified electors of the district the following question:

Shall the district be continued for an additional fifteen years?

.... Yes

.... No

The election shall be held in the same manner set out in section 46-564 relating to submission to qualified electors for the approval of bonded indebtedness.

In the event a majority of the qualified voters voting in such election vote yes, then such district shall be continued for an additional fifteen years. For all districts organized after January 1, 1950, and not having entered into a bona fide construction of their works before January 1, 1961, the directors shall, within fifteen years following January 1, 1961, cause to be submitted the same question to the qualified electors of the district. All districts organized after November 1, 1953, which have not entered into a bona fide construction of their works within fifteen years after the first day of July of the year of

assessment of the taxable property of the district shall submit to the qualified electors of the district the question of whether the district shall be continued for an additional fifteen years. If a district has pending before the Congress of the United States a bill for the authorization or reauthorization of its project at the expiration of any one of such fifteen-year periods, the district shall be continued until such authorization or reauthorization is granted by the Congress of the United States and appropriations made for the actual construction of its work, which additional period shall not exceed ten years from the expiration of the fifteen-year period.

If at the end of the fifteen-year period, plus the additional ten-year period granted while its project is pending before the Congress of the United States for authorization or reauthorization and an appropriation for the actual construction of its works, no physical construction of any of its works has been started, then the same question shall again be submitted to the qualified electors. In the event a majority of the qualified voters voting in such election vote yes, then such district shall be continued for an additional fifteen years.

In the event of a failure to receive a majority affirmative vote of the voters voting in such election, the district shall be dissolved and the district shall submit to the department a full and complete audit by a public accountant showing the assets possessed by the district. Thereupon the department shall enter an order providing that within sixty days the assets of such district shall be liquidated, all rights granted by the department shall be canceled, and any assets on hand shall be divided as follows:

(a) All bills payable and all expenses of dissolution shall be deducted from the assets and paid; and

(b) The balance remaining shall be divided proportionately among the operating public school districts of the district in the proportion that the number of acres in each school district bears to the total number of acres of all of the school districts within the boundaries of the district. If the district is confined to one county, distribution shall be made by the county treasurer of such county. If the district extends into more than one county, the funds for disbursement to such school districts shall be paid to the county within which the schoolhouses are located for distribution to such school districts;

(2) To take by appropriation, grant, purchase, bequest, devise, or lease, and to hold and enjoy water rights and waterworks, and any and all real and personal property of any kind within or without the district necessary or convenient to the full exercise of its powers; to purchase, sell, lease, encumber, alienate, or otherwise dispose of waterworks and real and personal property; to enter into contracts for furnishing water service for use within the district; to acquire, construct, operate, control, and use any and all works, facilities, and means necessary or convenient to the exercise of its power, both within and without the district, for the purpose of providing for the use of such water within the district; and to do and perform any and all things necessary or convenient to the full exercise of the powers granted in this subdivision;

(3) To have and to exercise the power of eminent domain in addition to any other rights and powers conferred in this section upon any district organized under the Reclamation Act, for the purposes and after the manner provided for in sections 76-704 to 76-724, except that when any reclamation district exercises the power of eminent domain as to water being used for power purposes, it shall not include any other properties of any irrigation district, public power district, or public power and irrigation district organized and existing under the laws of the State of Nebraska;

(4) To construct and maintain works and establish and maintain facilities across or along any public street or highway and in, upon, or over any vacant public lands, which public lands are now or may hereafter become the property of the State of Nebraska, and to construct works and establish and maintain facilities across any stream of water or watercourse. The district shall promptly restore any such street or highway to its former state of usefulness as nearly as may be and shall not use the same in such manner as to completely or unnecessarily impair the usefulness thereof. In the use of streets, the district shall be subject to the reasonable rules and regulations of the county, city, or village where such streets lie concerning excavation and the refilling of excavation, the relaying of pavements, and the protection of the public during periods of construction. The district shall not be required to pay any license or permit fees or file any bonds. The district may be required to pay reasonable inspection fees;

(5) To contract with the government of the

United States or any agency thereof for the construction, preservation, operation, and maintenance of tunnels, reservoirs, regulating or reregulating basins, diversion works and canals, dams, power plants, drains, and all necessary works incident thereto, to acquire rights to the use of water from such works, and to enter into contracts for the use of water from such works by persons and corporations, public and private;

(6) To list in separate ownership the lands within the district which are susceptible of irrigation from the district sources, to enter into contracts to furnish water service to all such lands, and to levy assessments as hereinafter provided against the lands within the district to which water service is furnished on the basis of the value per acre-foot of water service furnished to the lands within the district. The board may divide the district into units and fix a different value per acre-foot of water in the respective units and in such case shall assess the lands within each unit upon the same basis of value per acre-foot of water service furnished to lands within such unit;

(7) To fix rates at which water service, not otherwise provided for in this section, may be furnished. Rates shall be equitable although not necessarily equal or uniform for like classes of service throughout the district;

(8) To adopt plans and specifications for the works for which the district was organized, which plans and specifications may at any time be changed or modified by the board. The plans shall include maps, profiles, and such other data and descriptions as may be necessary to set forth the location and character of the works, and a copy thereof shall be kept in the office of the district and open to public inspection. The plans and specifications and any changes shall be approved by the department in accordance with the statutes;

(9) To appropriate and otherwise acquire water rights within or without the state; to develop, store, and transport water; to provide, contract for, and furnish water service for municipal and domestic purposes, irrigation, power, milling, manufacturing, mining, metallurgical use, and any and all other beneficial uses and to derive revenue and benefits therefrom; to fix the terms and rates therefor; to make and adopt plans for and to acquire, construct, operate, and maintain dams, reservoirs, canals, conduits, pipelines, tunnels, power plants, transmission lines, and any and all works, facilities, improvements, and property necessary or convenient therefor; and in the

doing of all of such things to obligate itself and execute and perform such obligations according to the tenor thereof. The contracts for furnishing of water service for irrigation and domestic purposes shall only be made for use within the district;

(10) To invest any surplus money in the district treasury, including such money as may be in any sinking fund established for the purpose of providing for the payment of the principal or interest of any contract, bond, or other indebtedness or for any other purpose, not required for the immediate necessities of the district, in its own bonds or in treasury notes or bonds of the United States. The investment may be made by direct purchase of any issue of such bonds or treasury notes, or part thereof, at the original sale of the same or by the subsequent purchase of such bonds or treasury notes. Any bonds or treasury notes thus purchased and held may, from time to time, be sold and the proceeds reinvested in bonds or treasury notes as provided in this subdivision. Sales of any bonds or treasury notes thus purchased and held shall, from time to time, be made in season so that the proceeds may be applied to the purposes for which the money with which the bonds or treasury notes were originally purchased was placed in the treasury of the district. The functions and duties authorized by this subdivision shall be performed under such rules and regulations as shall be prescribed by the board;

(11) To refund bonded indebtedness incurred by the district under and pursuant to such rules and regulations as shall be prescribed by the board;

(12) To borrow money, incur indebtedness, and issue bonds or other evidence of such indebtedness;

(13) To adopt bylaws not in conflict with the Constitution of Nebraska and laws of the state for carrying on the business, objects, and affairs of the board and of the district; and

(14) To enter into agreements for water service with agencies of the federal government or the Game and Parks Commission through which water will be made available, at rates determined as provided in subdivision (7) of this section, for hunting, fishing, and recreational development. The water service shall not exceed the amount of water which may be appropriated for such purposes by order of the Department of Water Resources, and such amounts shall be included in the total appropriative right of the district or districts involved.

Sec. 38. That section 46-542, Reissue Revised

Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 38, be amended to read as follows:

46-542. In addition to the other means of providing revenue for such districts, the board shall have power and authority to levy and collect taxes and special assessments for maintaining and operating such works and paying the obligations and indebtedness of the district by any one or more of the methods or combinations thereof, classified as follows:

Class A. To levy and collect taxes upon the taxable value of the taxable property within the district;

Class B. To levy and collect assessments for special benefits accruing to lands within municipalities for which water service is furnished;

Class C. To levy and collect assessments for special benefits accruing to lands within irrigation districts for which water service is furnished; and

Class D. To levy and collect assessments for special benefits accruing to lands for which water service is furnished.

Sec. 39. That section 46-543, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 39, be amended to read as follows:

46-543. To levy and collect taxes under Class A, the board shall, in each year, determine the amount of money necessary to be raised by taxation, taking into consideration other sources of revenue of the district, to supply funds for paying expenses of organization, for surveys and plans, and for paying the cost of constructing, operating, and maintaining the works of the district. The amount shall not exceed three and five-tenths cents on each one hundred dollars prior to the delivery of water from the works and thereafter shall not exceed seven cents on each one hundred dollars of the taxable value of the taxable property within the district, except that in the event of accruing defaults, deficiencies, or defaults and deficiencies, an additional levy may be made as provided in section 46-553.

The board shall, on or before September 1 for 1992 and on or before July 1 for all other years, certify to the county board of each county within the district or having a portion of its territory within the district the amount so fixed with direction that, at the time and in the manner required by law for levying of taxes for county purposes, such county board shall levy such tax upon the taxable value of the taxable property within the district in addition to such other taxes as

may be levied by such county board at the rate required to produce the amount so fixed and determined.

No tax shall be levied and collected under Class A until the proposition of levying taxes has been submitted by a resolution of the board to the qualified electors of the district at an election held for that purpose in the same manner as provided for submission of incurring bonded indebtedness in sections 46-564 to 46-566, and when the proposition has been approved by a majority of the qualified electors of the district voting on the proposition at such election, thereafter the board shall be entitled to certify to the county board the amount of tax to be levied.

Sec. 40. That section 46-544, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 40, be amended to read as follows:

46-544. If the board of a reclamation district determines in any year that there are certain lands within the district, not included within Classes B, C, and D, which receive special direct benefits from recharging of the ground water reservoirs by water originating from district works, the board shall in such year fix an amount to be levied upon the taxable value of the taxable property which in the opinion of the board will compensate the district for the special direct benefits accruing to such property by reason of recharged ground water reservoirs under such land by water originating from the district works. Such amount shall in no case exceed, together with all other amounts levied made under Class A on such land, the sum of fourteen cents on each one hundred dollars of the taxable value of the land. Such owner of lands specially assessed for special direct benefits shall have notice, hearing, and the right of appeal and shall be governed by section 46-554.

The authority provided in this section may not be used if the district has obtained approval to levy fees or assessments pursuant to section 46-2,101.

Sec. 41. That section 46-631, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 41, be amended to read as follows:

46-631. The board of directors may levy and collect annually taxes necessary to finance the activities of such district to the amount of not more than one cent on each one hundred dollars of the taxable value of all taxable real property within such district. It shall, on or before September 1 for 1992 and on or before August 1 for all other years, certify its tax levy to the county clerks of the counties wholly or

partially within the district who shall extend the levy on the county tax list, and the levy shall be collected by the county treasurer in the same manner as county taxes. It shall be the duty of the board to apply for and to receive from the county treasurers all money to the credit of the district. The county treasurer shall disburse the same on the order of the treasurer of the district.

Sec. 42. That section 77-101, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 43, be amended to read as follows:

77-101. For purposes of Chapter 77 and any statutes dealing with taxation, unless the context otherwise requires, the definitions found in sections 77-102 to 77-116 and sections 45 and 47 to 51 of this act shall be used.

Sec. 43. That section 77-103, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 44, be amended to read as follows:

77-103. Real property shall mean:

(1) City and village lots and all other lands;
 (2) All buildings, fixtures, and improvements;
 (3) Mobile homes, cabin trailers, and similar property, whether or not permanently attached to the land, but not registered for highway use, which are used or intended to be used for residential, office, commercial, agricultural, or other similar purposes and which are connected to water, gas, electric, sewer, or other utilities, but not including mobile homes and cabin trailers that are unoccupied and held for sale by persons engaged in the business of selling such property when such property is at the location of the business;

(4) Mines, minerals, quarries, mineral springs and wells, oil and gas wells, overriding royalty interests, and production payments with respect to oil or gas leases; and

(5) All privileges pertaining to real property described in subdivisions (1) through (4) of this section.

Sec. 44. That Laws 1992, LB 1063, section 45, be amended to read as follows:

Sec. 45. Improvements on leased land shall mean any item of real property located on leased land.

Sec. 45. That section 77-112, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 46, be amended to read as follows:

77-112. (1) Actual value of real property for purposes of taxation shall mean the market value of real property in the ordinary course of trade. Actual value

may be determined using professionally accepted mass appraisal techniques, including, but not limited to:

(a) Comparison with sales of real property of known or recognized value, taking into account location, zoning, and current functional use;

(b) Earning capacity of the real property; and

(c) Reproduction cost less depreciation.

(2) Taxable value of agricultural land and horticultural land for purposes of taxation shall mean the value determined pursuant to sections 77-1359 to 77-1367 and 77-1371.

{3} If Article VIII of the Constitution of Nebraska is not amended in 1992, actual value of tangible personal property for purposes of taxation shall mean the market value of tangible personal property in the ordinary course of trade.

Sec. 46. That Laws 1992, LB 1063, section 47, be amended to read as follows:

Sec. 47. Nebraska adjusted basis shall mean the adjusted basis of property as determined under the Internal Revenue Code of 1986, as amended, as the code exists on the assessment date, increased by the total amount allowed under the code for depreciation or amortization or pursuant to an election to expense depreciable property under section 179 of the code, as amended.

Sec. 47. That Laws 1992, LB 1063, section 49, be amended to read as follows:

Sec. 49. (1) Net book value of property for taxation shall mean that portion of the Nebraska adjusted basis of the property as of the assessment date for the applicable recovery period in the table set forth in this subsection.

NET BOOK VALUE AS A PERCENT
OF NEBRASKA ADJUSTED BASIS

Year	Recovery Period (in years)					
	3	5	7	10	15	20
1	75.00	85.00	89.29	92.50	95.00	96.25
2	37.50	59.50	70.16	78.62	85.50	89.03
3	12.50	41.65	55.13	66.83	76.95	82.35
4	0.00	24.99	42.88	56.81	69.25	76.18
5		8.33	30.63	48.07	62.32	70.46
6		0.00	18.38	39.33	56.09	65.18
7			6.13	30.59	50.19	60.29
8			0.00	21.85	44.29	55.77
9				13.11	38.38	51.31
10				4.37	32.48	46.85
11				0.00	26.57	42.38
12					20.67	37.92

13	14.76	33.46
14	8.86	29.00
15	2.95	24.54
16	0.00	20.08
17		15.62
18		11.15
19		6.69
20		2.23
21		0.00

Net book value as a percent of Nebraska adjusted basis shall be calculated using the one-hundred-fifty-percent declining balance method, switching to straight line, with a one-half-year convention.

(2) The applicable recovery period for any item of property shall be determined as follows:

(a) Three-year property shall include property with a class life of four years or less;

(b) Five-year property shall include property with a class life of more than four years and less than ten years;

(c) Seven-year property shall include property with a class life of ten years or more but less than sixteen years;

(d) Ten-year property shall include property with a class life of sixteen years or more but less than twenty years;

(e) Fifteen-year property shall include property with a class life of twenty years or more but less than twenty-five years; and

(f) Twenty-year property shall include property with a class life of twenty-five years or more.

(3) Class life shall be based upon the anticipated useful life of a class of property and shall be determined by the Tax Commissioner under the Internal Revenue Code of 1986, as amended, as the code exists on the assessment date.

(4) One-half-year convention shall be a convention which treats all property placed in service during any tax year as placed in service on the midpoint of such tax year.

(5) The percent shown for year one shall be the percent used for January 1 of the year following the year of acquisition of the property.

Sec. 48. That Laws 1992, LB 1063, section 50, be amended to read as follows:

Sec. 50. Taxable property shall mean any real or tangible personal property subject to tax pursuant to law and not exempt from tax.

Sec. 49. That Laws 1992, LB 1063, section 51, be amended to read as follows:

Sec. 51. Purchase shall include taking by sale, discount, negotiation, or any other transaction for value creating an interest in property except liens. Purchase shall not include transfers for stock or other ownership interests upon creation, dissolution, or any other tax-free reorganization for income tax purposes of any corporation, partnership, trust, or other entity.

Sec. 50. That section 77-201, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 52, be amended to read as follows:

77-201. (1) Except as provided in subsection (2) of this section, all real property in this state, not expressly exempt therefrom, shall be subject to taxation and shall be valued at its actual value.

(2) Agricultural land and horticultural land used solely for agricultural or horticultural purposes shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at its taxable value.

~~(3)(a) If a constitutional amendment amending Article VIII of the Constitution of Nebraska is adopted in 1992, tangible~~ (3) Tangible personal property, not including motor vehicles registered for operation on the highways of this state, shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at its net book value. Tangible personal property transferred as a gift or devise or as part of a transaction which is not a purchase shall be subject to taxation based upon the date the property was acquired by the previous owner and at the previous owner's Nebraska adjusted basis.

~~(b) If Article VIII of the Constitution of Nebraska is not amended in 1992, tangible personal property, not including motor vehicles registered for operation on the highways of this state, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at its actual value.~~

(4) Motor vehicles registered for operation on the highways of this state shall constitute a separate and distinct class of property for purposes of taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued as provided in sections 77-1239 to 77-1241.01.

Sec. 51. That section 77-202, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB

1063, section 53, be amended to read as follows:

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

(a) Property of the state and its governmental subdivisions;

(b) Property owned by and used exclusively for agricultural and horticultural societies;

(c) Property owned by educational, religious, charitable, or cemetery organizations and used exclusively for educational, religious, charitable, or cemetery purposes, when such property is not (i) owned or used for financial gain or profit to either the owner or user, (ii) used for the sale of alcoholic liquors for more than twenty hours per week, or (iii) owned or used by an organization which discriminates in membership or employment based on race, color, or national origin. For purposes of this subdivision, educational organization shall mean an institution operated exclusively for the purpose of offering regular courses with systematic instruction in academic, vocational, or technical subjects or a museum or historical society operated exclusively for the benefit and education of the public. For purposes of this subdivision, charitable organization shall mean an organization operated exclusively for the purpose of the mental, social, or physical benefit of the public or an indefinite number of persons; and

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

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

(3) If a constitutional amendment amending Article VIII of the Constitution of Nebraska is adopted in 1992, tangible Tangible personal property which is not depreciable tangible personal property as defined in section 48 of this act shall be exempt from property tax.

(4) Vehicles registered pursuant to section 60-305.09 and for which the registration fees prescribed in such section have been paid shall be exempt from payment of property taxes.

(5) If a constitutional amendment amending Article VIII of the Constitution of Nebraska is adopted in 1992, business Business and agricultural inventory shall be exempt from the personal property tax.

(6) Any personal property exempt pursuant to

subsection (2) of section 77-4105 shall be exempt from the personal property tax.

Sec. 52. That section 77-398, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 54, be amended to read as follows:

77-398. Upon receipt of a copy of the inventory, the county assessor shall check the listed taxable tangible personal property to determine whether it was returned for taxation during the three taxing periods prior to the taxing period during which deceased died. In counties in which the county clerk acts as county assessor or the county assessor is not on active duty throughout the year and has completed the duties required of him or her in section 77-1315, such copy shall be furnished to the county clerk and he or she shall perform the duties required of the county assessor by this section.

Sec. 53. That section 77-399, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 55, be amended to read as follows:

77-399. If, upon a check of the inventory, it is found that any taxable tangible personal property was not returned by the deceased during the three taxing periods or any taxing period included therein, the county assessor shall compute the tax for the year or years during which the payment of taxes on the property was avoided within the three taxable years prior to the year the deceased died at the same tax rate as would have been imposed upon the property in the governmental subdivision of the State of Nebraska in which the property should have been returned for taxation and shall certify the years unpaid and the amount thereof to the county treasurer of such county. To the tax shall be added interest at eleven percent per annum from the date the tax would have been due if the property had been returned for taxation, plus a penalty of fifty percent of the amount due, except that the county assessor, in his or her discretion, with the approval of the county board of equalization, may waive all or part of the penalty provided by this section.

If the county assessor refuses to act or finds against a written protest, appeal may be taken to the county board of equalization which may affirm or reverse the decision of the county assessor. Notice of rejection of such protest shall be sent by mail to the taxpayer by the county board of equalization. Appeal de novo may be taken from the decision of the county board of equalization to the district court of the county in which the assessment is made within twenty days after

receipt by the taxpayer of the notice of the county board of equalization's rejection of the protest in the same manner as appeals are taken from action of the county board of equalization under sections 77-1510 and 77-1511.

This interest and penalty shall be included in the amount so certified to the county treasurer as provided in this section. If the omission or failure to return taxable tangible personal property was the result of filing a late return, if no extension of time for filing has been granted, and if the return was voluntarily made by the taxpayer without notice and prior to May 1 of the year in which the assessment should have been made, the penalty shall be as provided in this section.

Sec. 54. That section 77-3,100, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 56, be amended to read as follows:

77-3,100. Upon receiving the certification provided in section 77-399, the county treasurer shall forthwith file a claim against the estate of such deceased person for the amount of taxes, interest, and penalties as certified. Claims so filed shall be received, examined, adjusted, and allowed by the county judge in the manner provided for other claims against the estate, and any claim so filed shall be a preferred claim. The tax so paid to the county treasurer shall be by him or her distributed to the governmental subdivisions, in proportion to the levies on taxable tangible personal property, for the year or years during which the payment on the property was avoided.

Sec. 55. That section 77-505, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 57, be amended to read as follows:

77-505. The State Board of Equalization and Assessment shall annually equalize the values of all real property as submitted by the county assessors on the abstracts of assessments and equalize the values of real property which is valued by the state. For this purpose the board shall meet at the State Capitol as soon as the abstracts of assessments have been submitted by the county assessors. The board shall have the power to adjourn from time to time until the equalization process is complete. ~~If Article VIII of the Constitution of Nebraska is not amended in 1992, the board shall also have the power to equalize the values of all tangible personal property as submitted by the county assessors on the abstracts of assessments and~~

equalize the values of tangible personal property which is valued by the state.

Sec. 56. That section 77-506, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 58, be amended to read as follows:

77-506. Pursuant to section 77-505, the State Board of Equalization and Assessment shall have the power to increase or decrease the value of a class or subclass of real property of any county or tax district or real property valued by the state. Such increase or decrease shall be made by a percent. If Article VIII of the Constitution of Nebraska is not amended in 1992, the board shall also have the power to increase or decrease the value of a class or subclass of tangible personal property of any county or tax district or tangible personal property valued by the state.

Sec. 57. That section 77-507.01, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 59, be amended to read as follows:

77-507.01. In addition to the authority conferred by section 77-506, the State Board of Equalization and Assessment, in cases brought to its attention by the Tax Commissioner, shall have the authority to direct the Tax Commissioner to conduct a hearing to review any changes made by the county board of equalization in values of property in the county. At least ten days' notice, or for 1992 at least five days' notice, shall be given to the county clerk, county assessor, and chairperson of the county board. At the hearing, the legal representatives of the county may appear and show cause why the value of the property of the county should not be corrected or adjusted.

Sec. 58. That section 77-508, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 60, be amended to read as follows:

77-508. Pursuant to section 77-506, if the State Board of Equalization and Assessment finds that a just, equitable, and legal assessment of the property in the state cannot be made without increasing or decreasing by a percentage the value of a class or subclass of property as returned by any county, the board shall issue a notice to the counties which it deems either undervalued or overvalued and shall set a date for hearing at least ten days following the mailing of such notice, except that for 1992 the hearing shall be at least five days following the mailing of the notice. The board may direct the Tax Commissioner to hold such hearings to expedite the equalization process.

The notice shall be mailed to the county clerk, county assessor, and chairperson of the county board. At the hearing the legal representatives of the county may appear and show cause why the value of a class or subclass of the property of the county should not be adjusted.

Sec. 59. That section 77-509, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 61, be amended to read as follows:

77-509. After a hearing conducted pursuant to section 77-507.01 or 77-508, the State Board of Equalization and Assessment shall either (1) enter its order based on information presented to it at the hearing or (2) meet to hear the recommendation of the Tax Commissioner based on information presented to him or her at the hearing. Notice of the Tax Commissioner's recommendation shall be mailed at least five days prior to the meeting, except that for 1992 such notice shall be mailed at least three days prior to the meeting. At the meeting the board may hear testimony relevant to the Tax Commissioner's recommendation from any interested person. The order of the board shall be sent by certified mail to the county assessor and by regular mail to the county clerk and chairperson of the county board on or before August 20 for 1992 and on or before August 15 for all other years. The order shall specify the percentage increase or decrease and the class or subclass of property affected or the corrections or adjustments to be made to the class or subclass of property affected. The specified changes shall be made by the county assessor to each item of property in the county so affected. Until such time as the Court of Appeals, pursuant to an appeal prosecuted pursuant to section 77-510, or the Supreme Court rules otherwise, each county shall be bound by the value established by the board.

Sec. 60. That Laws 1992, LB 1063, section 62, be amended to read as follows:

Sec. 62. On or before August 20 for 1992 and on or before August 15 for all other years, the State Board of Equalization and Assessment shall recertify the county abstract of the assessment roll, together with the taxable value of the property valued by the state, to each county assessor.

Sec. 61. That section 77-510, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 63, be amended to read as follows:

77-510. The exclusive method for appealing an action of the State Board of Equalization and Assessment

shall be as set forth in this section. From a final action of the board with respect to the equalization of any property, any person, county, or municipality affected thereby shall prosecute an appeal to the Court of Appeals. Upon demand therefor, the board shall prepare and certify a transcript of its records and proceedings involved in such action. Notice of intention to obtain a review shall be filed within ten days from the date of the action by the board, and when docketed the cause shall be given precedence by the Court of Appeals over all civil cases.

Sec. 62. That section 77-604, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 64, be amended to read as follows:

77-604. The returns of railroad companies or corporations shall not be held to be conclusive as to the taxable value of the property, but the Tax Commissioner shall, from all the information which he or she is able to obtain, including records of the Public Service Commission or other regulatory body, find the taxable value of all such property, including tangible property and franchises, and shall assess such property on the same basis as other property is required to be assessed.

The taxable value of the railroad companies allocated to the state shall be distributed as follows:

(1) Five percent shall be distributed to all taxing subdivisions where the railroad company has investment in general office buildings or machine and repair facilities proportionate to the company's investment in general office buildings and machine and repair facilities in the state; and

(2) The balance shall be distributed to all taxing subdivisions including cities and villages based on a formula in which fifty percent of the valuation is based on miles of main track and sidetrack and fifty percent of the valuation is based on density factor on miles of main track and sidetrack. The value per mile of sidetrack shall equal the value of the line divided by the following quantity: The number of miles of sidetrack plus two times the number of miles of main track. The value per mile of main track shall equal twice the value per mile of sidetrack as computed in this section.

For purposes of Chapter 77, article 6, the reference to sidetrack shall include all track not properly designated as main track and shall include, but not be limited to, passing track, yard track, and track within terminals. Main track shall be defined as that

track over which regularly scheduled railroad operations are conducted. Density factor shall be determined by ton-miles traveled over a route, measured by the number of tons of revenue freight moved one mile.

Sec. 63. That Laws 1992, LB 1063, section 70, be amended to read as follows:

Sec. 70. The Tax Commissioner may issue a distress warrant to compel payment of the tax required by section 69 of this act which may be served by any sheriff, any member of the Nebraska State Patrol, or any person specially deputized by the Tax Commissioner to serve such warrant. At the time the tax is paid, the Tax Commissioner shall issue a receipt in duplicate, one of which shall be given to the taxpayer and one filed with the State Treasurer at the time the tax collected is remitted by the Tax Commissioner to the state treasury.

Sec. 64. That section 77-908, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 91, be amended to read as follows:

77-908. Every insurance company organized under the stock, mutual, assessment, or reciprocal plan, except fraternal benefit societies, which is transacting business in this state shall, on or before March 1 of each year, pay a tax to the director of one percent of the gross amount of direct writing premiums received by it during the preceding calendar year for business done in this state, except that (1) for group sickness and accident insurance the rate of such tax shall be five-tenths of one percent and (2) for property and casualty insurance, excluding individual sickness and accident insurance, the rate of such tax shall be one percent. The taxable premiums shall include premiums paid on the lives of persons residing in this state and premiums paid for risks located in this state whether the insurance was written in this state or not, including that portion of a group premium paid which represents the premium for insurance on Nebraska residents or risks located in Nebraska included within the group when the number of lives in the group exceeds five hundred. The tax shall also apply to premiums received by domestic companies for insurance written on individuals residing outside this state or risks located outside this state if no comparable tax is paid by the direct writing domestic company to any other appropriate taxing authority. Companies whose scheme of operation contemplates the return of a portion of premiums to policyholders, without such policyholders being claimants under the terms of their policies, may deduct

such return premiums or dividends from their gross premiums for the purpose of tax calculations. Any such insurance company shall receive a credit on the tax imposed as provided in the Community Development Assistance Act.

Sec. 65. That section 77-1201, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 92, be amended to read as follows:

77-1201. All tangible personal property in this state subject to taxation shall be assessed as of January 1 at 12:01 a.m., which assessment shall be used as a basis of taxation until the next regular assessment. A complete list of all taxable tangible personal property held or owned on the assessment date, except motor vehicles as defined in section 77-1238, shall be made as follows:

(1) Every person shall list all his or her tangible personal property as defined in section 77-105 having tax situs in the State of Nebraska;

(2) The tangible personal property of a minor child shall be listed by the following: (a) His or her guardian; (b) if he or she has no guardian, by his or her parent, if living; and (c) if neither parent is living, by the person having such property in charge;

(3) The tangible personal property of any other person under guardianship, by his or her guardian or, if he or she has no guardian, by the person having charge of such property;

(4) The tangible personal property of a person for whose benefit it is held in trust, by the trustee, and of the estate of a deceased person, by the personal representative or administrator;

(5) The tangible personal property of corporations the assets of which are in the hands of a receiver, by such a receiver;

(6) The tangible personal property of corporations, by the president or the proper agent or officer thereof;

(7) The tangible personal property of a firm or company, by a partner or agent thereof;

(8) The tangible personal property of manufacturers and others in the hands of an agent, by and in the name of such agent; and

(9) All leased tangible personal property shall be reported, by itemizing each article, by lessor as owner or lessee as agent.

Sec. 66. That section 77-1202, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws

1992, LB 1063, section 93, be amended to read as follows:

77-1202. Taxable tangible personal property, except such property which is required by law to be listed and assessed elsewhere, shall be listed and assessed in the county, precinct, township, city, village, and school district where the owner resides. Taxable tangible personal property of any established business shall be listed and assessed at the location of the business, or if the property has acquired local situs elsewhere, the property shall be listed and assessed where it has acquired local situs. Motor vehicles and cabin trailers, not registered for highway use, mobile homes, aircraft, and other taxable tangible personal property connected therewith shall be listed and taxed in the county, precinct, township, city, village, and school district where such property is stored and kept for the greater portion of the calendar year. Taxable tangible personal property held by a personal representative, administrator, or trustee under a testamentary trust appointed by a Nebraska court and not distributed on the date of assessment shall be separately listed by the personal representative, administrator, or trustee at the place where the deceased person owning such property resided if in this state. If the deceased person was a nonresident of Nebraska, such property shall be separately listed at the place where such property was subject to taxation at the date of death of the deceased. Taxable tangible personal property held by any personal representative acting in a fiduciary capacity shall be separately listed by such personal representative at the place where the beneficial owner of such property resides or last resided if in this state. If such beneficial owner is or was a nonresident of Nebraska, such property shall be separately listed at the place where such property was subject to taxation in this state at the time of creation of the fiduciary relationship.

Sec. 67. That Laws 1992, LB 1063, section 94, be amended to read as follows:

Sec. 94. (1) Every person who held or owned taxable tangible personal property on January 1, 1992, at 12:01 a.m. shall list all such property as required by section 77-1229.

(2) All listings required by subsection (1) of this section shall include -

{a} The the net book value of all taxable tangible personal property held or owned on January 1, 1992, ; and

{b} The actual value of all taxable tangible personal property held or owned on January 1, 1992.

(3) The county assessor shall prepare the personal property assessment roll including only the tangible personal property that is taxable pursuant to this legislative bill on the date the assessment roll is required to be completed.

(4) This section shall apply to personal property taxation for tax year 1992.

Sec. 68. That Laws 1992, LB 1063, section 95, be amended to read as follows:

Sec. 95. (1) Whenever a person files an amended federal income tax return or his or her return is changed or corrected by the Internal Revenue Service or other competent authority and the amendment, change, or correction affects the Nebraska adjusted basis of the tangible personal property, such person shall file an amended list of tangible personal property subject to taxation with the county assessor. The person shall file the amended list within ninety days of the filing of the amended federal return or within ninety days of the date the change or correction becomes final.

(2) If the amendment, change, or correction results in tangible personal property becoming exempt or reduces the net book value of the property for an income tax year, the person may file a written claim for a refund of property tax paid relating to the federal income tax changes with the county treasurer. If the amended list and the claim for refund are filed within the ninety-day period, the claim shall be considered as timely filed notwithstanding any other provision of law regarding the period during which refunds could otherwise be claimed. The claim shall be processed according to section 77-1734.01.

(3) If the amendment, change, or correction results in an increase in the net book value of the tangible personal property or makes other tangible personal property taxable, the county assessor shall compute the additional tax due, along with interest, based on the amended listing. Interest shall be computed from the dates the tax would have been delinquent if the property had been listed on or before May 1 of the appropriate year. If the amended listing is filed within the ninety-day period, no additional penalties shall be added. If the listing is not filed within the ninety-day period, the property shall be treated as undervalued or omitted property pursuant to sections 77-1233.04 and 77-1233.05.

{4} This section shall apply if a

~~constitutional amendment amending Article VIII of the Constitution of Nebraska is adopted in 1992-~~

Sec. 69. That section 77-1211, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 96, be amended to read as follows:

77-1211. When any person brings taxable tangible personal property into this state or into one county thereof from another county after 12:01 a.m. on January 1 and prior to July 1 in any year, it shall be the duty of the owner, within thirty days after July 1, to list and return such property for taxation for the current tax year unless he or she shows to the county assessor under oath and by producing a copy of the listing or assessment duly certified to by the proper officer of the state or county that the property was listed for taxation for the current tax year in some other county in this state or in some other state or territory of the United States or that such property has been received by him or her in exchange for money or property already listed for taxation for the current tax year. The assessor shall at once assess and if necessary equalize such property and shall enter the same on the tax books as in other cases.

Sec. 70. That section 77-1219, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 97, be amended to read as follows:

77-1219. It shall be the duty of the county assessor, when required by any person, to give a certificate of assessment showing the amount, kind, location, and taxable value of property assessed, and such certificate shall be evidence of the legal assessment of such property for the year. If any county assessor fraudulently gives to any person a certificate or if any person in any manner illegally obtains a certificate, the assessor or the person shall be guilty of a Class III misdemeanor.

Sec. 71. That section 77-1229, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 98, be amended to read as follows:

77-1229. Every person required by section 77-1201 to list taxable tangible personal property shall list such property upon the forms prescribed by the Tax Commissioner. The forms shall be furnished by the county assessor and when completed shall be signed by each person or his or her agent and be filed with the county assessor. ~~if a constitutional amendment amending~~

Article VIII of the Constitution of Nebraska is adopted in 1992, the The forms shall be filed on or before June 1 for 1992 and on or before May 1 for all other years. If Article VIII of the Constitution of Nebraska is not amended in 1992, the forms shall be filed on or before June 1 for 1992 and on or before March 1 for all other years. If severe weather conditions or natural disaster prohibits the person from complying with this section, the county assessor may allow an extension without application but not more than fifteen days.

Sec. 72. That section 77-1229.01, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 99, be amended to read as follows:

77-1229.01. If any listing of personal property required to be filed under section 77-1229 is filed by or on behalf of any person and is not signed as required by law, the county assessor shall notify the person in writing of the fact of such filing and that he or she is required, on or before the last date for filing the statement or within ten days from the date of such notice, whichever is later, to appear and sign such statement or to file a properly signed corrected statement and that, upon failure to do so, the unsigned statement shall be presumed to be correct.

Sec. 73. That section 77-1232, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 100, be amended to read as follows:

77-1232. Any person who makes a false or fraudulent list, schedule, or statement required by law or willfully fails or refuses to deliver to the assessor a list of the taxable tangible personal property which by law is required to be listed, or temporarily converts any part of such property into property not taxable, for the fraudulent purpose of preventing such property from being listed and of evading the payment of taxes thereon, or transfers or transmits any property to any person with such intent, shall be guilty of a Class IV misdemeanor for any such offense committed for any tax year prior to tax year 1993 and a Class II misdemeanor for any such offense committed for tax year 1993 or thereafter.

Sec. 74. That section 77-1233.02, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 101, be amended to read as follows:

77-1233.02. The county assessor with the aid of his or her deputy and assistants shall carefully

examine, check, and verify all personal property tax returns. The assessor may make such investigation, examination, and inspection of the property set out in a return and examine under oath the person making the return as to his or her books, records, and papers in order to enable the assessor to determine that all taxable tangible personal property of the taxpayer is listed for taxation at its taxable value.

Sec. 75. That section 77-1233.04, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 102, be amended to read as follows:

77-1233.04. (1) The county assessor shall change the reported valuation of any item of personal property listed on the return of any taxpayer to conform the valuation to taxable value. The assessor shall make a change to the valuation of any item of personal property for the current taxing period and the three previous taxing periods or any taxing period included therein.

(2) The county assessor shall list any item of personal property omitted from or not returned on a personal property return of any taxpayer and value the property at its taxable value. The assessor shall list and value omitted or not returned property for the current taxing period and the three previous taxing periods or any taxing period included therein. Property so listed and valued shall be taxed at the same rate as would have been imposed upon the property in the governmental subdivision of the state in which the property should have been returned for taxation. To the tax shall be added a penalty of fifty percent of the tax due. Interest shall be assessed upon both the tax and the penalty at the rate specified in section 45-104.01, as such rate may from time to time be adjusted by the Legislature, from the date the tax would have been delinquent until paid.

(3) For purposes of this section, the county assessor shall send notice, by first-class mail to the last-known address of the taxpayer, on a form prescribed by the Tax Commissioner, advising the taxpayer of the action taken, the penalty, and the rate of interest, if any. The notice shall also state the taxpayer's appeal rights and the appeal procedures.

(4) The county assessor may with the approval of the county board of equalization waive all or part of the penalty assessed and any interest thereon. The entire penalty and interest shall be waived if the omission or failure to return any item of personal

property was for the reason that the property was timely reported in the wrong taxing district.

(5) For purposes of this section, the taxpayer may appeal the action of the county assessor, either as to the valuation of property or the penalties imposed, to the county board of equalization within thirty days of the date the notice was mailed by the county assessor. The taxpayer shall preserve his or her appeal by filing an appeal with the county clerk in the same manner as prescribed for protests in section 77-1502. The action of the county assessor shall become final unless an appeal is filed within the time prescribed.

(6) Upon ten days' notice to the taxpayer, the county board of equalization shall set a date for hearing the appeal of the taxpayer. The county board of equalization shall make its determination on the appeal within thirty days after the date of hearing. The county clerk shall, within seven days of the determination of the county board, send notice to the taxpayer and the county assessor, on forms prescribed by the Tax Commissioner, of the action of the county board. Appeal de novo may be taken from the decision of the county board of equalization to the district court of the county in which the assessment is made in the manner prescribed in sections 77-1510 and 77-1511.

(7) Taxes and penalties assessed for the current year, if not delinquent, shall be certified to the county treasurer and collected as if the property had been properly reported for taxation, except that separate tax statements may be mailed. Taxes and penalties assessed for the current year, if delinquent, and taxes and penalties assessed for prior years shall be certified to the county treasurer, and the tax, penalties, and interest thereon shall be due and collectible immediately upon certification. Collection procedures shall be started immediately regardless of the provisions of any other statute to the contrary.

Sec. 76. That section 77-1233.05, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 103, be amended to read as follows:

77-1233.05. If a return is voluntarily filed or omitted property is voluntarily reported after the final date for returning such property has passed for the current taxing period and the three previous taxing periods or any taxing period included therein, the property shall be taxed at the same rate as imposed upon the property in the governmental subdivision of the State of Nebraska in which the property should have been

returned for taxation. To the tax shall be added a penalty of ten percent of the amount of tax due on tangible personal property. Interest at the rate specified in section 45-104.01, as such rate may from time to time be adjusted by the Legislature, shall be assessed upon such penalty from the date of delinquency of the tax until paid.

The county assessor with the approval of the county board of equalization may waive all or part of the penalty and the interest on the penalty. If the omission or failure to return or report property was caused by the fact that such property was timely reported in the wrong taxing district, the entire penalty and the interest on the penalty shall be waived.

Appeals may be taken under the same conditions and in the same manner as provided in section 77-1233.04.

A return shall be deemed to be voluntarily filed or omitted property shall be deemed to have been voluntarily reported if the action is done without notice from any taxing official or if the taxpayer prior to such notice notified the county assessor in writing that such return would be filed late and the return was subsequently filed within thirty days. Returns voluntarily filed or omitted property voluntarily reported as provided in this section shall not be subjected to any other penalty.

This section shall not be so construed as to prohibit any taxing official from the proper discovery, assessment, taxation, and penalization of and for any property not listed or returned, regardless of when or in what manner the return was filed.

Sec. 77. That section 77-1236, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 104, be amended to read as follows:

77-1236. For the purpose of determining the taxable value of any property, the assessor shall have the right to demand of the owner or his or her agent or employee an inspection of the following for the year preceding assessment: Inventories; all books of accounts; depreciation schedules filed with the Internal Revenue Service; and workpapers, worksheets, or any other item prepared by or for a taxpayer and not filed with the Internal Revenue Service. If the owner, agent, or employee refuses such demand, the assessor shall have authority to issue subpoenas to compel the appearance of such owner or agent and employee, together with such papers, books, accounts, and documents as the assessor

may deem necessary, and at such time the assessor may administer oaths and take testimony. In case of disobedience on the part of any person to comply with any subpoena issued by or on behalf of the assessor or of the refusal of any witness to testify on any matters regarding which he or she may be lawfully interrogated, it shall be the duty of the district court for any county or of the judge thereof, on application by the county assessor, to compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from such court or a refusal to testify therein.

Sec. 78. That section 77-1238, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 105, be amended to read as follows:

77-1238. As used in sections 77-1239 to 77-1242.02, unless the context otherwise requires:

(1) Motor vehicle shall mean every motor vehicle and trailer, excluding snowmobiles as defined in section 60-2001, subject to the payment of registration fees, permit fees, or property taxes under the laws of this state and every cabin trailer as defined in section 60-301 subject to taxation and registered for operation upon the highways of this state;

(2) Taxing unit shall mean counties, townships, cities, villages, school districts, and all other political subdivisions and governmental agencies that have the power to levy or provide for the levy of general or special taxes;

(3) Registration period shall be that period from the date of registration to the first day of the month following one year from the date of issuance of such registration;

(4) Motor vehicle tax shall mean a tax imposed upon motor vehicles in lieu of property tax; and

(5) Dealer's vehicles on hand shall mean such motor vehicles as are owned and held for resale by motor vehicle dealers.

Sec. 79. That section 77-1239, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 106, be amended to read as follows:

77-1239. (1) The Tax Commissioner shall prepare a schedule of values for motor vehicles already manufactured or being manufactured, except dealer's vehicles on hand.

(2) In preparation of the schedule of values for cabin trailers and motor homes, the Tax Commissioner

shall deduct the value of household goods which are included in the value of such vehicle and which are exempt from taxation pursuant to section 77-202.

Sec. 80. That section 77-1240.01, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 107, be amended to read as follows:

77-1240.01. In addition to the registration fees provided by Chapter 60, article 3, a motor vehicle tax is hereby imposed on motor vehicles, except dealer's vehicles on hand, registered for operation upon the highways of this state except motor vehicles exempt from taxation by section 77-202. The motor vehicle tax shall be in lieu of all personal property taxes to which the motor vehicle would otherwise be subject.

The motor vehicle tax shall be computed annually on the value of the motor vehicle as certified to the county assessor by the Tax Commissioner at a rate equal to the property tax rate for all purposes for the preceding year in the several taxing units of the state in which the motor vehicle has tax situs. The motor vehicle tax shall be computed from the date the title transferred, except that if a vehicle remains unregistered for more than twelve months after the transfer of title, the motor vehicle tax shall be computed from the date of registration.

The motor vehicle tax as thus computed shall be collected annually by the county treasurer at the time of application for and before registration of the motor vehicle each year. The proceeds from the motor vehicle tax shall be allocated to each taxing unit levying taxes on tangible personal property in the county in which the motor vehicle has tax situs in the same proportion that the levy on tangible personal property of such taxing unit bears to the total levy on tangible personal property of all the taxing units in which the motor vehicle is taxed.

Sec. 81. That section 77-1241.01, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 108, be amended to read as follows:

77-1241.01. Motor vehicles not subject to a motor vehicle tax and not registered for operation on the highways shall be subject to the property tax on tangible personal property. ~~If Article VIII of the Constitution of Nebraska is not amended in 1992, the tax shall be computed according to the schedule of values fixed by the Tax Commissioner, except that dealers' vehicles on hand shall be valued at actual value. If a~~

motor vehicle which has been assessed for property tax purposes, except dealers' motor vehicles on hand January 1 at 12:01 a.m., is later registered during the registration period for which taxes have been assessed, the owner against whom such property taxes have been assessed shall be credited with the proportionate amount of tax for the period during which the motor vehicle tax has been paid.

Sec. 82. That section 77-1248, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 109, be amended to read as follows:

77-1248. The Tax Commissioner shall ascertain from the reports made and from any other information obtained by him or her the taxable value of the flight equipment of air carriers and the proportion allocated to this state for the purposes of taxation as provided in section 77-1245.

Sec. 83. That section 77-1249, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 110, be amended to read as follows:

77-1249. The Tax Commissioner shall each year make a levy for purposes of taxation against the value ascertained and determined by the Tax Commissioner as provided in section 77-1248 at a rate which shall be equal to the total property taxes levied in the state divided by the total taxable value of all taxable property in the state for the current tax year.

Sec. 84. That section 77-1209, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 111, be amended to read as follows:

~~77-1209-~~ Improvements on leased public lands shall be listed to the owner of the improvements as real property in the place where the land is situated. The taxes imposed on the improvements shall be collected in the same manner as in all other cases of collection of taxes on real property.

Sec. 85. That section 77-1209.02, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 112, be amended to read as follows:

~~77-1209-02-~~ If improvements on leased land are to be listed separately to the owner of the improvements, the actual value of the land and improvements shall be determined without regard to the fact that the owner of the improvements is not the owner of the land upon which such improvements have been

placed. If the owner of the improvements claims that the value is reduced by reason of uncertainty in the term of his or her tenancy or because of the prospective termination or expiration of the term, he or she shall serve notice of such claim in writing by certified mail on the owner of the land before January 1 and shall at the same time serve similar notice on the county assessor, together with his or her affidavit that he or she has served notice on the owner of the land. If the assessor finds, on the basis of the evidence submitted to him or her, that the claim is valid, he or she shall proceed to apportion the total value of the improvements between the owner thereof and the owner of the land as their respective interests appear, and the assessor shall give notice to the parties of his or her findings by certified mail prior to the date for filing complaints with the county board of equalization. The proportions so established shall continue from year to year unless changed by the assessor after notice or a claim is filed by either the owner of the improvements or the owner of the land in accordance with the procedure provided in this section. When it is found that part of the value of the improvements should be listed to the owner of the land, the part so separately listed shall have the same tax situs as the part which is listed to the owner of the improvements.

Sec. 86. That section 77-1209.03, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 113, be amended to read as follows:

~~77-1209-03.~~ Improvements on leased lands, other than leased public lands, shall be listed for assessment to the owner of the leased lands unless before January 1 following any change in the improvements the owner of the leased lands or the lessee thereof, or the owner of the leased lands and the lessee thereof before March 1 following change in such improvements, file with the county assessor on a form prescribed by the Tax Commissioner a request stating that specifically designated improvements on such leased lands are the property of the lessee. The improvements shall be listed for assessment by the owner thereof as real property, and the taxes imposed on the improvements shall be collected by levy and sale of the interest of the owner in the same manner as in all other cases of the collection of taxes on real property. When the request is filed by the owner of the leased lands, notice shall be given by the county assessor to the lessee at the address on the request. Improvements on

leased lands shall have tax situs in the tax district where the leased lands are located.

Sec. 87. That section 77-1301, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 114, be amended to read as follows:

77-1301. (1) All real property in this state subject to taxation shall be assessed as of January 1 at 12:01 a.m., which assessment shall be used as a basis of taxation until the next regular assessment.

(2) Reappraisals of all real property shall be made for the entire county in the manner provided in sections 77-1301.01 to 77-1301.06.

Sec. 88. That section 77-1301.01, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 115, be amended to read as follows:

77-1301.01. The Tax Commissioner shall adopt and promulgate rules and regulations to establish standards for the reappraisal of all real property in the various counties. The standards established shall require that the reappraisal of all real property shall be based upon the use of appraisal manuals developed pursuant to section 77-1330 and shall arrive at a determination of taxable value on a consistent basis in accordance with the methods prescribed in sections 77-112 and 77-201. The Tax Commissioner shall also establish standards for reappraisal contracts which shall, among other provisions, require that all such contracts shall require the use of appraisal manuals developed pursuant to section 77-1330. No reappraisal contract shall be valid until approved in writing by the Tax Commissioner.

Sec. 89. That section 77-1301.07, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 116, be amended to read as follows:

77-1301.07. A complete reappraisal of any or all real property at taxable value shall be made when ordered by the Tax Commissioner after he or she has conducted a hearing in accordance with the Administrative Procedure Act and has made a finding that a reappraisal of any or all real property in a county or any part thereof is necessary for compliance with the law or with any rules and regulations of the Department of Revenue.

Sec. 90. That section 77-1301.12, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 117, be amended to read as follows:

77-1301.12. For the purpose of complying with sections 77-1301.07 and 77-1301.08, the county, acting through its county commissioners or county supervisors, and the Tax Commissioner may enter into an agreement by which the Tax Commissioner directs a joint reappraisal with the county of the real property in the county. For a joint reappraisal to exist, the county shall actively participate in a portion of the reappraisal and be responsible for the reappraisal valuations of that portion.

Sec. 91. That section 77-1303, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 118, be amended to read as follows:

77-1303. On or before January 1 at 12:01 a.m. of each year, the county assessor or county clerk in counties which have unit-tax ledgers prepared by the county clerk shall make up a list, ledger, or computer file of the taxable real property in the county. If a whole section, half section, quarter section, or half quarter section belongs to the same owner, it shall be included in one description. If all the lots in the same block belong to the same owner, they shall be included in one description. If several adjoining lots in the same block belong to the same owner, they shall be included in one description. If any item of real property is situated in more than one tax district, the portion thereof in each district shall be listed separately. The county assessor or county clerk shall enter in the proper column, opposite each respective item, the name of the owner thereof so far as he or she is able to ascertain the same. The lists, ledgers, or computer files shall contain columns in which may be shown the number of acres or lots and the value thereof, the improvements and the value thereof, the total value of the acres or lots and improvements, and the improvements on leased lands and the value and owner thereof and such other columns as may be required.

Sec. 92. That section 77-1311.01, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 119, be amended to read as follows:

77-1311.01. The county assessor may, in extending a value on any item of real property, reject all values that fall below two dollars and fifty cents and extend all values of two dollars and fifty cents or more to the next higher five dollars or multiples thereof, making all valuations end in zero or five.

Sec. 93. That section 77-1315, Reissue

Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 120, be amended to read as follows:

77-1315. The county assessor shall complete his or her revisions of the assessment rolls, schedules, lists, and returns and file certificates indicating that such revisions are complete with the county clerk. The certificate for real property shall be filed on or before April 1 of each year. The certificate for tangible personal property shall be filed on or before June 20 for 1992. ~~If a constitutional amendment amending Article VIII of the Constitution of Nebraska is adopted in 1992, the~~ The certificate for tangible personal property shall be filed on or before May 20 for all years other than 1992. ~~If Article VIII of the Constitution of Nebraska is not amended in 1992, the certificate for tangible personal property shall be filed on or before April 1 for all years other than 1992.~~

The county clerk shall immediately cause to be published in a paper of general circulation in the county separate notices of the filing of each certificate. The county assessor shall, before filing the certificate for real property, notify the record owner of every item of real property which has been assessed at a higher figure than at the last previous assessment. Such notice shall be given by first-class mail addressed to such owner's last-known address. It shall describe the item of real property and state the old and new valuation, the date of the convening of the board of equalization, and the dates for filing a protest.

Sec. 94. That section 77-1317, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 121, be amended to read as follows:

77-1317. It shall be the duty of county assessors to cause all real property in their respective counties that, for any reason, has not been assessed or has escaped taxation for any former year or years when such property was liable to taxation to be placed upon the tax list and carry out an assessment against such property equal to, and in accordance with, the assessment that would have been charged against such real property had it been properly listed and assessed at the time it should have been assessed under the general laws governing the assessing and taxation of real property. No real property shall be assessed under this section when such real property has changed

ownership otherwise than by will, inheritance, or gift.

Sec. 95. That section 77-1338, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 122, be amended to read as follows:

77-1338. The county and all political subdivisions within the county shall be bound by the values established by the county assessor and equalized by the county board of equalization and the State Board of Equalization and Assessment for all property subject to its taxing power.

Sec. 96. That section 77-1342, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 123, be amended to read as follows:

77-1342. There is hereby created a fund to be known as the Tax Commissioner Revolving Fund to which shall be credited all money received by the Department of Revenue for services performed to county and multicounty assessment districts and under the provisions of sections 60-305.15 and 77-1250 and section 69 of this act, which provisions shall be for the purpose of providing funds to be used to develop appraisal manuals and distribute them to the counties and to engage competent counsel. The county or multicounty assessment district shall be billed by the Tax Commissioner for services rendered. Reimbursements to the Tax Commissioner shall be credited to the fund, and expenditures therefrom shall be made only when such funds are available. The Tax Commissioner shall only bill for the actual amount expended in performing the service.

The fund shall, at the close of each year, be lapsed to the General Fund, except that no part of the fees received under sections 60-305.15 and 77-1250 and section 69 of this act shall be so lapsed. Any money in the Tax Commissioner Revolving Fund available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to 72-1276.

Sec. 97. That section 77-1502, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 124, be amended to read as follows:

77-1502. The county board of equalization shall hold a session of not less than three and not more than sixty days, for the purpose of reviewing and deciding the protests filed pursuant to sections 77-1502 to 77-1507, commencing on April 1 of each year and ending on May 31, except that for 1992 the session shall

end no later than June 15 for tangible personal property protests. Protests shall be written in triplicate and filed with the board. Protests for real property shall be filed within thirty days of the assessor's filing of the certificate required by section 77-1315. Protests for tangible personal property shall be filed on or before the last date for filing the form required by section 77-1229.

Attached to each copy of the protest shall be a written statement of the reason or reasons why the requested reduction in assessment should be made or the protest shall be automatically dismissed.

In equalizing assessments during its regular session, the board shall prepare a separate report as to each action taken by it with respect to equalization, and such report shall include a description of the property affected by such action, the recommendation of the county assessor with respect to the action proposed or taken, the names of witnesses whose testimony was heard in connection with the action, a summary of their testimony, and a statement by the board of the basis upon which it took such action. Such report shall identify by name the members of the board favoring the action taken, be signed by the chairperson of the board, and contain a certification over his or her signature that a copy thereof is being mailed to the Tax Commissioner. One copy of the report shall be given to the officer charged with the duty of preparing the tax list, and such officer shall have no authority to make a change in the values prepared and submitted by the county assessor until such report is in his or her possession, completed, signed, and certified in the manner specified in this section. If he or she deems it incomplete, he or she shall return the same to the board for proper preparation and execution.

Within seven days after a final decision by the county board of equalization on any protest filed with the board for adjustment of property values, the county clerk shall notify the protester of the action taken by the board.

Sec. 98. That section 77-1503.01, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 125, be amended to read as follows:

77-1503.01. For purposes of sections 77-1504 and 77-1506.02, items of property or classes or subclasses of property shall mean locally assessed real property and tangible personal property. Any property valued by the state shall not be subject to equalization

by the county board of equalization under sections 77-1504 and 77-1506.02.

Sec. 99. That section 77-1504, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 126, be amended to read as follows:

77-1504. If a constitutional amendment amending Article VIII of the Constitution of Nebraska is not adopted in 1992, the county board of equalization shall fairly and impartially equalize the values of all items of real property and items of tangible personal property in the county except agricultural land and horticultural land as defined in section 77-1359 so that all real and tangible personal property is assessed uniformly and proportionately. If a constitutional amendment amending Article VIII of the Constitution of Nebraska is adopted in 1992, the county board of equalization shall fairly and impartially equalize the values of all items of real property in the county except agricultural land and horticultural land as defined in section 77-1359 so that all real property is assessed uniformly and proportionately. The county board of equalization may consider and correct the assessment of any property by raising, after due notice has been given to the owner or agent at his or her last-known address, or by lowering the assessment of such property. No action shall be taken by the county board of equalization pursuant to this section before April 1 nor after May 31 of each year, except that for 1992 for tangible personal property, no action shall be taken after June 15.

For agricultural land or horticultural land as defined in section 77-1359, the county board of equalization may make the following corrections:

- (1) Descriptions of ownership;
- (2) Land-use categorization;
- (3) Conversion of soil classification into land valuation groups only if such conversion is at variance with the most current conversion legend issued by the Tax Commissioner; and
- (4) Such other adjustments as are provided for in the agricultural land valuation manual developed under section 77-1362 without the approval of the Tax Commissioner.

If an amendment amending Article VIII of the Constitution of Nebraska is not adopted in 1992, then for purposes of equalization of the valuation of any protested real or tangible personal property, the county board of equalization shall make its adjustment so that the value of the protested property compares to the

aggregate level of value of the class or subclass of property in which the protested property is categorized.

If an amendment amending Article VIII of the Constitution of Nebraska is adopted in 1992, then for For purposes of equalization of the valuation of any protested real property, the county board of equalization shall make its adjustment so that the value of the protested property compares to the aggregate level of value of the class or subclass of property in which the protested property is categorized.

Sec. 100. That section 77-1506.02, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 127, be amended to read as follows:

77-1506.02. Upon the completion of the equalization of individual assessments of real property pursuant to sections 77-1502 and 77-1504, the county board of equalization may increase or decrease by a percentage the value of all of a class or subclass of real property as defined by the Tax Commissioner, except that the county board of equalization may increase or decrease by a percentage the value of a subclass of agricultural land or horticultural land but may not increase or decrease the value of the class of agricultural land or horticultural land. If Article VIII of the Constitution of Nebraska is not amended in 1992, the county board of equalization may also increase or decrease by a percentage the value of a class or subclass of tangible personal property as defined by the Tax Commissioner. Any adjustment made pursuant to this section shall be made to achieve the uniform and proportionate values of the classes or subclasses within the county.

Notice shall be given by publication in a newspaper of general circulation within the county at least ten days before the final action of the county board of equalization is taken. Nonresident owners of real property the value of which is adjusted by the action of the county board of equalization pursuant to this section shall be notified by mail of any changes in the value if the nonresident owner has an address of record on file with the county assessor as of January 1 of each year. The notice shall be mailed within ten days from the date on which the county board of equalization took action to adjust the value pursuant to this section.

No action shall be taken by the county board of equalization pursuant to this section after June 15 of each year.

When making percentage adjustments to classes

or subclasses of property pursuant to this section, the county board of equalization shall make such adjustments so that the value of the classes or subclasses is adjusted to the aggregate level of values of all taxable property in the county, except that any adjustment to a subclass of agricultural land or horticultural land shall be to the aggregate level of value of all agricultural land or horticultural land in the county.

Sec. 101. That section 77-1510, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 360, section 35, and Laws 1992, LB 1063, section 128, be amended to read as follows:

77-1510. Appeals may be taken from any action of the county board of equalization to the district court in the following manner:

(1) The appeal shall be filed within forty-five days after adjournment of the board which, for actions taken pursuant to sections 77-1502 and 77-1504, shall be deemed to be May 31 of the year in which the action is taken, except that for personal property appeals in 1992, the date of adjournment shall be deemed to be June 15;

(2) The appeal shall be deemed to be filed for purposes of granting jurisdiction with the filing of the petition and praecipe for summons in the district court and the filing of a request for a transcript with the county clerk. The county clerk shall prepare the transcript as soon as practicable after requested and shall deliver the same to the taxpayer for filing with the clerk of the district court upon receipt from the taxpayer of the appropriate fees for its preparation. No proceedings shall be held on the appeal of the taxpayer until the summons has been served and the transcript has been filed in district court; and

(3) A bond of no less than fifty dollars and no more than two hundred dollars, as determined by the district court, shall be filed with the petition in the form of a cash deposit or signature bond, property bond, or other bond approved by the county clerk.

After an appeal has been initiated, the board shall have no power or authority to compromise, settle, or otherwise change the action it has taken with respect to such assessment, and exclusive jurisdiction thereof shall be vested in the district court, except that the board may offer to confess judgment pursuant to section 77-1510.01. No appeal shall in any manner suspend the collection of any tax or the duties of officers relating thereto during the pendency of the appeal, and all taxes affected thereby, which may be collected, shall be

distributed as though no appeal were pending.

If by final order of a court it is thereafter determined that the value of the property should be reduced, any tax collected on the value in excess of the taxable value found by the court shall be refunded in the manner provided in section 77-1736.06, and the taxpayer shall not have been required to pay the tax under protest or initiate a refund claim for the tax paid. A person shall not be entitled to a refund pursuant to this section unless the person has prevailed in an action against the county which was filed pursuant to this section. A person shall not be entitled to a refund pursuant to this section if subsections (4) through (7) of section 77-1736.04 are applicable.

The county may cross appeal without giving bond for the reason that the taxable value of the owner's property is too low and should be increased in value as of the assessment date from which the appeal was taken.

Any party may appeal the final order of the district court entered pursuant to this section to the Court of Appeals in the manner provided for appeals in equity cases, and the appellate court shall thereafter review the case de novo on the record.

Sec. 102. That section 77-1514, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 129, be amended to read as follows:

77-1514. The county assessor shall prepare an abstract of the assessment rolls of his or her county on forms to be furnished by the Tax Commissioner, showing the values as equalized and corrected by the county board of equalization, and shall forward it to the State Board of Equalization and Assessment on or before July 1, except that in 1992 the county assessor shall forward an abstract of real property on or before July 1 and an abstract of tangible personal property on or before August 1. The abstract shall show the taxable property in the county as required by the Tax Commissioner.

Sec. 103. That section 77-1601, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 130, be amended to read as follows:

77-1601. The county board of equalization shall each year, on or before September 20 for 1992 and on or before September 15 for all other years, levy the necessary taxes for the current year. Before levying taxes for any other functions of county government, each county shall first levy a tax sufficient to enable the

county board to provide medical, surgical, and hospital care for needy persons of the county. After making the levy for such purpose, the county board of equalization shall make the levy of taxes for county purposes. The levy shall include all county taxes necessary to cover the amounts required to be raised by taxation, as provided in the annual budget of the county for the current year, and shall include all township, city, school district, precinct, village, road district, and other taxes required by law to be certified to the county clerk and levied by the county board of equalization. Any such taxes regularly voted and certified to the county assessor, after the county board has made such levy and before the county clerk has completed the tax list, shall be levied by the county board of equalization, if within the limit of the law, and extended upon the tax list.

Sec. 104. That section 77-1612, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 131, be amended to read as follows:

77-1612. The proper authorities of cities of the first and second classes, of villages, of townships, and of districts, authorized by law to vote bonds or assess taxes, except such cities as are authorized by law to levy and collect their own taxes for municipal and school purposes, shall, on or before September 1 for 1992 and on or before August 1 for all other years, certify to the county clerk the several amounts which they severally will require to be raised by taxation, including all amounts due upon legal and valid bonds outstanding against such municipal corporations, townships, or districts. Any home rule charter city now levying and collecting its own taxes is authorized to continue to do so, but when any such city has completed an agreement with the county in which it is situated for the collection of general real property taxes, it shall annually as provided in such agreement certify to the county clerk the levies or the amounts required to be raised by taxation, as the city shall determine.

Sec. 105. That section 77-1613, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 132, be amended to read as follows:

77-1613. After the equalization by the county and state boards and the levy of taxes made by them and before the first day of November, the county assessor shall transcribe the assessments of the several precincts, townships, cities, or villages into a

suitable book to be provided at the expense of the county, properly ruled and headed with the distinct columns in which shall be entered the description of the lands, number of acres and value, number of city and village lots and their value, taxable value of taxable personal property, and each description of tax, with a column ~~for~~ ~~peils~~, one for the payment, a number of columns for delinquent taxes of previous years, and a double column, showing in the first column thereof the amount of delinquent taxes due on the day the first installment thereof becomes due, as provided by law, and in the second column the amount of delinquent taxes due on the day the second installment thereof becomes due, as provided by law, in the event the taxpayer elects to pay taxes in two equal semiannual installments.

Any county board may, in its discretion, direct the county clerk to transcribe the assessments of the several precincts, townships, cities, or villages into unit tax ledgers, and whenever such board exercises the discretion conferred in this section, it shall be the duty of the county clerk to prepare unit tax ledgers in lieu of the tax lists. Unit tax ledgers shall be furnished at the expense of the county, shall be properly ruled and headed to reflect ownership, the description of the lands, all changes of ownership or description, number of acres and value, number of city and village lots and their value, taxable value of taxable personal property, and each description of tax, and shall have a ~~column for peils~~, adequate space for entering the payments of annual or semiannual installments, and adequate space for delinquent taxes of previous years.

Sec. 106. That section 77-1617, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 133, be amended to read as follows:

77-1617. The tax list and the unit tax ledger in counties that adopt or have adopted the use thereof shall be the property of the county and shall be substantially in the form set forth in this section, with such additions and amendments thereto as may be necessary to make it conform to law.

Owners' Names

Description of Lands or Town Lots
 Part of section or part of town
 Section or lot
 Town or block
 Improvements on leased lands
 Range

Acres
 Value
 No. School District
 No. Road District
 State and County Consolidated Tax
 County and District Taxes
 Road Tax
 Sch. Dist. Tax
 Sch. Dist. Bond Tax
 Precinct Tax
~~Poll Tax~~
 Advertising
 Total
 No. of Receipt

Remarks

Sec. 107. That section 77-1618, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 134, be amended to read as follows:

77-1618. As soon as the county treasurer receives the tax lists of the county, he or she shall enter in the column opposite the description of the property the amount of unpaid taxes with the year or years in which such taxes were due and the date of unredeemed sales, if any, for previous years on such property.

Sec. 108. That section 77-1703, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 135, be amended to read as follows:

77-1703. The treasurer shall receive taxes on part of any real property charged with taxes when a particular specification of the part is furnished. If the tax on the remainder of such real property remains unpaid, the treasurer shall enter such specification in his or her return so that the part on which the tax remains unpaid may be clearly known.

The tax may be paid on an undivided share of real property. In such case the treasurer shall designate on the record upon whose undivided share the tax has been paid.

The treasurer shall receive from any taxpayer at any time the amount due on account of special assessments of any kind including those levied for the use of any irrigation district whether other taxes on the same real property are paid or not. In such case, the tax receipt shall plainly show exactly what assessments have been paid and that no other tax on the real property has been received by the treasurer.

Sec. 109. That section 77-1704, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 136, be amended to read as follows:

77-1704. Whenever any person pays the taxes charged on any property, the treasurer shall enter such payment in his or her books and give a receipt therefor specifying for whom paid, the amount paid, what year paid for, and the property and value thereof on which the tax was paid, according to its description in the treasurer's books, in whole or in part of such description as the case may be. Such entry and receipts shall bear the genuine signature of the treasurer or his or her deputy receiving the payment. Whenever it appears that any receipt for the payment of taxes is lost or destroyed, the entry so made may be read in evidence in lieu thereof. The treasurer shall enter the name of the owner or of the person paying the tax opposite each tract or lot of land when he or she collects the tax thereon and the post office address of the person paying the tax. A statement shall be entered by the treasurer on such receipt showing the amount of unpaid taxes and the date of unredeemed tax sales, if any, for the previous year or years upon such land or town lot. If the treasurer fails or neglects to note on such receipt the unpaid taxes or the date of unredeemed tax sales as provided in this section, he or she shall be liable on his or her bond to the person injured thereby in the amount of the tax so omitted.

Sec. 110. That Laws 1992, LB 1063, section 137, be amended to read as follows:

Sec. 137. Except in any city or village that has adopted a building code with provisions for demolition of unsafe buildings or structures, it shall be the duty of any assessor, sheriff, constable, city council member, and village trustee to at once inform the county treasurer of the removal or demolition of or a levy of attachment upon any item of real property known to him or her. It shall be the duty of the county treasurer to immediately proceed with the collection of any delinquent or current taxes when such acts become known to him or her in any manner. The taxes shall be due and collectible, which taxes shall include taxes on all real property then assessed upon which the tax shall be computed on the basis of the last preceding levy, and a distress warrant shall be issued when (1) any person attempts to remove or demolish all or a substantial portion of his or her real property or (2) a levy of attachment is made upon the real property. From the

date the taxes are due and collectible, the taxes shall be a first lien upon the personal property of the person to whom assessed until paid.

Sec. 111. That section 77-1736.06, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 138, be amended to read as follows:

77-1736.06. The following procedure shall apply when making a property tax refund:

(1) Within thirty days of the entry of a final nonappealable order or other action approving a refund or, for property valued by the state, within thirty days of a recertification of value by the Tax Commissioner pursuant to section 77-1775 or 77-1775.01, the county assessor shall determine the amount of refund due the person entitled to the refund, certify that amount to the county treasurer, and send a copy of such certification to the person entitled to the refund. Within thirty days from the date the county assessor certifies the amount of the refund, the county treasurer shall notify each political subdivision of its respective share of the refund. Notification shall be by first-class mail, postage prepaid, to the last-known address of record of the political subdivision. The county treasurer shall pay the refund from funds in his or her possession belonging to any political subdivision which received any part of the tax or penalty being refunded. If sufficient funds are not available or the political subdivision within thirty days of the mailing of the notice by the county treasurer certifies to the county treasurer that a hardship would result and create a serious interference with its governmental functions if the refund of the tax or penalty is paid, the county treasurer shall register the refund or portion thereof which remains unpaid as a claim against such political subdivision and shall issue the person entitled to the refund a receipt for the registration of the claim. The certification by a political subdivision declaring a hardship shall be binding upon the county treasurer;

(2) The refund of a tax or penalty or the receipt for the registration of a claim made or issued pursuant to this section shall be satisfied in full as soon as practicable and in no event later than five years from the date the final order or other action approving a refund is entered. The governing body of the political subdivision shall make provisions in its budget for the amount of any refund or claim to be satisfied pursuant to this section. If a receipt for the registration of a claim is given:

(a) Such receipt shall be applied to satisfy

any tax levied or assessed by that political subdivision next falling due from the person holding the receipt after the sixth next succeeding levy is made on behalf of the political subdivision following the final order or other action approving the refund; and

(b) To the extent the amount of such receipt exceeds the amount of such tax liability, the unsatisfied balance of the receipt shall be paid and satisfied within the five-year period prescribed in this subsection from a combination of a credit against taxes anticipated to be due to the political subdivision during such period and cash payment from any funds expected to accrue to the political subdivision pursuant to a written plan to be filed by the political subdivision with the county treasurer no later than thirty days after the claim against the political subdivision is first reduced by operation of a credit against taxes due to such political subdivision.

If a political subdivision fails to fully satisfy the refund or claim prior to the sixth next succeeding levy following the entry of a final nonappealable order or other action approving a refund, interest shall accrue on the unpaid balance commencing on the sixth next succeeding levy following such entry or action at the rate set forth in section 45-103;

(3) The county treasurer shall mail the refund or the receipt by first-class mail, postage prepaid, to the last-known address of the person entitled thereto. Multiple refunds to the same person may be combined into one refund or credit. If a refund is not claimed by June 1 of the year following the year of mailing, the refund shall be canceled and the resultant amount credited to the various funds originally charged;

(4) When the refund involves property valued by the state, the Tax Commissioner shall be authorized to negotiate a settlement of the amount of the refund or claim due pursuant to this section on behalf of the political subdivision from which such refund or claim is due. Any political subdivision which does not agree with the settlement terms as negotiated may reject such terms, and the refund or claim due from the political subdivision then shall be satisfied as set forth in this section as if no such negotiation had occurred;

(5) In the event that the Legislature appropriates state funds to be disbursed for the purposes of satisfying all or any portion of any refund or claim, the Tax Commissioner shall order the county treasurer to disburse such refund amounts directly to the persons entitled to the refund in partial or total

satisfaction of such persons' claims. The county treasurer shall disburse such amounts within forty-five days after receipt thereof; and

(6) If all or any portion of the refund is reduced by way of settlement or forgiveness by the person entitled to the refund, the proportionate amount of the refund that was paid by an appropriation of state funds shall be reimbursed by the county treasurer to the State Treasurer within forty-five days after receipt of the settlement agreement or receipt of the forgiven refund. The amount so reimbursed shall be credited to the General Fund.

Sec. 112. That section 77-1802, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 139, be amended to read as follows:

77-1802. The county treasurer shall, not less than four nor more than six weeks prior to the first Monday of March in each year, make out a list of all real property subject to sale and the amount of all delinquent taxes against each item, describing the property as it is described on the tax list, with an accompanying notice stating that so much of such property described in the list as may be necessary for that purpose will, on the first Monday of March next thereafter, be sold by such county treasurer at public auction at his or her office for the taxes, interest, and costs thereon.

Sec. 113. That section 77-1803, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 140, be amended to read as follows:

77-1803. In describing real property in the notice required by section 77-1802 and in all proceedings relative to assessing, advertising, or selling the property for taxes, it shall be sufficient to designate the township, range, sections, or part of section and also the number of lots and blocks, by initial letters, abbreviations, and figures.

In describing improvements on leased land for such notice and proceedings, the words "Improvements Only Located Upon" shall precede the designation of such property as set out in this section.

Sec. 114. That section 77-1804, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 141, be amended to read as follows:

77-1804. The county treasurer shall cause the list of real property subject to sale and accompanying

notice to be published once a week for three consecutive weeks prior to the date of sale, commencing the first week in February, in a legal newspaper and, in counties having more than two hundred fifty thousand inhabitants, in a daily legal newspaper of general circulation, published in the English language in the county, and designated by the county board. The county treasurer shall also cause to be posted in some conspicuous place in his or her office a copy of such notice. The treasurer shall assess against each description the sum of two dollars to defray the expenses of advertising, which sum shall be added to the total amount due on such real property and be collected in the same manner as taxes are collected.

Sec. 115. That section 77-1806, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 142, be amended to read as follows:

77-1806. On the day designated in the notice of sale, the county treasurer shall commence the sale of the real property on which the taxes and charges have not been paid and shall continue the sale from day to day, Sundays and holidays excepted, until each item of real property or so much thereof as is sufficient to pay the taxes and charges thereon, including the cost of advertising, has been sold or offered for sale.

Sec. 116. That section 77-1807, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 143, be amended to read as follows:

77-1807. The person who offers to pay the amount of taxes due on any real property for the smallest portion of the same shall be the purchaser, and when such person designates the smallest portion of the real property for which he or she will pay the amount of taxes assessed against any such property, the portion thus designated shall be considered an undivided portion. If no person bids for a less quantity than the whole, the treasurer may sell any real property to any one who will take the whole and pay the taxes and charges thereon. If the homestead is listed separately as a homestead, it shall be sold only for the taxes delinquent thereon.

Sec. 117. That section 77-1808, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 144, be amended to read as follows:

77-1808. The person purchasing any real property shall pay to the treasurer the amount of taxes,

interest, and cost thereon, which payment may be made in the same funds receivable by law in the payment of taxes. If any purchaser fails to so pay, then the real property shall at once again be offered as if no such sale had been made.

Sec. 118. That section 77-1810, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 145, be amended to read as follows:

77-1810. Whenever any real property subject to sale for taxes is within the corporate limits of any city, village, school district, drainage district, or irrigation district, it shall have the right and power through its governing board or body to purchase such real property for the use and benefit and in the name of the city, village, school district, drainage district, or irrigation district as the case may be. The treasurer of the city, village, school district, drainage district, or irrigation district may assign the certificate of purchase by endorsement of his or her name on the back thereof when directed so to do by written order of the governing board. No such sale shall be made to any city, village, school district, drainage district, or irrigation district by the county treasurer when the real property has been previously sold to the county, but in any such case, the city, village, school district, drainage district, or irrigation district may purchase the tax certificate held by the county.

Sec. 119. That section 77-1812, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 146, be amended to read as follows:

77-1812. The county treasurer shall keep a sale book showing in separate columns the number and date of each certificate of sale, the name of the owners or owner if known, the description of the real property, the name of the purchaser, the total amount of taxes and costs for which sold, the amount of subsequent taxes paid by the purchaser and date of payment, to whom assigned, and the amount paid therefor, name of person redeeming, date of redemption, total amount paid for redemption, name of person to whom conveyed, and date of deed.

Sec. 120. That section 77-1814, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 147, be amended to read as follows:

77-1814. After the sale is closed and the

treasurer has made his or her return thereof to the county clerk as provided in section 77-1813, if any real property remains unsold for want of bidders therefor, the county treasurer is authorized and required to sell the same at private sale at his or her office to any person who will pay the amount of taxes, penalty, and costs thereof and to make out duplicate certificates of sale and deliver one to the purchaser and the other to the county clerk. Such certificate shall contain the additional statement that such real property has been offered at public sale but not sold for want of bidders and shall also contain the words "sold for taxes at private sale". The treasurer is further authorized and required to sell all real property in the county on which taxes remain unpaid and delinquent for any previous year or years.

Sec. 121. That section 77-1815, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 148, be amended to read as follows:

77-1815. If any treasurer fails to attend any sale of real property as required by sections 77-1801 to 77-1814, either in person or by deputy, he or she shall be liable to a fine of not less than fifty nor more than three hundred dollars to be recovered by an action in the district court in the name of the county against the treasurer and the person issuing the treasurer's bond.

Sec. 122. That section 77-1818, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 149, be amended to read as follows:

77-1818. The purchaser of any real property sold by the county treasurer for taxes shall be entitled to a certificate in writing, describing the real property so purchased, the sum paid, and the time when the purchaser will be entitled to a deed, which certificate shall be signed by the treasurer in his or her official capacity and shall be presumptive evidence of the regularity of all prior proceedings. The purchaser acquires a perpetual lien of the tax on the real property, and if after the taxes become delinquent he or she subsequently pays any taxes levied on the property, whether levied for any year or years previous or subsequent to such sale, he or she shall have the same lien for them and may add them to the amount paid by him or her in the purchase.

Sec. 123. That section 77-1820, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 150, be amended to read as

follows:

77-1820. If any person becomes the purchaser of more than one item of real property, he or she may have the whole included in one certificate, but each item shall be separately described, and the amount paid may be entered in gross in the certificate.

Sec. 124. That section 77-1823, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 151, be amended to read as follows:

77-1823. The treasurer is authorized to demand two dollars for each deed or certificate made by him or her on such sale, together with the fee of the notary public or other officer acknowledging the deed, but any number of items of real property bought by any one person may be included in one deed as may be desired by the purchaser. Whenever the treasurer makes a deed to any real property sold for taxes, he or she shall enter an account thereof in the sale book opposite the description of the real property so conveyed.

Sec. 125. That section 77-1824, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 152, be amended to read as follows:

77-1824. The owner or occupant of any real property sold for taxes or any person having a lien thereupon or interest therein may redeem the same at any time before the delivery of tax deed by the county treasurer by paying the county treasurer for the use of such purchaser or his or her heirs or assigns the sum mentioned in his or her certificate, with interest thereon at the rate specified in section 45-104.01, as such rate may from time to time be adjusted by the Legislature, from the date of purchase to date of redemption, together with all other taxes subsequently paid, whether for any year or years previous or subsequent to the sale, and interest thereon at the same rate from date of such payment to date of redemption.

Sec. 126. That section 77-1826, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 153, be amended to read as follows:

77-1826. The real property of minors, or any interest they may have in any real property sold for taxes, may be redeemed at any time during the time of redemption above described or at any time before such minor becomes of age and during two years thereafter.

Sec. 127. That section 77-1827, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws

1992, LB 1063, section 154, be amended to read as follows:

77-1827. The real property of persons with mental retardation or a mental disorder so sold, or any interest they may have in real property sold for taxes, may be redeemed at any time within five years after such sale.

Sec. 128. That section 77-1829, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 155, be amended to read as follows:

77-1829. If any purchaser of real property sold for taxes under sections 77-1801 to 77-1860 suffers the same to be again sold for taxes before the expiration of the last day of the second annual sale thereafter, such purchaser shall not be entitled to a deed for such real property until the expiration of a like term from the date of the second sale, during which time the real property shall be subject to redemption upon the terms and conditions prescribed by law.

Sec. 129. That section 77-1830, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 156, be amended to read as follows:

77-1830. Any person claiming an undivided part of any real property sold for taxes may redeem the property on paying such proportion of the purchase money, interest, costs, and subsequent taxes as he or she claims of the real property sold. The owner or occupant of a divided part of any real property sold for taxes or any person having a lien thereon or interest therein may redeem the property by paying the taxes separately assessed against such divided part, together with interest, costs, and subsequent taxes. If no taxes have been separately assessed against such divided part, then it shall be the duty of the county assessor, upon demand of the owner or lienholder or upon the demand of the county treasurer, to assess the divided part and to certify the assessment to the county treasurer. The owner or lienholder of the divided part may thereupon redeem the divided part upon the payment to the treasurer of such sum so assessed, together with interest thereon, costs, and subsequent taxes. The treasurer shall make a proper entry of such partial redemption in his or her sale book, and no deed thereafter given shall convey a greater interest than that remaining unredeemed.

Sec. 130. That section 77-1831, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws

1992, LB 1063, section 157, be amended to read as follows:

77-1831. No purchaser at any sale for taxes or his or her assignees shall be entitled to a deed from the treasurer for the real property so purchased unless such purchaser or assignee, at least three months before applying for the deed, serves or causes to be served a notice stating when such purchaser purchased the real property, the description thereof, in whose name assessed, for what year taxed or specially assessed, and that after the expiration of three months from the date of service of such notice the deed will be applied for.

Sec. 131. That section 77-1832, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 158, be amended to read as follows:

77-1832. Service of the notice provided by section 77-1831 shall be made on every person in actual possession or occupancy of the real property, upon the person in whose name the title to the real property appears of record, and upon every encumbrancer of record in the office of the register of deeds of the county if, upon diligent inquiry, he or she can be found in the county. Whenever the record of a lien shows the post office address of the lienholder, notice shall be sent by certified or registered mail to the holder of such lien at the address appearing of record.

Sec. 132. That section 77-1833, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 159, be amended to read as follows:

77-1833. The service of notice provided by section 77-1832 shall be proved by affidavit, and the notice and affidavit shall be filed and preserved in the office of the county treasurer. When service of notice has been made upon a lienholder by certified or registered mail, the certified or registered mail return receipt shall be filed with and accompany the return of service. For each service of such notice, a fee of one dollar shall be allowed. The amount of such fees shall be noted by the treasurer in the sales book opposite the real property described in the notice and shall be collected by the treasurer in case of redemption for the benefit of the holder of the certificate.

Sec. 133. That section 77-1834, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 160, be amended to read as follows:

77-1834. If no person is in actual possession

or occupancy of such real property and the person in whose name the title to the real property appears of record in the office of the register of deeds in the county cannot, upon diligent inquiry, be found in the county, then such purchaser or his or her assignee shall publish the notice in some newspaper published in the county and having a general circulation therein or, if no newspaper is printed in the county, then in a newspaper published in this state nearest to the county in which the real property is situated.

Sec. 134. That section 77-1836, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 161, be amended to read as follows:

77-1836. If any person is compelled to publish notice in a newspaper as provided in sections 77-1834 and 77-1835, then before any person who may have a right to redeem such real property from such sale is permitted to redeem, he or she shall pay the officer or person who by law is authorized to receive such redemption money the amount paid for publishing such notice, for the use of the person compelled to publish the notice. The fee for such publication shall not exceed one dollar for each item of real property contained in such notice and not more than three dollars for any one notice. The cost of making such publication shall be noted by the treasurer in the sales book opposite the real property described in the notice.

Sec. 135. That section 77-1842, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 162, be amended to read as follows:

77-1842. Deeds made by the county treasurer shall be presumptive evidence in all courts of this state, in all controversies and suits in relation to the rights of the purchaser and his or her heirs or assigns to the real property thereby conveyed, of the following facts: (1) That the real property conveyed was subject to taxation for the year or years stated in the deed; (2) that the taxes were not paid at any time before the sale; (3) that the real property conveyed had not been redeemed from the sale at the date of the deed; (4) that the property had been listed and assessed; (5) that the taxes were levied according to law; (6) that the property was sold for taxes as stated in the deed; (7) that the notice had been served or due publication made as required in sections 77-1831 to 77-1835 before the time of redemption had expired; (8) that the manner in which the listing, assessment, levy, and sale were

conducted was in all respects as the law directed; (9) that the grantee named in the deed was the purchaser or his or her assignee; and (10) that all the prerequisites of the law were complied with by all the officers who had or whose duty it was to have had any part or action in any transaction relating to or affecting the title conveyed or purporting to be conveyed by the deed, from the listing and valuation of the property up to the execution of the deed, both inclusive, and that all things whatsoever required by law to make a good and valid sale and to vest the title in the purchaser were done.

Sec. 136. That section 77-1845, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 163, be amended to read as follows:

77-1845. In all cases when a person has paid his or her taxes and through mistake in the entry made in the treasurer's books or in the receipt the real property upon which the taxes were paid was afterwards sold, the treasurer's deed shall not convey the title.

Sec. 137. That section 77-1846, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 164, be amended to read as follows:

77-1846. In all cases when the owner of real property sold for taxes resists the validity of a tax title, the owner may prove fraud committed by the officer selling the same or in the purchaser to defeat the same, and if fraud is so established, the sale and title shall be void.

Sec. 138. That section 77-1847, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 165, be amended to read as follows:

77-1847. When by mistake or wrongful act of the treasurer or other officer real property has been sold on which no tax was due at the time or whenever real property is sold in consequence of error in describing such real property in the tax receipt, the county shall hold the purchaser harmless by paying him or her the amount of principal, interest, and costs to which he or she would have been entitled had the real property been rightfully sold. The treasurer or other officer shall be liable to the county therefor upon his or her official bond, or the purchaser or his or her assignee may recover directly of the treasurer or other officer in an action on his or her official bond.

Sec. 139. That section 77-1848, Reissue

Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 166, be amended to read as follows:

77-1848. Whenever any school or university real property bought on credit is sold for taxes, the purchaser at such tax sale shall acquire only the interest of the original purchaser in such real property, and no sale of such real property for taxes shall prejudice the rights of the state therein or preclude the recovery of the purchase money or interest due thereon. In all cases when the real property is mortgaged or otherwise encumbered to the school or university fund, the interest of the person who holds the fee shall alone be sold for taxes and in no case shall the lien or interest of the state be affected by any sale of such encumbered real property made for taxes.

Sec. 140. That section 77-1856, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 167, be amended to read as follows:

77-1856. If the owner of any tax sale certificate fails or neglects to demand a deed thereon or to commence an action for the foreclosure of the same within the time specified in section 77-1837 or 77-1902, such tax sale certificate shall cease to be valid or of any force or effect whatever and the real property covered thereby shall be forever released and discharged from the lien of all taxes for which the real property was sold. It is made the duty of each and every county treasurer of the State of Nebraska to enter on the tax sale records of his or her office a cancellation of all tax sales on which the time specified in section 77-1837 or 77-1902 has elapsed since date of sale, with date of entry affixed, in language substantially as follows: Canceled by section 77-1856. No county treasurer or bonded abstractor shall be held responsible on his or her bond or otherwise on account of such entry being made in accordance with this section. All real property covered by tax sales that comes within the provisions of sections 77-1801 to 77-1860 shall from the time of this entry be considered to stand of record as though no tax sale had ever been made.

Sec. 141. That section 77-1904, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 168, be amended to read as follows:

77-1904. In all foreclosure proceedings, the plaintiff may include in one petition as many tax sale

certificates, tax deeds, or tax liens as the plaintiff may hold, regardless of whether they are upon the same or different items of real property and whether the real property covered by them is owned by the same or different persons. It shall be sufficient, in the petition and in all proceedings in such foreclosure suit, to designate the township, range, section, or part of section and the number and description of any lot or block by initial letters, abbreviations, and figures.

In describing improvements on leased land for such notice and proceedings, the words "Improvements Only Located Upon" shall precede the designation of such property as set out in this section.

Sec. 142. That section 77-1906, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 169, be amended to read as follows:

77-1906. The plaintiff may also, if desired, include as or make the real property described in the petition a defendant and, if the owners of any such real property are unknown and cannot be found, may proceed against the real property itself, but in such case the service shall be as in the case of an unknown defendant.

Sec. 143. That section 77-1907, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 170, be amended to read as follows:

77-1907. The fact that the owners of separate or different items of real property are joined as defendants in one action shall not constitute a defense on the part of any one or more of the defendants nor cause a misjoinder of defendants or causes of action. The defendants may plead jointly or separately to the petition.

Sec. 144. That section 77-1909, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 171, be amended to read as follows:

77-1909. In its decree, the court shall ascertain and determine the amount of taxes, special assessments, and other liens, interest, and costs chargeable to each particular item of real property and award to the plaintiff an attorney's fee, unless waived by the plaintiff, in an amount equal to ten percent of the amount due which shall be taxed as part of the costs in the action and apportioned equitably as other costs.

Sec. 145. That section 77-1910, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 172, be amended to read as

follows:

77-1910. The court may in its decree order that any surplus proceeds of the sale of one item of real property shall be applied to the payment of taxes and costs against any other item of real property owned by the same defendant when no rights of a third person are affected thereby and may order that only so much of the real property, so owned by one defendant, shall be sold as may be necessary to satisfy all taxes and costs charged against all the real property owned by the same defendant.

Sec. 146. That section 77-1911, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 173, be amended to read as follows:

77-1911. Upon the expiration of twenty days from and after such decree, the plaintiff shall be entitled to an order of sale of the real property remaining unredeemed. This order of sale shall be issued only at the request of the plaintiff or the holder of an unredeemed lien and shall be issued within ten years from the date of the decree. After ten years from the date of the decree, (1) no order of sale shall issue, (2) the decree shall be deemed satisfied, and (3) no further action shall lie to enforce the lien of any taxes or special assessments included in the decree.

Sec. 147. That section 77-1912, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 174, be amended to read as follows:

77-1912. The sheriff shall sell the real property in the same manner provided by law for a sale on execution and shall at once pay the proceeds thereof to the clerk of the district court. Any governmental subdivision of the state, municipal corporation, or drainage or irrigation district to which any part of the taxes included in the decree of foreclosure is due may purchase any real property sold at sheriff's sale. The provisions of the law for the protection of the purchasers at tax sales shall apply to purchasers at foreclosure sales provided for in this section. The sheriff or officer conducting the sale shall not be entitled to any commission on the money received and paid out on foreclosure sales provided for herein.

Sec. 148. That section 77-1914, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 175, be amended to read as follows:

77-1914. Upon confirmation of the sale, the

clerk of the district court shall certify to the county treasurer the year or years of the taxes for which the real property was sold. The treasurer shall thereupon cancel the taxes for such years, and the proceedings shall operate as a release of such real property from all liens for the taxes included therein. The delivery of the sheriff's deed shall pass title to the purchaser free and clear of all liens of every nature whatsoever and the interest or interests of all persons over whom the court had jurisdiction.

Sec. 149. That section 77-1915, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 176, be amended to read as follows:

77-1915. From the proceeds of the sale of any real property, the costs charged thereto shall first be paid. When the plaintiff is a private person, firm, or corporation, the balance thereof, or so much thereof as is necessary, shall be paid to the plaintiff. When the plaintiff is a governmental subdivision, municipal corporation, or drainage or irrigation district, the balance thereof, or so much thereof as is necessary, shall be paid to the county treasurer for distribution to the various governmental subdivisions, municipal corporations, or drainage or irrigation districts entitled thereto in discharge of all claims.

Sec. 150. That section 77-1916, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 177, be amended to read as follows:

77-1916. If a surplus remains after satisfying all costs and taxes against any particular item of real property, the excess shall be applied in the manner provided by law for the disposition of the surplus in the foreclosure of mortgages on real property. If the proceeds are insufficient to pay the costs and all the taxes, when the plaintiff is a governmental subdivision, a municipal corporation, or a drainage or irrigation district, the amount remaining shall be prorated among the governmental subdivisions, municipal corporations, and drainage or irrigation districts in the proportion of their interest in the decree of foreclosure. The proceeds of the sale of one item of real property shall not be applied to the discharge of a lien for taxes against another item of real property except when so directed by the decree for foreclosure under the circumstances set forth in section 77-1910.

Sec. 151. That section 77-1917, Reissue

Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 178, be amended to read as follows:

77-1917. Any person entitled to redeem real property may do so at any time after the decree of foreclosure and before the final confirmation of the sale by paying to the clerk of the district court the amount found due against the property, with interest and costs to the date of redemption and, in addition thereto, when the real property has been sold at sheriff's sale to a purchaser other than the plaintiff, any subsequent taxes paid by such purchaser, as shown by tax receipts filed by such purchaser with the clerk of the district court, with interest at the rate specified in section 45-104.01, as such rate may from time to time be adjusted by the Legislature, from the date or dates of payment of such taxes, and also interest on the purchase price at the same rate, for the use of the purchaser, from the date of sale to the date of redemption.

Sec. 152. That section 77-1918, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 179, be amended to read as follows:

77-1918. On or before August 1 of each year in counties having a population of two hundred thousand inhabitants or less and on or before October 1 of each year in counties having a population of over two hundred thousand inhabitants, the county treasurer shall make a report in writing to the county board setting out a complete list of all real property in the county on which any taxes are delinquent and which was not sold for want of bidders at the last annual tax sale held in such county. It shall be the duty of the county board, at its first meeting held after the making of such report, to carefully examine the same, and while it may direct the issuance of tax sale certificates to the county upon any real property upon which there are any delinquent taxes, it shall, as to all real property upon which taxes are delinquent for three or more years, either enter an order directing the foreclosure of the lien of such taxes as provided in section 77-1901 or enter an order for the county treasurer to issue tax sale certificates to the county covering the delinquent taxes upon such real property, to be foreclosed upon in the manner and at the time provided in sections 77-1901 to 77-1918.

The county board shall have authority to direct the county attorney to commence foreclosure of

such liens or certificates or it may designate another attorney to commence such actions, and the county board is authorized to pay any reasonable fee for such foreclosures to be assessed as costs. In the event the county attorney is designated to bring the action, the fee shall be fifty dollars for each cause of action in addition to his or her salary to be retained by him or her, but it shall not be paid to the county attorney until the decree is entered and the property sold pursuant to such decree. No fee shall be allowed the county attorney for such foreclosures in counties having a population of more than one hundred thousand inhabitants.

Any county treasurer, county attorney, or member of the county board who willfully fails, neglects, or refuses to perform the duties imposed by such sections shall be guilty of official misdemeanor and subject to removal from office as provided in sections 23-2001 to 23-2009. If the county board fails to dismiss the county attorney for failure to foreclose liens, the county board shall be removed. Any member of a county board who, upon a motion duly made by one member of such board to remove a county attorney from office who has failed to foreclose liens, does not vote for such motion or any member who votes to retain a county attorney in office after it has been brought to the board's attention that he or she has failed to foreclose liens shall be subject to removal from office as provided in sections 23-2001 to 23-2009.

Sec. 153. That section 77-2701, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 871, section 3, and Laws 1992, LB 1063, section 180, be amended to read as follows:

77-2701. Sections 77-2701 to 77-27,135 and sections 4 to 24 and 26 to 59 of this act and section 181 of this act shall be known and may be cited as the Nebraska Revenue Act of 1967.

Sec. 154. That Laws 1992, LB 1063, section 181, be amended to read as follows:

Sec. 181. (1) Any purchaser of depreciable agricultural machinery or equipment purchased on or after January 1, 1992, for use in commercial agriculture may apply for a refund of all of the Nebraska sales or use taxes and all of the local option sales or use taxes paid on the machinery or equipment.

(2) The purchaser shall file a claim within three years after the date of purchase with the Tax Commissioner pursuant to section 77-2708. The information provided on a tax refund claim allowed under

this section may be disclosed to any other tax official of this state.

Sec. 155. That section 77-2703, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 871, section 25, and Laws 1992, LB 1063, section 182, be amended to read as follows:

77-2703. (1) There is hereby imposed a tax at the rate provided in section 77-2701.02 upon the gross receipts from all sales of tangible personal property sold at retail in this state, the gross receipts of every person engaged as a public utility, as a community antenna television service operator or any person involved in the connecting and installing of the services defined in subdivision (2)(a), (b), or (d) of section 8 of this act, or as a retailer of intellectual or entertainment properties referred to in subsection (3) of section 8 of this act, the gross receipts from the sale of admissions in this state, and the gross receipts from the sale of warranties, guarantees, service agreements, or maintenance agreements when the items covered are subject to tax under this section. When there is a sale, the tax shall be imposed at the rate in effect at the time the gross receipts are realized under the accounting basis used by the retailer to maintain his or her books and records.

(a) The tax imposed by this section shall be collected by the retailer from the consumer. It shall constitute a part of the purchase price and until collected shall be a debt from the consumer to the retailer and shall be recoverable at law in the same manner as other debts. The tax required to be collected by the retailer from the consumer constitutes a debt owed by the retailer to this state.

(b) It is unlawful for any retailer to advertise, hold out, or state to the public or to any customer, directly or indirectly, that the tax or part thereof will be assumed or absorbed by the retailer, that it will not be added to the selling, renting, or leasing price of the property sold, rented, or leased, or that, if added, it or any part thereof will be refunded. The provisions of this subdivision shall not apply to a public utility.

(c) The tax required to be collected by the retailer from the purchaser, unless otherwise provided by statute or by rule and regulation of the Tax Commissioner, shall be displayed separately from the list price, the price advertised in the premises, the marked price, or other price on the sales check or other proof of sales, rentals, or leases.

(d) For the purpose of more efficiently securing the payment, collection, and accounting for the sales tax and for the convenience of the retailer in collecting the sales tax, it shall be the duty of the Tax Commissioner to adopt and promulgate appropriate rules and regulations prescribing a schedule or schedules of the amounts to be collected from the consumer or user to effectuate the computation and collection of the tax imposed by the Nebraska Revenue Act of 1967. Such schedule or schedules shall provide that the tax shall be collected from the consumer or user uniformly on sales according to brackets based on sales prices of the item or items, except that the Tax Commissioner may authorize computation and collection of the tax uniformly on a straight percentage basis in lieu of brackets in situations involving machine or computer billing.

(e) The use of tokens or stamps for the purpose of collecting or enforcing the collection of the taxes imposed in the Nebraska Revenue Act of 1967 or for any other purpose in connection with such taxes is prohibited.

(f) For the purpose of the proper administration of the provisions of the Nebraska Revenue Act of 1967 and to prevent evasion of the retail sales tax, it shall be presumed that all gross receipts are subject to the tax until the contrary is established. The burden of proving that a sale of tangible personal property is not a sale at retail is upon the person who makes the sale unless he or she takes, in good faith, from the purchaser a resale certificate to the effect that the property is purchased for the purpose of reselling, leasing, or renting it or takes, in good faith, an exemption certificate pursuant to subsection (7) of section 77-2705. Receipt of a resale certificate or exemption certificate, taken in good faith, shall be conclusive proof for the seller that the sale was made for resale or was exempt.

(g) Whenever any retailer makes delivery of any tangible personal property in this state on or after June 1, 1967, it shall be conclusively presumed that such property was sold at retail on or after June 1, 1967, unless the delivery thereof is made pursuant to a contract executed in writing for a fixed price before June 1, 1967, with at least twenty-five percent of the total price paid prior to June 1, 1967, and such delivery is made prior to August 31, 1967.

(h) In the rental or lease of automobiles, trucks, trailers, semitrailers, and truck-tractors as

defined in section 60-301, for periods of thirty days or more, the lessor may elect not to collect and remit the sales tax on the gross receipts and instead pay a sales tax on the cost of such vehicle. If such election is made, it shall be made pursuant to the following conditions:

(i) Notice of the desire to make such election shall be filed with the Tax Commissioner and shall not become effective until the Tax Commissioner is satisfied that the taxpayer has complied with all conditions of this subsection and all rules and regulations of the Tax Commissioner;

(ii) Such election when made shall continue in force and effect for a period of not less than two years and thereafter until such time as the lessor elects to terminate the election;

(iii) When such election is made, it shall apply to all vehicles of the lessor rented or leased for periods of thirty days or more except vehicles to be leased to common or contract carriers who provide to the lessor a valid common or contract carrier exemption certificate. If the lessor rents or leases other vehicles for periods of less than thirty days, such lessor shall maintain his or her books and records and his or her accounting procedure as the Tax Commissioner prescribes; and

(iv) The Tax Commissioner by rule and regulation shall prescribe the contents and form of the notice of election, a procedure for the determination of the tax base of vehicles which are under an existing lease at the time such election becomes effective, the method and manner for terminating such election, and such other rules and regulations as may be necessary for the proper administration of this subdivision.

(i) If a sales or use tax has been paid on the purchase, storage, use, or other consumption of tangible personal property used in the performance of a construction contract, which contract is with the project owner, is for a fixed price, and has been executed prior to June 1, 1967, and which tangible personal property is incorporated into the project and transferred to the owner of the structure constructed upon the completion of the contract, the person having paid such sales or use tax shall be entitled to a refund of the amount of taxes so paid. The Tax Commissioner shall by rule and regulation provide the manner and means of applying for such refund and shall require the furnishing of such proof as may reasonably be required to establish the fact that such property was used in the

completion of a contract as defined in this subdivision and that any sales or use tax has in fact been paid on such tangible personal property.

(j) The tax imposed by this section on the sales of motor vehicles, trailers, and semitrailers as defined in section 60-301 shall be the liability of the purchaser and, with the exception of motor vehicles, trailers, and semitrailers registered pursuant to section 60-305.09, the tax shall be collected by the county treasurer at the time the purchaser makes application for the registration of the motor vehicle, trailer, or semitrailer for operation upon the highways of this state. The tax imposed by this section on motor vehicles, trailers, and semitrailers registered pursuant to section 60-305.09 shall be collected by the Department of Motor Vehicles at the time the purchaser makes application for the registration of the motor vehicle, trailer, or semitrailer for operation upon the highways of this state. At the time of the sale of any motor vehicle, trailer, or semitrailer, the seller shall (i) state on the sales invoice the dollar amount of the tax imposed under this section and (ii) furnish to the purchaser a certified statement of the transaction, in such form as the Tax Commissioner prescribes, setting forth as a minimum the total sales price, the allowance for any trade-in, and the difference between the two. The sales tax due shall be computed on the difference between the total sales price and the allowance for any trade-in as disclosed by such certified statement. A copy of such certified statement shall also be furnished to the Tax Commissioner. Any seller who fails or refuses to furnish such certified statement shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine of not less than twenty-five dollars nor more than one hundred dollars. If the seller fails to state on the sales invoice the dollar amount of the tax due, the purchaser shall have the right and authority to rescind any agreement for purchase and to declare the purchase null and void. If the purchaser retains such motor vehicle, trailer, or semitrailer in this state and does not register it for operation on the highways of this state within thirty days of the purchase thereof, the tax imposed by this section shall immediately thereafter be paid by the purchaser to the county treasurer or the Department of Motor Vehicles. The county treasurer or Department of Motor Vehicles shall report and remit the tax so collected to the Tax Commissioner at such times as the Tax Commissioner may require by rule and regulation.

The county treasurer shall deduct and withhold for the use of the county general fund the collection fee permitted to be deducted by any retailer collecting the sales tax. The Department of Motor Vehicles shall deduct, withhold, and deposit in the Interstate Registration Operations Cash Fund the collection fee permitted to be deducted by any retailer collecting the sales tax. The collection fee shall be forfeited if the county treasurer or Department of Motor Vehicles violates any rule or regulation pertaining to the collection of the use tax.

(k) The Tax Commissioner shall adopt and promulgate necessary rules and regulations for determining the amount subject to the taxes imposed by this section so as to insure that the full amount of any applicable tax is paid in cases in which a sale is made of which a part is subject to the taxes imposed by this section and a part of which is not so subject and a separate accounting is not practical or economical.

(2) A use tax is hereby imposed on the storage, use, or other consumption in this state of tangible personal property purchased, leased, or rented from any retailer and on any transaction the gross receipts of which are subject to tax under subsection (1) of this section on or after June 1, 1967, for storage, use, or other consumption in this state at the rate set as provided in subsection (1) of this section on the sales price of the property or, in the case of leases or rentals, of the lease or rental prices.

(a) Every person storing, using, or otherwise consuming in this state tangible personal property purchased from a retailer or leased or rented from another person for such purpose shall be liable for the use tax at the rate in effect when his or her liability for the use tax becomes certain under the accounting basis used to maintain his or her books and records. His or her liability shall not be extinguished until the use tax has been paid to this state, except that a receipt from a retailer engaged in business in this state or from a retailer who is authorized by the Tax Commissioner, under such rules and regulations as he or she may prescribe, to collect the sales tax and who is, for the purposes of the Nebraska Revenue Act of 1967 relating to the sales tax, regarded as a retailer engaged in business in this state, which receipt is given to the purchaser pursuant to subdivision (b) of this subsection, shall be sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

(b) Every retailer engaged in business in this state and selling, leasing, or renting tangible personal property for storage, use, or other consumption in this state shall, at the time of making any sale, collect any tax which may be due from the purchaser and shall give to the purchaser, upon request, a receipt therefor in the manner and form prescribed by the Tax Commissioner.

(c) The Tax Commissioner, in order to facilitate the proper administration of the use tax, may designate such person or persons as he or she may deem necessary to be use tax collectors and delegate to such persons such authority as is necessary to collect any use tax which is due and payable to the State of Nebraska. The Tax Commissioner may require of all persons so designated a surety bond in favor of the State of Nebraska to insure against any misappropriation of state funds so collected. The Tax Commissioner may require any tax official, city, county, or state, to collect the use tax on behalf of the state. All persons designated to or required to collect the use tax shall account for such collections in the manner prescribed by the Tax Commissioner. Nothing in this subdivision shall be so construed as to prevent the Tax Commissioner or his or her employees from collecting any use taxes due and payable to the State of Nebraska.

(d) All persons designated to collect the use tax and all persons required to collect the use tax shall forward the total of such collections to the Tax Commissioner at such time and in such manner as the Tax Commissioner may prescribe. Such collectors of the use tax shall deduct and withhold from the amount of taxes collected two and one-half percent of the first three thousand dollars remitted each month and one-half percent of all amounts in excess of three thousand dollars remitted each month as reimbursement for the cost of collecting the tax, except that for each month from October 1, 1991, to September 30, 1992, such collectors shall deduct and withhold from the amount of taxes collected one and one-half percent of the first one thousand dollars remitted each month and one-half percent of all amounts in excess of one thousand dollars remitted each month as reimbursement for the cost of collecting the tax. Any such deduction shall be forfeited to the State of Nebraska if such collector violates any rule, regulation, or directive of the Tax Commissioner.

(e) For the purpose of the proper administration of the Nebraska Revenue Act of 1967 and to prevent evasion of the use tax, it shall be presumed

that tangible personal property sold, leased, or rented by any person for delivery in this state is sold, leased, or rented for storage, use, or other consumption in this state until the contrary is established. The burden of proving the contrary is upon the person who purchases, leases, or rents the property.

(f) It shall be further presumed, in the absence of evidence to the contrary, that tangible personal property shipped or brought to this state by the purchaser after June 1, 1967, was purchased from a retailer on or after that date for storage, use, or other consumption in this state.

(g)(i) Except as provided in subdivisions (g)(ii) and (g)(iii) of this subsection, when a person purchases tangible personal property in another state, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any foreign country with the intent of using such property in such other state, commonwealth, territory, possession, or country and such property is actually used in the other state, commonwealth, territory, possession, or country for its intended purpose, the tangible personal property shall not be subject to tax in this state.

(ii) Subdivision (g)(i) of this subsection shall only apply to a motor vehicle, trailer, or semitrailer as defined in section 60-301 when it is licensed for operation on the highways of the other state, commonwealth, territory, possession, or country prior to being brought into this state.

(iii) Subdivision (g)(i) of this subsection shall not apply to an aircraft which is brought into this state within one year of purchase and (A) is regularly based within this state or (B) more than one-half of the aircraft's operating hours are within this state.

For purposes of subdivision (g)(iii) of this subsection, operation of the aircraft for the purpose of maintenance, repair, or fabrication with subsequent removal from this state upon completion of such maintenance, repair, or fabrication shall not be considered operating hours.

Sec. 156. That section 77-2708, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 183, be amended to read as follows:

77-2708. (1)(a) The sales and use taxes imposed by the Nebraska Revenue Act of 1967 shall be due and payable to the Tax Commissioner monthly on or before the twenty-fifth day of the month next succeeding each monthly period unless otherwise provided pursuant to the

Nebraska Revenue Act of 1967.

(b)(i) On or before the twenty-fifth day of the month following each monthly period or such other period as the Tax Commissioner may require, a return for such period, along with all taxes due, shall be filed with the Tax Commissioner in such form and content as the Tax Commissioner may prescribe and containing such information as the Tax Commissioner deems necessary for the proper administration of the Nebraska Revenue Act of 1967. The Tax Commissioner, if he or she deems it necessary in order to insure payment to or facilitate the collection by the state of the amount of sales or use taxes due, may require returns and payment of the amount of such taxes for periods other than monthly periods in the case of a particular seller, retailer, or purchaser, as the case may be. The Tax Commissioner shall by rule and regulation require reports and tax payments from sellers, retailers, or purchasers depending on their yearly tax liability. Annual returns shall be required if such sellers', retailers', or purchasers' yearly tax liability is less than nine hundred dollars, quarterly returns shall be required if their yearly tax liability is nine hundred dollars or more and less than twelve hundred dollars, and monthly returns shall be required if their yearly tax liability is twelve hundred dollars or more. The Tax Commissioner shall have the discretion to allow an annual return for seasonal retailers, even when their yearly tax liability exceeds the amounts listed in this subdivision.

The Tax Commissioner may adopt and promulgate rules and regulations to allow annual, semiannual, or quarterly returns for any retailer making monthly remittances or payments of sales and use taxes by electronic funds transfer. Such rules and regulations may establish a method of determining the amount of the payment that will result in substantially all of the tax liability being paid each quarter. At least once each year, the difference between the amount paid and the amount due shall be reconciled. If the difference is more than ten percent of the amount paid, a penalty of fifty percent of the unpaid amount shall be imposed.

(ii) For purposes of the sales tax, a return shall be filed by every retailer liable for collection from a purchaser and payment to the state of the tax, except that a combined sales tax return may be filed for all licensed locations which are subject to common ownership. For the purposes of this subdivision, common ownership shall mean the same person or persons own eighty percent or more of each licensed location. For

purposes of the use tax, a return shall be filed by every retailer engaged in business in this state and by every person who has purchased personal property, the storage, use, or other consumption of which is subject to the use tax, but who has not paid the use tax due to a retailer required to collect the tax.

(iii) Returns shall be signed by the person required to file the return or by his or her duly authorized agent but need not be verified by oath.

(iv) A taxpayer who keeps his or her regular books and records on a cash basis, an accrual basis, or any generally recognized accounting basis which correctly reflects the operation of the business may file the sales and use tax returns required by the Nebraska Revenue Act of 1967 on the same accounting basis that is used for the regular books and records, except that on credit, conditional, and installment sales, the retailer who keeps his or her books on an accrual basis may report such sales on the cash basis and pay the tax upon the collections made during each month. If a taxpayer transfers, sells, assigns, or otherwise disposes of an account receivable, he or she shall be deemed to have received the full balance of the consideration for the original sale and shall be liable for the remittance of the sales tax on the balance of the total sale price not previously reported, except that such transfer, sale, assignment, or other disposition of an account receivable by a retailer to a subsidiary shall not be deemed to require the retailer to pay the sales tax on the credit sale represented by the account transferred prior to the time the customer makes payment on such account. If the subsidiary does not obtain a Nebraska sales tax permit, the taxpayer shall obtain a surety bond in favor of the State of Nebraska to insure payment of the tax and any interest and penalty imposed thereon under this section in an amount not less than two times the amount of tax payable on outstanding accounts receivable held by the subsidiary as of the end of the prior calendar year. Failure to obtain either a sales tax permit or a surety bond in accordance with this section shall result in the payment on the next required filing date of all sales taxes not previously remitted. When the retailer has adopted one basis or the other of reporting credit, conditional, or installment sales and paying the tax thereon, he or she will not be permitted to change from that basis without first having notified the Tax Commissioner.

(c) The taxpayer required to file the return

shall deliver or mail any required return together with a remittance of the net amount of the tax due to the office of the Tax Commissioner on or before the required filing date. Failure to file the return, filing after the required filing date, failure to remit the net amount of the tax due, or remitting the net amount of the tax due after the required filing date shall be cause for a penalty of forfeiture of the collection fee allowed pursuant to subdivision (d) of this subsection or five dollars, whichever is greater.

(d) The taxpayer shall deduct and withhold, from the taxes otherwise due from him or her on his or her tax return, two and one-half percent of the first three thousand dollars remitted each month and one-half percent of all amounts in excess of three thousand dollars remitted each month to reimburse himself or herself for the cost of collecting the tax, except that for each month from October 1, 1991, to September 30, 1992, the taxpayer shall deduct and withhold, from the taxes otherwise due from him or her on his or her tax return, one and one-half percent of the first one thousand dollars remitted each month and one-half percent of all amounts in excess of one thousand dollars remitted each month to reimburse himself or herself for the cost of collecting the tax. Taxpayers filing a combined return as allowed by subdivision (1)(b)(ii) of this subsection shall compute such collection fees on the basis of the receipts and liability of each licensed location.

(2)(a) If the Tax Commissioner determines that any sales or use tax amount, penalty, or interest has been paid more than once, has been erroneously or illegally collected or computed, was paid on a purchase made before May 29, 1987, which purchase qualified for a refund under section 77-27,186 at the time of purchase, or was paid on agricultural machinery or equipment which qualifies for a refund under section 181 of this act, the Tax Commissioner shall set forth that fact in his or her records and the excess amount collected or paid may be credited on any sales, use, or income tax amounts then due and payable from the person under the Nebraska Revenue Act of 1967. Any balance may be refunded to the person by whom it was paid or his or her successors, administrators, or executors.

(b) No refund shall be allowed unless a claim therefor is filed with the Tax Commissioner by the person who made the overpayment or his or her attorney, assignee, executor, or administrator within three years from the required filing date following the close of the

period for which the overpayment was made, within six months after any determination becomes final under section 77-2709, or within six months from the date of overpayment with respect to such determinations, whichever of these three periods expires the later, unless the credit relates to a period for which a waiver has been given. Failure to file a claim within the time prescribed in this subsection shall constitute a waiver of any demand against the state on account of overpayment.

(c) Every claim shall be in writing on forms prescribed by the Tax Commissioner and shall state the specific amount and grounds upon which the claim is founded. No refund shall be made in any amount less than two dollars.

(d) The Tax Commissioner shall allow or disallow a claim within one hundred eighty days after it has been filed. If the Tax Commissioner has neither allowed nor disallowed a claim within such one hundred eighty days, the claim shall be deemed to have been allowed.

(e) Within thirty days after disallowing any claim in whole or in part, the Tax Commissioner shall serve notice of his or her action on the claimant in the manner prescribed for service of notice of a deficiency determination.

(f) Within thirty days after the mailing of the notice of the Tax Commissioner's action upon a claim filed pursuant to the Nebraska Revenue Act of 1967, the action of the Tax Commissioner shall be final unless the taxpayer seeks review of the Tax Commissioner's determination as provided in section 77-27,127.

(g) Upon the allowance of a credit or refund of any sum erroneously or illegally assessed or collected, of any penalty collected without authority, or of any sum which was excessive or in any manner wrongfully collected, interest shall be allowed and paid on the amount of such credit or refund at the rate specified in section 45-104.01, as such rate may from time to time be adjusted by the Legislature, from the date such sum was paid or from the date the return was required to be filed, whichever date is later, to the date of the allowance of the refund or, in the case of a credit, to the due date of the amount against which the credit is allowed, but in the case of a voluntary and unrequested payment in excess of actual tax liability or a refund under section 77-27,186 or section 181 of this act, no interest shall be allowed when such excess is refunded or credited.

(h) No suit or proceeding shall be maintained in any court for the recovery of any amount alleged to have been erroneously or illegally determined or collected unless a claim for refund or credit has been duly filed.

(i) The Tax Commissioner may recover any refund or part thereof which is erroneously made and any credit or part thereof which is erroneously allowed in an action brought within one year from the date of refund or credit in the name of the state in a court of competent jurisdiction in the county in which the taxpayer involved is located.

(j) The action shall be tried in the county in which the taxpayer involved is a resident unless the court orders a change of place of trial.

(k) The Attorney General shall prosecute the action provided for in subdivision (i) of this subsection, and the provisions of state law and the rules of civil procedure relating to service of summons, pleadings, proof, trials, and appeals shall be applicable to the proceedings.

(l) Credit shall be allowed to the retailer, contractor, or repairperson for sales or use taxes paid pursuant to the Nebraska Revenue Act of 1967 on:

(i) Sales represented by that portion of an account determined to be worthless and actually charged off for federal income tax purposes. If such accounts are thereafter collected by the retailer, contractor, or repairperson, a tax shall be paid upon the amount so collected; or

(ii) The portion of the purchase price remaining unpaid at the time of a repossession made under the terms of a conditional sales contract.

Sec. 157. That section 77-27,136, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 185, be amended to read as follows:

77-27,136. The Legislature shall appropriate seventeen million nine hundred thousand dollars of all funds collected by a general sales tax and income tax for aid to incorporated municipalities, thirteen million five hundred thousand dollars for aid to counties, and seven hundred thousand dollars for aid to natural resources districts.

Sec. 158. That section 77-27,137, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 186, be amended to read as follows:

77-27,137. (1) The appropriation provided for

in section 77-27,136 for aid to counties shall be distributed to the various county treasurers of the state.

(2) A tentative distribution shall be determined by dividing seventeen million dollars on the basis of the ratio of the total amount of property taxes levied by the particular county for county purposes to the total amount of property taxes levied by all counties for county purposes based on the amounts stated in the most recent certificate of taxes levied statement submitted by each county to the Tax Commissioner pursuant to section 77-1613.01.

(3) The tentative distribution to each county computed under subsection (2) of this section shall be reduced by dividing three million five hundred thousand dollars on the basis of the ratio of the total amount of taxable value of agricultural income-producing machinery and equipment in a particular county to the total amount of taxable value of agricultural income-producing machinery and equipment in all counties based on the amounts certified by the State Board of Equalization and Assessment to the counties.

(4) The Tax Commissioner shall determine the amount to be distributed to the various counties and certify such amounts by voucher to the Director of Administrative Services. Each amount shall be distributed in seven as nearly as possible equal monthly payments on the last business day of each month beginning in December. 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. The proceeds of the governmental subdivision payments received by the various county treasurers shall be credited to the general fund of the county.

Sec. 159. That section 77-27,139, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 187, be amended to read as follows:

77-27,139. Each political subdivision receiving funds as provided by sections 77-27,136 to 77-27,137.02 shall take into consideration the amount it will receive under such sections during its fiscal year in determining its tax levy for that fiscal year.

Sec. 160. That section 77-3402, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws

1992, LB 1063, section 188, be amended to read as follows:

77-3402. If the voters of any political subdivision of the state authorized to levy a tax or cause a tax to be levied determine that a limitation of the budget of the political subdivision funded by property taxes is needed, they may call for an election for that purpose. When ten percent of the registered voters of any political subdivision sign a petition calling for a limitation on the budget funded by property taxes, the question of such budget limitation shall be placed before the voters at a general, primary, or special election. The petition shall be filed with the governing body of the political subdivision. The budget limitation shall be adopted if approved by a majority of those voting on the question. Voting at such general, primary, or special election shall be by those persons who are authorized to vote for the members of the governing body of such political subdivision. For the purposes of the Local Option Tax Control Act, the term budget funded by property taxes shall include all funds the source of which is a property tax, regardless of the purpose of such funds, except such funds as are necessary to pay interest on and for retiring, funding, or servicing bonded indebtedness during the upcoming fiscal year.

Sec. 161. That section 77-3411, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 189, be amended to read as follows:

77-3411. Any statutory limitation on the budget, funded by property taxes, of a political subdivision authorized to levy a tax or cause a tax to be levied shall not apply to any such political subdivision which has adopted a tax or budgetary limitation on property taxes by vote of the electors of the political subdivision pursuant to the Local Option Tax Control Act or any home rule charter.

Sec. 162. That section 77-3437, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 190, and Laws 1992, LB 245, section 10, be amended to read as follows:

77-3437. For purposes of sections 77-3437 to 77-3440:

- (1) Adopted budget statement shall have the definition found in section 13-503;
- (2) Fiscal year shall have the definition found in section 13-503;
- (3) Governing body shall have the definition

found in section 13-503, except that governing body shall not include a school board or board of education of a school district;

(4) Growth shall mean any property tax revenue received from real property as the result of new construction, additions to existing buildings, and any improvements to real property which increase the value of such property but shall not include any increased property tax revenue received due (a) to a change in valuation of a class or a subclass of property or (b) to revaluations of individual properties; and

(5) Property taxes shall mean all revenue budgeted to be received from the levy of taxes on property, including receipts from reimbursements under sections 77-27,138.01 and 77-3523, but shall not include (a) property taxes budgeted to be collected for retirement of bonded indebtedness or for projects and practices in accordance with section 2-3229 and necessary works incident to such projects and practices or (b) revenue received as a result of growth.

Sec. 163. That section 77-3439, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 192, and Laws 1992, LB 1001, section 10, be amended to read as follows:

77-3439. (1) A governing body may increase the anticipated aggregate receipts from property taxes by up to five percent more than the amount permitted by section 77-3438 upon an affirmative vote of at least seventy-five percent of the governing body. Such vote shall be taken at a public meeting of the governing body following a special public hearing called for the purpose of receiving testimony on such proposed increase.

(2) In addition to the increase permitted by subsection (1) of this section, a Community College Board of Governors may increase the anticipated aggregate receipts from property taxes by the amount necessary to pay for accessibility barrier elimination project costs and for abatement of environmental hazards as such terms are defined in section 79-4,207 upon an affirmative vote of a majority of the board of governors. Such vote shall be taken at a public meeting of the board of governors following (a) a hearing called pursuant to subsection (1) of this section at which there is an opportunity for testimony on the increase proposed under this subsection or (b) a special public hearing called for the purpose of receiving testimony on the increase proposed under this subsection.

(3) The governing body or board of governors

shall give at least seven calendar days' notice of a public hearing called under subsection (1) or (2) of this section and shall publish such notice at least once in a newspaper of general circulation in the political subdivision.

Sec. 164. That section 77-3440, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 193, be amended to read as follows:

77-3440. (1) If a majority of the members of the governing body determines that an increase in property taxes greater than the increase permitted by section 77-3439 is required for the coming fiscal year, the governing body shall call a special election for the purpose of placing the question of such increase before the voters. The increase shall be adopted if approved by a majority of those voting on the question. Voting at such special election shall be by those persons who are authorized to vote for members of the governing body.

(2) Notice of the election held pursuant to subsection (1) of this section shall state the date on which the election is to be held and the hours the polls will be open. The notice shall be published in a newspaper that is published in or of general circulation in the political subdivision at least five days before the election. If no newspaper is published in or of general circulation in the political subdivision, notice shall be posted at least five days before the special election in each of three public places in the political subdivision.

(3) The governing body shall submit the question to the voters in the following form:

The (name of political subdivision) proposes to request a (number) dollar increase in the total anticipated aggregate receipts from property taxes levied on its behalf. Such increase is greater than the increase permitted by section 77-3439.

A vote FOR the proposal will allow the (name of political subdivision) to increase the total anticipated aggregate receipts from property taxes levied by (number) dollars.

A vote AGAINST the proposal will limit the (name of political subdivision) to the increase permitted by section 77-3439.

Sec. 165. That section 77-3441, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 194, be amended to read as follows:

77-3441. Sections 77-3437 to 77-3440 shall terminate for fiscal years beginning on or after July 1,

1995.

Sec. 166. That section 77-3701, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 195, be amended to read as follows:

77-3701. For purposes of sections 77-3701 to 77-3708, unless the context otherwise requires, mobile home shall mean every portable or relocatable device of any description, without motive power, and designed for living quarters, whether or not permanently attached to the land, but shall not include a cabin trailer registered for operation upon the highways of this state.

Sec. 167. That section 79-547.03, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 196, be amended to read as follows:

79-547.03. The annual budget of a Class II, III, IV, V, and VI school district and an educational service unit shall be subject to the Nebraska Budget Act.

Sec. 168. That section 79-903, Revised Statutes Supplement, 1990, as amended by Laws 1992, LB 1063, section 197, be amended to read as follows:

79-903. The board of education, on or before September 1 for 1992 and on or before August 25 for all other years, shall make or cause to be made and report to the county board an estimate of the amount of funds required for the fiscal year next ensuing: (1) For the payment of interest on bonds issued by the district; (2) to provide a sinking fund for the payment of bonds issued by the district; (3) to provide for the purchase and betterment of school sites and the remodeling, erection, and equipment, but not replacement, of buildings, new and old; (4) to provide the necessary funds, premiums, contributions, and expenses in connection with a retirement, annuity, insurance, or other benefit plan adopted by the board of education for its present and future employees after their retirement, or any reasonable classification thereof; and (5) to provide for the support of schools, being the running expenses and miscellaneous and all other expenses for such year.

The estimate shall be accompanied by a budget statement prepared in accordance with good accounting practices and showing probable revenue from all sources, expenditures, and available balances upon which such estimate was based. The estimate and the budget statement may include such items as the board of

education deems necessary to maintain adequate working balances of cash at all times and to take into account the expenses and delays in the collection of taxes. The county board shall levy the rate of tax necessary to provide the amounts so reported by the board of education and collect such taxes in like manner as other taxes are levied and collected.

Sec. 169. That section 79-1007, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 198, be amended to read as follows:

79-1007. The board of education shall annually, during the month of July, estimate the amount of resources likely to be received for school purposes, including the amounts available from fines, licenses, and other sources. Before the county board of equalization makes its levy each year, the board shall report to the county clerk the rate of tax deemed necessary to be levied upon the taxable value of all the taxable property of the district subject to taxation during the fiscal year next ensuing for (1) the support of the schools, (2) the purchase of school sites, (3) the erection, alteration, equipping, and furnishing of school buildings and additions to school buildings, (4) the payment of interest upon all bonds issued for school purposes, and (5) the creation of a sinking fund for the payment of such indebtedness. The county board of equalization shall levy the rate of tax so reported and demanded by the board of education and collect the tax in the same manner as other taxes are levied and collected. The fiscal year of a Class V school district shall commence on September 1 of each year and end on August 31 of each year.

Sec. 170. That section 79-1372, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 199, be amended to read as follows:

79-1372. If either parent of a student attending public schools in any school district is employed in the construction of an electric generating facility, as determined by the school district within one hundred fifty days after commencement of the school year, the public power district, public power and irrigation district, municipality, electric cooperative, electric membership corporation, or other entity constructing and owning such facility may pay to any such impacted school district, upon written request with certified supporting information from such school district, an amount which shall not exceed the amount

derived by (1) taking the total receipts of such school district from the local property tax levy for the preceding school year, less one-half of any amount included therein which is provided for the payment of servicing bonded indebtedness on any school facility, plus depreciation at the annual rate of three percent on any school facility, (2) dividing the total thereof by the average daily membership of resident students in such school district for the preceding school year, and (3) multiplying the resulting quotient by the number of children of such employees attending such school district in the current year.

Sec. 171. That section 79-2203, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 200, and Laws 1992, LB 245, section 70, be amended to read as follows:

79-2203. (1) Each educational service unit shall be governed by a board to be known as the Board of Educational Service Unit No. The educational service unit board shall be composed of one member from each county and four members at large, all of whom shall reside within the geographical boundaries of the educational service unit, but no more than two of the members at large shall be appointed or elected from the same county unless any one county within the educational service unit has a population in excess of one hundred fifty thousand inhabitants or the educational service unit consists of only one county. Successors to the members initially appointed shall be elected for terms of four years. County candidates shall file their written applications with the county clerk or election commissioner no later than August 1 prior to the general election. Candidates for the position of members at large shall file their written applications with the Secretary of State no later than August 1 prior to the general election. No filing fee shall be required. Vacancies in office shall occur as set forth in section 32-1037. Whenever any vacancy occurs on the board, the remaining members of such board shall appoint an individual residing within the geographical boundaries of the educational service unit to fill such vacancy for the balance of the unexpired term. Members of the board shall receive no compensation for their services but shall be reimbursed for the actual and necessary expenses incurred in the performance of their duties under sections 79-2201 to 79-2224 as provided in sections 81-1174 to 81-1177.

(2) Except as provided in subsection (3) of this section, any local joint school district located in

two or more counties shall be considered a part of the educational service unit in which the greater number of school-age children of such joint school district reside. All qualified electors of any such joint school district shall be eligible to hold office as the county representative of the county in which the greater number of school-age children reside. Any qualified elector of any joint school district shall be eligible to hold office as the at-large representative if such elector resides within the geographical boundary of the school district comprising the educational service unit.

(3) Any Class I district which is part of a Class VI district shall be considered a part of the educational service unit of which the Class VI district is a member. If the Class VI district has removed itself from an educational service unit in accordance with section 79-2202.02, each Class I district which is part of such Class VI district may continue its existing membership in an educational service unit or may change its status relative to membership in an educational service unit in accordance with section 79-2202.06. The patrons of a Class I district maintaining membership in an educational service unit pursuant to this subsection shall have the same rights and privileges as other patrons of the educational service unit, and the taxable valuation of the taxable property within the geographic boundaries of such Class I district shall be subject to the educational service unit's tax levy established pursuant to section 79-2210.

(4) The administrator of each educational service unit, prior to March 1 of each year in which a state primary election is to be held, shall certify to the county clerk of each county located within the unit the corporate name of each school district, as described in section 79-401, located within the county. If a school district is a joint school district located in two or more counties, the administrator shall certify to each county clerk the unit of which the school district is considered to be a part.

Sec. 172. That section 79-2210, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, section 201, be amended to read as follows:

79-2210. After the adoption of its budget statement, the board for each educational service unit may levy a tax, in the amount which it requires under its adopted budget statement to be received from taxation, of not to exceed three and five-tenths cents on each one hundred dollars on the taxable valuation of

the taxable property within its geographical unit. The amount of such levy shall be certified by the secretary of the educational service unit board to the county board of equalization of each county in which any part of the geographical area of the educational service unit is located on or before September 1 for 1992 and on or before August 25 for all other years. Such tax shall be levied and assessed in the same manner as other property taxes and entered on the books of the county treasurer. The proceeds of such tax, as collected, shall be remitted to the treasurer of the board not less frequently than once each month.

Sec. 173. That section 79-3814, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 202, be amended to read as follows:

79-3814. (1) Except as provided in subsection (2) of this section, beginning with budgets adopted for school year 1990-91, no district shall increase its general fund budget of expenditures more than the applicable allowable growth percentage. The Legislature shall annually establish an allowable growth range which shall be expressed as basic allowable growth rates plus a specified number of percentage points. The Legislature shall set the basic allowable growth rates based on projections of available state revenue and the cost of living and cost of education from nationally accepted cost indexes which shall be provided by the Nebraska Economic Forecasting Advisory Board, the Legislative Fiscal Analyst, the Department of Revenue, and the State Department of Education.

(2) Notwithstanding any of the provisions of subsection (1) of this section and sections 79-3815 to 79-3821 for budgets adopted for school fiscal years 1991-92 through 1994-95, the general fund budget of expenditures of each district shall not exceed the general fund budget of expenditures adopted for the immediately preceding school fiscal year unless a district, pursuant to the procedures and requirements specified in subsection (1) of section 79-3820, by an affirmative vote of seventy-five percent of the school board, votes to exceed such limitation, in which case the budget limitations and all other provisions of subsection (1) of this section and sections 79-3815 to 79-3821 shall apply.

Sec. 174. That section 79-3816, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 203, and Laws 1992, LB 245, section 86, be amended to read as follows:

79-3816. The basic allowable growth rate for

general fund expenditures other than expenditures for special education shall be four percent and the allowable growth range shall be from four percent to six and one-half percent. The budget authority for special education shall be the actual anticipated expenditures for special education subject to the approval of the state board. Such budget authority shall be used only for special education expenditures.

Sec. 175. That section 79-3818, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 204, and Laws 1992, LB 245, section 88, be amended to read as follows:

79-3818. No district shall adopt a budget, which includes contingency funds, depreciation funds, and necessary general fund cash reserves, exceeding the applicable allowable reserve percentages of total general fund budget of expenditures as specified in the schedule set forth in this section.

Average daily membership of district	Allowable reserve percentage
0 - 471	45
471.01 - 3,044	35
3,044.01 - 10,000	25
10,000.01 and over	20

On or before July 1 of each year, the department shall determine and certify each district's applicable allowable reserve percentage.

Each district with combined necessary general fund cash reserves, depreciation funds, and contingency funds less than the applicable allowable reserve percentage specified in this section may, notwithstanding the district's applicable allowable growth percentage, increase its necessary general fund cash reserves by an amount which will increase its combined necessary general fund cash reserves, depreciation funds, and contingency funds by two percent of its total general fund budget of expenditures, except that (1) a district shall not increase such necessary general fund cash reserves when such increase will result in total necessary general fund cash reserves, depreciation funds, and contingency funds which exceed the applicable allowable reserve percentage and (2) a district may increase such necessary general fund cash reserves in excess of such two percent limitation due to projected increases in federal funds.

Sec. 176. That section 79-3819, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, section 205, Laws 1992, LB 245, section 89, and

Laws 1992, LB 719, section 4, be amended to read as follows:

79-3819. (1) A district may exceed its applicable allowable growth rate by a specific dollar amount in the situations described in this section.

(2) A district demonstrates to the satisfaction of the state board that a new program is required by state or federal law or an existing program mandated by state or federal law has been expanded as a result of changes in state or federal law. For purposes of this subsection, a final order of a court from which no appeal is taken which requires reimbursement by a district of property taxes to a taxpayer shall be considered a new program required by state or federal law but shall not be included as part of the general fund budget of expenditures for purposes of section 79-3814.

(3) The district projects an increase in formula students in the district over the current school year greater than twenty-five students or greater than those listed in the schedule provided in this subsection, whichever is less. Districts shall project increases in formula students on forms prescribed by the department. The state board shall approve, deny, or modify the projected increases.

Average daily membership of district	Projected increase of formula student by percentage
0 - 50	10
50.01 - 250	5
250.01 - 1,000	3
1,000.01 and over	1

The department shall compute the district's estimated allowable budget per pupil using the budgeted general fund expenditures found on the budget statement for the current school year divided by the number of formula students in the current school year and multiplied by the district's applicable allowable growth rate. The resulting allowable budget per pupil shall be multiplied by the projected formula students to arrive at the estimated budget needs for the ensuing year. The department shall allow the district to increase its general fund budget of expenditures for the ensuing school year by the amount necessary to fund the estimated budget needs of the district as computed pursuant to this subsection. On or before July 1 of each year, the department shall make needed revisions in the applicable allowable growth rate of districts which have been allowed additional growth pursuant to this

subsection to reflect the actual formula students of such district and shall certify such revisions to each district.

(4) Construction, expansion, or alteration of district buildings will cause an increase in building operation and maintenance costs of at least five percent. The department shall document the projected increase in building operation and maintenance costs and may allow a district to exceed its applicable allowable growth percentage by the amount necessary to fund such increased costs. The department shall compute the actual increased costs for the school year and shall, if needed, modify the district's applicable allowable growth rate for the ensuing school year.

(5) A district demonstrates to the satisfaction of the state board that as a result of an order entered into by the Commission of Industrial Relations pursuant to section 48-818 establishing rates of pay, benefits, and other terms and conditions of employment, the district will exceed its applicable allowable growth rate. The department shall compute the amount by which the increase in employee costs exceeds the district's applicable allowable growth rate and shall allow the district to increase its general fund budget of expenditures by such amount.

(6) A district demonstrates to the satisfaction of the state board that it will exceed its applicable allowable growth rate as a result of a contested, but settled, contract dispute, claim, or breach or uninsured risk or as a result of any final judgment of any court of competent jurisdiction, requiring or obligating the district to pay such judgment. The department shall compute the amount by which the increased cost of the settlement or judgment exceeds the district's applicable allowable growth rate and shall allow the district to increase its general fund budget of expenditures by such amount.

Sec. 177. That Laws 1981, LB 81, section 5, as amended by Laws 1986, LB 124, section 3, Laws 1991, LB 137, section 2, and Laws 1992, LB 1063, section 206, be amended to read as follows:

Sec. 5. Section 6 of this act as amended by ~~section 207 of this act~~ this legislative bill shall become operative on January 1, 1995. The other sections of this act shall become operative on their effective date.

Sec. 178. That Laws 1981, LB 81, section 6, as amended by Laws 1992, LB 1063, section 207, be amended to read as follows:

Sec. 6. That sections 46-614 to 46-630 and 46-632 to 46-634, Reissue Revised Statutes of Nebraska, 1943, and section 46-631, Reissue Revised Statutes of Nebraska, 1943, as amended by ~~section 41 of this act~~ this legislative bill, are repealed.

Sec. 179. Sections 84 to 86, 90 to 92, 94, 98, 106 to 110, 112 to 152, 166, and 180 of this act shall become operative on January 1, 1993. Sections 1, 6 to 13, 17, 18, 20 to 33, 35 to 83, 87 to 89, 93, 95 to 97, 99 to 105, 153, 154, 159, 171, 172, 177, 178, and 181 of this act shall become operative on January 1, 1992. Sections 2 to 5, 14 to 16, 19, 34, 111, 155 to 158, 160 to 165, 167 to 170, 173 to 176, and 182 of this act shall become operative on March 19, 1992. The other sections of this act shall become operative on their effective date.

Sec. 180. That original sections 77-1209, 77-1209.02, 77-1209.03, 77-1301.12, 77-1303, 77-1311.01, 77-1317, 77-1503.01, 77-1617, 77-1618, 77-1703, 77-1704, 77-1802, 77-1803, 77-1804, 77-1806, 77-1807, 77-1808, 77-1810, 77-1812, 77-1814, 77-1815, 77-1818, 77-1820, 77-1823, 77-1824, 77-1826, 77-1827, 77-1829, 77-1830, 77-1831, 77-1832, 77-1833, 77-1834, 77-1836, 77-1842, 77-1845, 77-1846, 77-1847, 77-1848, 77-1856, 77-1904, 77-1906, 77-1907, 77-1909, 77-1910, 77-1911, 77-1912, 77-1914, 77-1915, 77-1916, 77-1917, 77-1918, and 77-3701, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, sections 111 to 113, 117 to 119, 121, 125, 133 to 136, 139 to 179, and 195, respectively, and Laws 1992, LB 1063, section 137, and also sections 77-1209.04, 77-1209.05, 77-1725, 77-3702, 77-3703, 77-3704, and 77-3705, Reissue Revised Statutes of Nebraska, 1943, and Laws 1992, LB 1063, section 94, as amended by section 67 of this legislative bill, are repealed.

Sec. 181. That original sections 2-2444, 14-1821, 15-808, 16-702, 17-955, 17-957, 18-2107, 21-17.126, 23-104, 23-259, 23-320.07, 23-3502, 23-3515, 31-333, 31-410.01, 31-411.02, 31-447, 31-513, 31-711, 31-739, 31-773, 31-779, 32-4.114, 39-1518, 39-1621, 46-541, 46-542, 46-543, 46-544, 46-631, 77-101, 77-398, 77-399, 77-3.100, 77-505, 77-506, 77-507.01, 77-508, 77-604, 77-908, 77-1201, 77-1202, 77-1211, 77-1219, 77-1229, 77-1229.01, 77-1232, 77-1233.02, 77-1233.04, 77-1233.05, 77-1236, 77-1238, 77-1239, 77-1240.01, 77-1241.01, 77-1248, 77-1249, 77-1301, 77-1301.07, 77-1315, 77-1338, 77-1342, 77-1502, 77-1514, 77-1601, 77-1612, 77-1613, 77-27.139, and 79-2210, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws

1992, LB 1063, sections 1, 6 to 13, 17, 18, 21, 22, 24 to 33, 35 to 41, 43, 54 to 60, 64, 91 to 93, 96 to 110, 114, 116, 120, 122 to 124, 129 to 132, 187, and 201, respectively, sections 77-103, 77-112, 77-201, 77-202, 77-509, 77-510, 77-1301.01, 77-1504, and 77-1506.02, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, sections 44, 46, 52, 53, 61, 63, 115, 126, and 127, respectively, section 23-3501, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1240, section 20, and Laws 1992, LB 1063, section 20, section 23-3552, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1019, section 28, and Laws 1992, LB 1063, section 23, section 77-1510, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 360, section 35, and Laws 1992, LB 1063, section 128, section 79-2203, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 245, section 70, and Laws 1992, LB 1063, section 200, section 77-2701, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 871, section 3, and Laws 1992, LB 1063, section 180, Laws 1981, LB 81, section 6, as amended by Laws 1992, LB 1063, section 207, Laws 1981, LB 81, section 5, as amended by Laws 1986, LB 124, section 3, Laws 1991, LB 137, section 2, and Laws 1992, LB 1063, section 206, and Laws 1992, LB 1063, sections 45, 47, 49 to 51, 62, 70, 94, 95, and 181, and also sections 15-318, 15-319, 15-320, 15-321, 77-103.01, 77-202.46, 77-202.47, 77-1212, and 77-27,140, Reissue Revised Statutes of Nebraska, 1943, and Laws 1992, LB 1063, sections 78 to 90, are repealed.

Sec. 182. That original sections 13-501, 13-503, 13-508, 13-509, 23-132, 23-227, 23-250, 23-3201, 35-507, 77-27,136, 77-27,137, 77-3402, 77-3411, 79-547.03, 79-1007, and 79-1372, Reissue Revised Statutes of Nebraska, 1943, as amended by Laws 1992, LB 1063, sections 2 to 5, 14 to 16, 19, 34, 185, 186, 188, 189, 196, 198, and 199, respectively, section 79-903, Revised Statutes Supplement, 1990, as amended by Laws 1992, LB 1063, section 197, sections 77-1736.06, 77-2708, 77-3440, 77-3441, and 79-3814, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1063, sections 138, 183, 193, 194, and 202, respectively, section 77-2703, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 871, section 25, and Laws 1992, LB 1063, section 182, section 77-3439, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 1001, section 10, and Laws 1992, LB 1063, section 192, sections 77-3437, 79-3816, and 79-3818, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 245,

sections 10, 86, and 88, respectively, and Laws 1992, LB 1063, sections 190, 203, and 204, respectively, and section 79-3819, Revised Statutes Supplement, 1991, as amended by Laws 1992, LB 245, section 89, Laws 1992, LB 719, section 4, and Laws 1992, LB 1063, section 205, and also section 13-514, Reissue Revised Statutes of Nebraska, 1943, are repealed.

Sec. 183. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.