

LEGISLATIVE BILL 270

Approved by the Governor June 9, 1997

Introduced by Revenue Committee: Warner, 25, Chairperson; Coordsen, 32; Hartnett, 45; Kristensen, 37; Landis, 46; Schellpeper, 18; Wickersham, 49; Will, 8

AN ACT relating to revenue and taxation; to amend sections 77-101, 77-103, 77-117, 77-201, 77-202.01 to 77-202.03, 77-202.08, 77-370, 77-415, 77-417, 77-420, 77-421, 77-602, 77-603, 77-605 to 77-607, 77-612, 77-621, 77-623, 77-681, 77-683, 77-684, 77-687, 77-801 to 77-804, 77-1201, 77-1202, 77-1211, 77-1214, 77-1219, 77-1229, 77-1230, 77-1233.02, 77-1233.04, 77-1233.05, 77-1236, 77-1240.03, 77-1242.02, 77-1247, 77-1249 to 77-1250, 77-1301, 77-1301.01, 77-1303, 77-1315, 77-1316.01 to 77-1318.01, 77-1325, 77-1342, 77-1344, 77-1359, 77-1360.01 to 77-1363, 77-1374 to 77-1376, 77-1501, 77-1502, 77-1503.01, 77-1504, 77-1507, 77-1514, 77-1613, 77-1613.02, 77-1614, 77-1615, 77-1616, 77-1617, 77-1704.01, 77-1706, and 79-1036, Reissue Revised Statutes of Nebraska, section 60-305.15, Revised Statutes Supplement, 1996, section 77-112, Reissue Revised Statutes of Nebraska, as amended by section 1, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, sections 77-425, 77-1311, 77-1510, 77-5001, and 77-5007, Reissue Revised Statutes of Nebraska, as amended by sections 7, 13, 23, 34, and 35, respectively, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, and section 79-1016, Reissue Revised Statutes of Nebraska, as amended by section 4, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, and section 3, Legislative Bill 713, Ninety-fifth Legislature, First Session, 1997; to change and eliminate provisions relating to the assessment and taxation of property; to define and redefine terms; to change powers and duties of the Property Tax Administrator; to create, rename, and eliminate funds; to provide, change, and eliminate penalties; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal sections 77-367, 77-368, 77-399, 77-3,100, 77-3,113, 77-3,114, 77-416, 77-418, 77-419, 77-428, 77-608, 77-611, 77-615, 77-1208, 77-1215, 77-1301.02 to 77-1301.04, 77-1301.06 to 77-1301.08, 77-1301.12 to 77-1301.15, 77-1304, 77-1316, 77-1360, and 77-1364, Reissue Revised Statutes of Nebraska, section 77-1301.16 and 77-1311.02, Reissue Revised Statutes of Nebraska, as amended by sections 12 and 14, respectively, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, and section 77-1365, Reissue Revised Statutes of Nebraska, as amended by section 3, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997; and to declare an emergency.

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

Section 1. Section 60-305.15, Revised Statutes Supplement, 1996, is amended to read:

60-305.15. (1) As registration fees are received by the Division of Motor Carrier Services of the Department of Motor Vehicles pursuant to section 60-305.09, the division shall transmit the fees to the State Treasurer, less a collection fee of three percent of thirty percent of the registration fees collected. The collection fee shall be deposited into the ~~Tax Commissioner~~ Revolving Property Tax Division Cash Fund. The State Treasurer shall deposit the remainder of the thirty percent of the fees collected in the Motor Vehicle Tax Fund and the remaining seventy percent of the fees collected in the Highway Trust Fund.

(2) On or before the last day of each quarter of the calendar year, the State Treasurer shall distribute all funds in the Motor Vehicle Tax Fund to the county treasurer of each county in the same proportion as the number of original motor vehicle registrations in each county bears to the total of all original registrations within the state in the registration year immediately preceding.

(3) Upon receipt of motor vehicle tax funds from the State Treasurer, the county treasurer shall distribute such funds to taxing agencies within the county in the same proportion that the levy of each such taxing agency bears to the total of such levies of all taxing agencies in the county.

(4) In the event any taxing district has been annexed, merged,

dissolved, or in any way absorbed into another taxing district any apportionment of motor vehicle tax funds to which such taxing district would have been entitled shall be apportioned to the successor taxing district which has assumed the functions of the annexed, merged, dissolved, or absorbed taxing district.

(5) On or before March 1 of each year, the Department of Motor Vehicles shall furnish to the State Treasurer a tabulation showing the total number of original motor vehicle registrations in each county for the immediately preceding calendar year, which shall be the basis for computing the distribution of motor vehicle tax funds as provided in subsection (2) of this section.

Sec. 2. Section 77-101, Reissue Revised Statutes of Nebraska, is amended to read:

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 77-122 and sections 6 to 10 of this act shall be used.

Sec. 3. Section 77-103, Reissue Revised Statutes of Nebraska, is amended to read:

77-103. Real property shall mean:

(1) ~~City and village lots and all other lands~~ All land;

(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 designed 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, and similar property when 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. 4. Section 77-112, Reissue Revised Statutes of Nebraska, as amended by section 1, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, is amended to read:

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 methods, including, but not limited to, the (1) sales comparison approach, taking into account factors such as location, zoning, and current functional use, (2) income approach, and (3) cost approach.

(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 77-1365.

Sec. 5. Section 77-117, Reissue Revised Statutes of Nebraska, is amended to read:

77-117. Improvements on leased land shall mean any item of real property defined in subdivisions (2) through (4) of section 77-103 which is located on leased land owned by a person other than the owner of the item.

Sec. 6. Omitted property means, for the current tax year, any taxable real property that was not assessed on April 1 and any taxable tangible personal property that was not assessed on May 1. Omitted property also means any taxable real or tangible personal property that was not assessed for any prior tax year. Omitted property does not include listing errors of an item of property on the assessment roll of the county assessor.

Sec. 7. Undervalued and overvalued property means any taxable real property that is assessed by the county assessor but has a taxable value lower or higher than other taxable property with which it is required to be equalized.

Sec. 8. Tax situs means the tax district wherein taxable real property is located or taxable tangible personal property other than motor vehicles taxed pursuant to sections 77-1239 to 77-1242.02 is located for fifty percent or more of the calendar year. Taxable tangible personal property of a business shall be assessed at the location of the business unless the property has acquired tax situs elsewhere.

Sec. 9. Assessment means the act of listing the description of all

real property and taxable tangible personal property, determining its taxability, determining its taxable or assessed value, and placing it on the assessment roll.

Sec. 10. Tax district means an area within a county in which all of the taxable property is subject to property taxes at the same consolidated property tax rate.

Sec. 11. Section 77-201, Reissue Revised Statutes of Nebraska, is amended to read:

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 as defined in section 77-1359 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 eighty percent of its actual value.

(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.

(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 and taxed as provided in sections 77-1239 to 77-1241.01.

Sec. 12. Section 77-202.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.01. (1) Any organization or society seeking a tax exemption provided in subdivisions (1)(b) and (1)(c) of section 77-202 for any real or tangible personal property, except motor vehicles and real property used for cemetery purposes, shall apply for exemption to the county assessor on or before January 1 December 31 of the year preceding the year for which the exemption is sought on forms prescribed by the Property Tax Administrator. The county assessor shall examine the application and recommend either taxable or exempt status for the real property or tangible personal property, except motor vehicles, to the county board of equalization on or before February 1 following.

(2) Any organization or society which misses the January 1 deadline for applying for exemption fails to file an exemption application on or before December 31 may apply prior to July 1 on or before June 30 to the county board of equalization assessor. The organization or society shall also file in writing a request with the county board of equalization for a waiver so that the county assessor may consider the application for exemption. The county board of equalization shall grant the waiver upon a finding that good cause exists for the failure to make application by January 1 on or before December 31. When the waiver is granted, the county assessor shall examine the application and recommend either taxable or exempt status for the real property or tangible personal property, except motor vehicles, to the county board of equalization and may shall assess a penalty against the organization or society of ten percent of the tax that would have been assessed had the waiver been denied or one hundred dollars, whichever is less, for each calendar month or fraction thereof for which the filing of the exemption application for waiver missed the January 1 December 31 deadline.

The changes made to this section by Laws 1996, LB 1122, apply to applications filed for 1996 taxes and all years thereafter.

Sec. 13. Section 77-202.02, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.02. The county board of equalization, between February 1 and June 1 after a hearing on ten days' notice to the applicant, and after considering the recommendation of the county assessor and any other information it may obtain, shall grant or withhold tax exemption for the real property or tangible personal property, except motor vehicles, on the basis of law and of regulations promulgated by the Property Tax Administrator. The board shall certify its decision to the applicant, the county assessor, and the Property Tax Administrator within ten days thereafter.

For applications accepted after approval of a waiver pursuant to section 77-202.01, the county board of equalization shall hear and certify its decision on or before August 15.

Sec. 14. Section 77-202.03, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.03. (1)(a) A properly granted exemption of real or tangible personal property, except motor vehicles and real property used for cemetery purposes, provided for in subdivisions (1)(b) and (1)(c) of section 77-202 shall continue for a period of four years if the affidavit required by subsection (2) of this section is filed when due. The four-year period shall begin with years evenly divisible by four.

(b) A properly granted exemption of real property used for cemetery purposes provided for in subdivision (1)(c) of section 77-202 shall continue for a period of ten years. At the end of each ten-year period, the county board may renew the exemption for another ten years without reapplication. This subdivision shall apply to applications granted after August 25, 1989.

(2) In each intervening year occurring between application years, the organization or society which filed the granted exemption application for the real or tangible personal property, except motor vehicles and real property used for cemetery purposes, shall file an affidavit with the county assessor on or before January 1 December 31, on forms prescribed by the Property Tax Administrator, certifying that the ownership and use of the exempted property has not changed during the year. Any organization or society which misses the January 1 December 31 deadline for filing the affidavit may file the affidavit by July 1 June 30. Such filing shall maintain the tax-exempt status of the property without further action by the county and regardless of any previous action by the county board to deny the exemption due to late filing of the affidavit. Upon any such late filing, the county board may shall assess a penalty against such organization or society of ten percent of the tax that would have been assessed had the affidavit not been filed or one hundred dollars, whichever is less, for each calendar month or fraction thereof for which the filing of the affidavit is late. The changes made to this subsection by Laws 1996, LB 1227, apply to affidavits filed for 1996 taxes and all years thereafter.

(3) Prior to January 1 of any application year, a new application shall be filed with the county assessor as provided in section 77-202.01.

(4) (3) If any organization or society seeks a tax exemption for any real or tangible personal property, except motor vehicles, acquired on or after January 1 of any year or converted to exempt use on or after January 1 of any year, the organization or society shall make application for exemption on or before August 15 of that year as provided in section 77-202.01. The procedure for reviewing the application shall be as in sections 77-202.01 to 77-202.07, except that the exempt use shall be determined as of the date of application and the review by the county board of equalization shall be completed by August 15. The exemption shall continue for the same period and under the same conditions as if it had been granted on an application which had been filed in accordance with subsections (1) and (2) of this section and section 77-202.01.

(5) (4) In any year, the county assessor or the county board of equalization may cause a review of any exemption to determine whether the exemption is proper. Such a review may be taken even if the ownership or use of the property has not changed from the date of the allowance of the exemption. The review shall follow the procedure set out in section 77-202.02. If it is determined that a change in exempt status an exemption is warranted, the procedure for hearing set out in section 77-202.02 shall be followed. If an exemption is denied, the county board of equalization shall place the property on the tax rolls retroactive to January 1 of that year if on August 15 of that year the date of the decision of the county board of equalization the property no longer qualifies for an exemption.

(6) (5) During the month of September of each year, the county board of equalization shall cause to be published in a paper of general circulation in the county a list of all real estate in the county exempt from taxation for that year pursuant to subdivisions (1)(b) and (1)(c) of section 77-202. Such list shall be grouped into categories as provided by the Property Tax Administrator. A copy of the list and proof of publication shall be forwarded to the Department of Revenue Property Tax Administrator.

Sec. 15. Section 77-202.08, Reissue Revised Statutes of Nebraska, is amended to read:

77-202.08. An application for tax-exempt status for exemption of a motor vehicle shall be made to the county assessor official responsible for the valuation and taxation of motor vehicles on forms prescribed by the Property Tax Administrator not more than fifteen days before and not later than thirty days after the registration date for the motor vehicle. Exempt status The exemption for a motor vehicle shall extend through the registration period. Failure to apply for tax exemption within the allotted time shall

constitute a waiver of the exemption for the registration year. The county assessor official shall examine the application and recommend either taxable or exempt status to the county board of equalization within twenty days after receipt of the application. The county board of equalization, after a hearing on ten days' notice to the applicant, and after considering the recommendation of the county assessor official and any other information it may obtain, shall grant or withhold the tax exemption on the basis of law and of regulations promulgated by the Property Tax Administrator. The board shall certify its decision to the applicant, the county assessor official, and the Property Tax Administrator within ten days after the hearing.

Sec. 16. Any cemetery organization seeking a tax exemption for any real property used to maintain areas set apart for the interment of human dead shall apply for exemption to the county assessor on forms prescribed by the Property Tax Administrator. An application for a tax exemption shall be made on or before December 31 of the year preceding the year for which the exemption is sought. The county assessor shall examine the application and recommend either taxable or exempt to the county board of equalization on or before February 1 following. If a cemetery organization seeks a tax exemption for any real or tangible personal property acquired for or converted to exempt use on or after January 1, the organization shall make application for exemption on or before August 1. The procedure for reviewing the application shall be the same as for other exemptions pursuant to subdivisions (1)(b) and (1)(c) of section 77-202. Any cemetery organization which fails to file on or before December 31 for exemption may apply on or before June 30 pursuant to subsection (2) of section 77-202.01 and the penalty and procedures specified in section 77-202.01 shall apply.

Sec. 17. Any real property exemption granted to a cemetery organization shall remain in effect without reapplication unless disqualified by change of ownership or use. On or before August 1 the county assessor shall annually make a review of the ownership and use of all cemetery real property and report such review to the county board of equalization.

Sec. 18. Section 77-370, Reissue Revised Statutes of Nebraska, is amended to read:

77-370. The form of all schedules, books of instruction, assessment and tax books, records, and all other forms which may be necessary or expedient for the proper administration of the revenue laws of the state shall be approved by the Property Tax Administrator or Department of Revenue. All such schedules, forms, and documents shall be uniform throughout the several counties insofar as the same is possible and practicable.

Sec. 19. Section 77-415, Reissue Revised Statutes of Nebraska, is amended to read:

77-415. The Property Tax Administrator shall, between January 15 and March 15, prepare and administer courses an annual course of training which shall be attended by all county assessors and county clerks who are ex officio county assessors, including newly elected assessors who certify to the county board that they will qualify and serve, and may be attended by members of the county board of equalization from each county in the state. Such courses course shall be designed so as to impart a thorough knowledge of the techniques methods for the valuation of real and tangible personal property and to develop the essential administrative skills for the proper discharge of the duties of their such offices. The county assessor may designate an employee of his or her office to attend the course on his or her behalf. The county assessor may, in writing, request permission not to attend or send an employee to attend the course. The request shall be addressed to the Property Tax Administrator thirty days prior to the date of the course and specify the reasons why the official or an employee cannot attend. The Property Tax Administrator shall, in writing, grant or deny the request within ten days after receipt.

Sec. 20. Section 77-417, Reissue Revised Statutes of Nebraska, is amended to read:

77-417. The necessary expenses for travel, meals, and lodging incurred in attending any course of training provided for in sections 77-415 to 77-420 shall be paid from the county general fund. This shall include the necessary expenses for travel, board, and lodging of newly elected assessors or county clerks who are ex officio county assessors in attending any course of training under sections 77-415 to 77-420 prior to commencement of their term of office. Mileage reimbursements shall be computed at the rate provided in section 81-1176. All other costs of conducting courses the course of training under sections 77-415 to 77-420 section 77-415 shall be paid by the State of Nebraska property tax division of the Department of Revenue.

Sec. 21. Section 77-420, Reissue Revised Statutes of Nebraska, is amended to read:

77-420. In cooperation with the county assessors association, the Property Tax Administrator shall annually may arrange and conduct throughout the state a series of advanced seminars in assessment methods, and techniques which seminars shall be supplementary to the course of training required by sections 77-415 to 77-420 and shall be available to all assessors section 77-415.

Sec. 22. Section 77-421, Reissue Revised Statutes of Nebraska, is amended to read:

77-421. The Property Tax Administrator shall, in February and September of each year, hold an examination of applicants for certification as county assessor. An applicant for the examination shall, not less than ten days before an examination, present to the Property Tax Administrator a written application on forms provided by the Property Tax Administrator. Such application shall not be considered by the Property Tax Administrator unless accompanied by a payment of a fee to the order of the Property Tax Administrator. The fees shall be credited to the Property Tax Division Cash Fund. The amount of such fee shall be determined annually by the Property Tax Administrator and shall be sufficient to cover the costs of the administration of the examination. Such examination shall be written and shall be of such character as fairly to test and determine the qualifications, fitness, and ability of the person tested actually to perform the duties of county assessor. The Property Tax Administrator shall prepare such examination.

Sec. 23. Section 77-425, Reissue Revised Statutes of Nebraska, as amended by section 7, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, is amended to read:

77-425. The Property Tax Administrator, subject to proper rules and regulations to be published and furnished to every assessing official, shall have the power to invalidate the certificate of any county assessor or deputy county assessor who willfully fails or refuses faithfully to perform his or her duties in accordance with the rules, regulations, and instructions adopted, promulgated, and issued by the Property Tax Administrator, his or her manuals of assessment, and the laws of the state governing the assessment of property and the duties of each county assessor and deputy county assessor. No certificate shall be revoked or suspended invalidated except upon a proper hearing before the Property Tax Administrator or his or her designee after due notice. If the county assessor certificate of a person serving as county assessor or deputy county assessor is revoked invalidated, such person shall be removed from office by the Property Tax Administrator, the office shall be declared vacant, and such person shall not be eligible to hold that be elected or appointed to the office of county assessor or deputy county assessor for a period of five years from the date of removal. Any county assessor or deputy county assessor whose county assessor certificate has been so revoked invalidated may appeal the decision of the Property Tax Administrator, and the appeal shall be in accordance with the Tax Equalization and Review Commission Act.

Sec. 24. Section 77-602, Reissue Revised Statutes of Nebraska, is amended to read:

77-602. The Property Tax Administrator in May of each year shall proceed to ascertain all operating property of any railroad company owning, operating, or controlling any railroad or railroad service in this state. Operating property is property that contributes to the operation of a railroad and 7 which for the purpose of assessment and taxation this section shall be held to include the main track, sidetrack, spur tracks, warehouse tracks, roadbed, right-of-way and depot grounds, all machine and repair shops, general office buildings, storehouses, and all water and fuel stations, buildings, and superstructures located on any of such property, any manufacturing plant necessary in the operation of such railroad and any property used or held in connection with the manufacturing plant, all machinery, rolling stock, telegraph lines and instruments connected with such lines, all material on hand and supplies provided for operating and carrying on the business of such road, in whole or in part, franchises, all personal property of such railroad company, and all other real property of such railroad company which is adjacent and contiguous to the railroad right-of-way and is used or held for the sole purpose of operating the railroad. Nonoperating property is property owned or leased by a railroad company that does not contribute to the operation of a railroad. The Property Tax Administrator shall appraise and assess such value operating property as other real and personal property.

Sec. 25. Section 77-603, Reissue Revised Statutes of Nebraska, is amended to read:

77-603. On or before April 15 each year, the person, company, or corporation owning, operating, or controlling any railroad or railroad service in this state shall, by its president, secretary, principal accounting

officer, or a duly authorized corporate representative or official, return to the Property Tax Administrator a sworn statement or schedule of the property of such company on January 1 preceding. The statement shall be made on forms prescribed by the Property Tax Administrator. All information reported by the railroad company, not available from any other public source, and any memorandum thereof shall be confidential and available to taxing officials only. For good cause shown, the Property Tax Administrator may allow an extension of time in which to file such statement. Such extension shall not exceed thirty days after April 15. Such statement shall include:

(1) A list of the right-of-way, track, and roadbed, giving the entire length of the main track and sidetrack in this and other states, and showing as to this state the portion in each governmental subdivision;

(2) A schedule showing: (a) The amount of capital stock authorized and the number of shares into which such capital stock is divided; (b) the amount of capital stock paid up; (c) the market value of the stock or, if of no market value, then the true value of the shares of stock; (d) the total amount of all secured and unsecured indebtedness except for current expenses of operating the road; and (e) the taxable valuation of all its operating property in this state that is locally assessed; Such schedule shall be made in conformity with such instructions and forms as may be prescribed by the Property Tax Administrator, which values shall be taken into account and be considered in arriving at the true value of such railroad property and its franchises;

(3) A correct return of the value of all materials and supplies used for operating and carrying on the business of such railroad;

(4) The total gross earnings and net earnings of such corporation during the year for which the statement is made, and the total amount expended in the operation and maintenance of the property and the improvements to such property, distinguishing that expended in improvement or betterment from that expended in maintenance and operation, also the dividend last declared upon its shares and the amount thereof, and the date, number, and amount of all dividends declared upon its stock during the year preceding the date of such report; and such other information as the Property Tax Administrator may in writing require, all of which shall be taken into consideration in ascertaining and fixing the value of such road and the franchise thereof; and

(5) Such other necessary information as the Property Tax Administrator may require, all of which shall be taken into consideration in ascertaining and fixing the value of such railroad and the franchise thereof.

Sec. 26. The sale of railroad operating property as defined in section 77-602 shall be reported by the purchaser to the Property Tax Administrator within thirty days after the date of sale. The purchaser shall identify the seller, the date of the sale, any change in the name of the railroad, the main track and sidetrack mileage located in each political subdivision, and the purchase price. If additional information regarding the sale is deemed necessary, the Property Tax Administrator shall make a written request for such information to the purchaser or seller. This requirement shall apply only to a purchaser subject to section 77-603. For each day's failure to furnish the information required to be reported by this section, the Property Tax Administrator shall assess a penalty in the amount of one hundred dollars, except that the penalty shall not exceed ten thousand dollars. Such penalty shall be collected by the Property Tax Administrator and credited to the Property Tax Division Cash Fund. The Property Tax Administrator may waive all or part of the penalty provided in this section.

Sec. 27. Section 77-605, Reissue Revised Statutes of Nebraska, is amended to read:

77-605. For each day's failure to furnish the statement required by section 77-603 or for each day's failure to furnish the information as required on those statements, the company may be assessed Property Tax Administrator shall assess a penalty in the amount of one hundred dollars, except that the penalty shall not exceed ten thousand dollars. Such penalty shall be collected by the Property Tax Administrator and credited to the Property Tax Division Cash Fund. The Property Tax Administrator, in his or her discretion, may waive all or part of the penalty provided in this section.

Sec. 28. Section 77-606, Reissue Revised Statutes of Nebraska, is amended to read:

77-606. Any The county assessor shall assess all nonoperating property of any railroad company. A railroad company operating any road within the State of Nebraska shall, on or before January 1 of each year, report to the county assessor, or the county clerk when he or she is ex officio county assessor, of each county through which its track runs, all nonoperating property belonging to such railroad company, which is not subject to assessment and assessed by the Property Tax Administrator under

~~section 77-602-~~

Sec. 29. Section 77-607, Reissue Revised Statutes of Nebraska, is amended to read:

77-607. The Property Tax Administrator shall have power to require any officer, agent, or servant of any railroad or railway company having any portion of its property in this state to attend a hearing and to answer under oath questions regarding the property. The Property Tax Administrator shall have power to issue whatever notice or process may be necessary to compel the attendance of any such person as a witness, ~~which process may be served by any person designated by the Property Tax Administrator.~~ Any person who fails to respond to such process or who refuses to answer any proper question put to him or her shall be guilty of a Class IV misdemeanor.

Sec. 30. Section 77-612, Reissue Revised Statutes of Nebraska, is amended to read:

77-612. On or before July 1, the Property Tax Administrator shall mail a draft appraisal to each railroad company required to file pursuant to section 77-603. The Property Tax Administrator shall, on or before July 15 of each year, notify in writing by certified mail each railroad company of the value, determined by the Property Tax Administrator, of the railroad company's taxable operating property within the state total allocated value of its operating property. If a railroad company feels aggrieved, such railroad company may, on or before August 1, file with the Property Tax Administrator an administrative appeal in writing stating that it claims the valuation is unjust or inequitable, the amount which it is claimed the valuation should be, and the excess therein and asking for an adjustment of the valuation by the Property Tax Administrator. The appeal shall be considered and either party shall be permitted to introduce any evidence in reference thereto and fully and fairly present its case. The Property Tax Administrator shall act upon the appeal and shall make issue an order. The order may be appealed in the premises. The order shall be considered as the final order in the case from which an appeal may be taken, and the appeal shall be in accordance with the Tax Equalization and Review Commission Act.

Sec. 31. Section 77-621, Reissue Revised Statutes of Nebraska, is amended to read:

77-621. The return by the Property Tax Administrator to the county clerks on or before August 15, the Property Tax Administrator shall certify to the railroad company and county assessor the railroad company's total taxable equalized value and the distribution of that value determined pursuant to section 77-604. The report of distributed value shall include:

(1) The number of miles of main track and sidetrack of each railroad located in each governmental subdivision and the total length of main track and sidetrack in the county;

(2) The assessed valuation per mile of such main track and sidetrack; and

(3) The valuations that shall be placed to the credit of such governmental subdivision in the county.

Sec. 32. Section 77-623, Reissue Revised Statutes of Nebraska, is amended to read:

77-623. For purposes of certifying values pursuant to section 13-509, the county assessor shall include the railroad company value as certified by the Property Tax Administrator pursuant to section 77-621. The taxes so levied shall be due and payable in the manner of personal property taxes pursuant to sections 77-205 to 77-207. The assessed value of railroad operating property as determined by the Property Tax Administrator and reported to the county pursuant to section 77-621 shall be apportioned by the county assessor, or the county clerk when he or she is ex officio county assessor or in those counties having unit tax ledgers which are prepared by the county clerks, among the respective governmental subdivisions in which such property is located, and the value thereof may be entered on the tax list and collected by the county treasurer.

Sec. 33. Section 77-681, Reissue Revised Statutes of Nebraska, is amended to read:

77-681. The president or other chief officer of every railroad company which has lines running through, in, or into this state shall, on or before June 1 of each year, furnish to the Property Tax Administrator a statement, verified by the affidavit of the officer or person making the statement, showing the total number of miles traveled by each class of cars of every car line company on their lines, branches, sidings, spurs, and warehouse tracks in this state during the preceding year ending December 31. For good cause shown, the Property Tax Administrator may allow an extension of time in which to file such statement. Such extension shall not exceed thirty days after June 1.

Sec. 34. Section 77-683, Reissue Revised Statutes of Nebraska, is amended to read:

77-683. (1) For each day's failure to furnish the statement required by section 77-680 or 77-681 or for each day's failure to furnish the information as required on the statement, the company may be assessed a penalty in the amount of one hundred dollars, except that the penalty shall not exceed ten thousand dollars. Such penalty shall be collected by the Property Tax Administrator and credited to the Property Tax Division Cash Fund. The Property Tax Administrator may waive all or part of the penalty provided in this section.

(2) In determining the number of such cars, the Property Tax Administrator, insofar as may be practicable, shall harmonize the statements of the railroad companies and car line companies. Such assessment shall be included in the records of the Property Tax Administrator.

Sec. 35. Section 77-684, Reissue Revised Statutes of Nebraska, is amended to read:

77-684. The Property Tax Administrator shall, on or before January 15 each year, establish a tax rate for purposes of taxation against the taxable value as provided in sections 77-682 and 77-683 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. When as certified pursuant to section 77-1613.01, the date when such tax rate has been is determined, the shall be deemed to be the levy date for the property. The Property Tax Administrator shall send to each car line company a statement showing the taxable value, the tax rate, and the amount of the tax and a statement that such tax is due and payable to the Property Tax Administrator on December January 31 next following the levy thereof. If a car line company feels aggrieved, such company may, on or before March 1, file an appeal with the Property Tax Administrator. The Property Tax Administrator shall act upon the appeal and shall issue an order. The order may be appealed in accordance with the Tax Equalization and Review Commission Act. The Property Tax Administrator shall remit the tax collected, less a three-percent collection fee, to the State Treasurer for distribution among the taxing subdivisions in proportion to all railroad taxes levied by taxing subdivisions. The collection fee shall be remitted to the State Treasurer for credit to the Tax Commissioner Revolving Property Tax Division Cash Fund.

Sec. 36. Section 77-687, Reissue Revised Statutes of Nebraska, is amended to read:

77-687. One-half of the taxes levied as provided in section 77-684 shall become delinquent February March 1, and the second half on July 1, next following the date the tax has become due and payable. All delinquent taxes shall bear 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 they become delinquent, and the interest shall be collected in the same manner as the tax on which the interest accrues. If such taxes and interest due thereon have not been paid on July 1 following the levy thereof, the Property Tax Administrator shall collect the tax and interest by distress and sale of any property belonging to such delinquent car line company in the same manner as is required of county treasurers and county sheriffs in like cases.

Sec. 37. Section 77-801, Reissue Revised Statutes of Nebraska, is amended to read:

77-801. All public service entities shall, furnish to the Property Tax Administrator on or before April 30 of each year, furnish a sworn statement specifying such information as may be required by the Property Tax Administrator on forms prescribed by the Property Tax Administrator to determine and distribute the entity's total taxable value including the franchise value. All information reported by the public service entities, not available from any other public source, and any memorandum thereof shall be confidential and available to taxing officials only. For good cause shown, the Property Tax Administrator may allow an extension of time in which to file such statement. Such extension shall not exceed thirty days after April 30.

The returns of public service entities shall not be held to be conclusive as to the taxable value of the property, but the Property Tax Administrator shall, from all the information which he or she is able to obtain, 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 county assessor shall assess all nonoperating property of any public service entity. A public service entity operating within the State of Nebraska shall, on or before January 1 of each year, report to the county assessor of each county in which it has situs all nonoperating property belonging to such entity which is not subject to assessment and assessed by

the Property Tax Administrator under section 77-802.

Sec. 38. Section 77-801.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-801.01. As used in sections 77-801 to 77-803, ~~public~~ public 77-804 and sections 39, 41, and 42 of this act:

(1) Nonoperating property means property owned or leased by a public service entity that does not contribute to the entity's function;

(2) Operating property means property that contributes to a public service entity's function; and

(3) Public service entity shall mean means any person or company, as defined in section 49-801 or entity, organized for profit under the laws of this state or any other state or government and engaged in the business of waterworks, electrical power, gas works, natural gas, telegraphs, telephones, pipelines used for the transmission of oil, heat, steam, or any substance to be used for lighting, heating, or power, and pipelines used for the transmission of articles by pneumatic or other power and all other similar or like entities.

Sec. 39. The Property Tax Administrator shall have power to require any officer, agent, or servant of any public service entity having any portion of its property in this state to attend a hearing and to answer under oath questions regarding the property. The Property Tax Administrator shall have power to issue whatever notice or process may be necessary to compel the attendance of any such person as a witness.

Sec. 40. Section 77-802, Reissue Revised Statutes of Nebraska, is amended to read:

77-802. The sworn statement required by section 77-801, together with any other information available, shall be used by the Property Tax Administrator in determining the total taxable value including the franchise value of a public service entity for each of the local assessing districts. The Property Tax Administrator shall apportion the total taxable value including the franchise value to all taxing subdivisions in proportion to the ratio of the original cost of all operating real and tangible personal property of that public service entity having a situs in that taxing subdivision to the original cost of all operating real and tangible personal property of that public service entity having a situs in the state.

If the apportionment in accordance with this section does not fairly represent the proportion of the taxable value, including franchise value properly allocable to the county, the taxpayer may petition for or the Property Tax Administrator may require the inclusion of any other method to effectuate an equitable allocation of the value of the public service entity for purposes of taxation. The

On or before August 1, the Property Tax Administrator shall mail a draft appraisal to each public service entity as defined in section 77-801.01. On or before August 15, the Property Tax Administrator shall, by certified mail, notify each public service entity of its taxable value and the distribution of that value to the taxing subdivisions in which the entity has situs. On or before August 15, the Property Tax Administrator shall also certify to the county assessors the taxable value so determined.

Sec. 41. For purposes of certifying values pursuant to section 13-509, the county assessor shall include the public service entity value as certified by the Property Tax Administrator pursuant to section 77-802. The taxes so levied shall be due and payable in the manner of personal property taxes pursuant to sections 77-205 to 77-207.

Sec. 42. On or before September 15, if a public service entity feels aggrieved, such public service entity may file an appeal with the Property Tax Administrator. The Property Tax Administrator shall act upon the appeal and shall issue an order. The order may be appealed in accordance with the Tax Equalization and Review Commission Act.

Sec. 43. Section 77-803, Reissue Revised Statutes of Nebraska, is amended to read:

77-803. For each day's failure to furnish the statement required by section 77-801 or for each day's failure to furnish the information as required on those statements, the public service entity may be assessed a penalty in the amount of one hundred dollars, except that the penalty shall not exceed ten thousand dollars. Such penalty shall be collected by the Property Tax Administrator and credited to the Property Tax Division Cash Fund. The Property Tax Administrator, in his or her discretion, may waive all or part of the penalty provided in this section.

Sec. 44. Section 77-804, Reissue Revised Statutes of Nebraska, is amended to read:

77-804. Any sale of a public service entity as defined in section 77-801.01 shall be reported by the purchaser to the Property Tax Administrator

within thirty days from the date of the sale. The purchaser shall identify the seller, the date of the sale, any change in name of the entity, and the purchase price of the entity. If additional information regarding the sale is needed by the Property Tax Administrator, a specific written request shall be made. For each day's failure to furnish the information, an entity may be assessed a penalty in the amount of one hundred dollars, except that the penalty shall not exceed ten thousand dollars. Such penalty shall be collected by the Property Tax Administrator and credited to the Property Tax Division Cash Fund. The Property Tax Administrator may waive all or part of the penalty provided in this section.

Sec. 45. Section 77-1201, Reissue Revised Statutes of Nebraska, is amended to read:

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, limited liability company member, 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. 46. Section 77-1202, Reissue Revised Statutes of Nebraska, is amended to read:

77-1202. Taxable tangible personal property shall be listed and assessed where it has acquired tax situs as defined in section 8 of this act. ~~7~~ 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. 47. Section 77-1211, Reissue Revised Statutes of Nebraska, is amended to read:

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 county assessor shall at once assess and if necessary equalize such property and shall enter the same on the tax books as in other cases roll.

Sec. 48. Section 77-1214, Reissue Revised Statutes of Nebraska, is amended to read:

77-1214. It shall be the duty of any county assessor, sheriff, constable, city ~~councilman~~ council member, and village trustee to at once inform the county treasurer of the making or attempted making of any sale, levy of attachment, or removal of tangible personal property known to him or her. It shall be the duty of the county treasurer to forthwith proceed with the collection of the tax when such acts become known to him or her in any manner. ~~Any~~ PROVIDED, any personal property tax shall be due and collectible, including all tangible personal 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 sell all or a substantial part of his or her tangible personal property, (2) a levy of attachment is made upon tangible personal property, or (3) a person attempts to remove or removes tangible personal property from the county, ~~city, or village.~~

Sec. 49. Section 77-1219, Reissue Revised Statutes of Nebraska, is amended to read:

77-1219. It shall be the duty of the county assessor, when required by any person, to give a certificate of assessment of tangible personal property showing the amount, kind, location, and taxable net book 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. 50. Section 77-1229, Reissue Revised Statutes of Nebraska, is amended to read:

77-1229. Every person required by section 77-1201 to list and value taxable tangible personal property shall list such property upon the forms prescribed by the Property Tax Administrator. The forms shall be furnished by available from the county assessor and when completed shall be signed by each person or his or her agent and be filed with the county assessor. The forms shall be filed on or before June 1 for 1992 and on or before May 1 of each year, 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. 51. Section 77-1230, Reissue Revised Statutes of Nebraska, is amended to read:

77-1230. (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~~ after the filing of the amended federal return or within ninety days ~~of~~ after 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 subject to a penalty pursuant to sections 77-1233.04 and 77-1233.05 section 77-1233.04.

Sec. 52. Section 77-1233.02, Reissue Revised Statutes of Nebraska, is amended to read:

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 net book value.

Sec. 53. Section 77-1233.04, Reissue Revised Statutes of Nebraska, is amended to read:

77-1233.04. (1) The county assessor shall change the reported valuation of any item of tangible personal property listed on the return of any taxpayer to conform the valuation to taxable net book value. The county assessor shall make a change to the valuation of any item of tangible 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 tangible personal property omitted from or not returned on a personal property return of any taxpayer and value the property at its taxable net book value. The county 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

(3) The tangible personal 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 tax district in which the property should have been returned for taxation.

(4) To the tax shall be added a penalty of the greater of one hundred dollars or fifty percent of the tax due on the taxable tangible personal property. 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 Property Tax Administrator, 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 Property Tax Administrator, of the action of the county board. Appeal may be taken from the decision of the county board of equalization to the Tax Equalization and Review Commission.

(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. 54. Section 77-1233.05, Reissue Revised Statutes of Nebraska, is amended to read:

77-1233.05. (1) If a return is voluntarily filed, or omitted property is voluntarily reported, by a taxpayer 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 tangible personal property shall be taxed at the same rate as imposed upon the property in the governmental subdivision of the State of Nebraska tax district in which the property should have been returned for taxation.

(2) To the tax shall be added a penalty of the greater of twenty-five dollars or 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. 55. For purposes of sections 77-1233.04 and 77-1233.05:

(1) The county assessor shall notify the taxpayer, on a form prescribed by the Property Tax Administrator, of the action taken, the penalty, and the rate of interest. The notice shall also state the taxpayer's appeal rights and the appeal procedures. Such notice shall be given by first-class mail addressed to such taxpayer's last-known address. The entire penalty and interest shall be waived if the omission or failure to report any item of tangible personal property was for the reason that the property was timely reported in the wrong tax district.

(2) The taxpayer may appeal the action of the county assessor, either as to the valuation or the penalties imposed, to the county board of equalization within thirty days after the date of notice. The taxpayer shall preserve his or her appeal by filing a written 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 a written appeal is filed within the time prescribed.

(3) The action of the county board of equalization, in an appeal of the penalties imposed, shall be limited to correcting penalties which were wrongly imposed or incorrectly calculated. The county board of equalization shall have no authority to waive or reduce any penalty which was correctly imposed and calculated. The entire penalty and interest on the penalty shall be waived if the omission or failure to report any item of tangible personal property was for the reason that the property was timely reported in the wrong tax district.

(4) 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 after the determination of the county board, send notice to the taxpayer and the county assessor, on forms prescribed by the Property Tax Administrator, of the action of the county board. Appeal may be taken within thirty days from the decision of the county board of equalization to the Tax Equalization and Review Commission; and

(5) 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 taxes, 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. 56. Section 77-1236, Reissue Revised Statutes of Nebraska, is amended to read:

77-1236. For the purpose of determining the taxable net book value of any property, the county 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 county 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 county assessor may deem necessary, and at such time the county 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 county 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.

All documentation provided by the owner or owner's agent or employee pursuant to this section shall be confidential and available to taxing officials only.

Sec. 57. Section 77-1240.03, Reissue Revised Statutes of Nebraska, is amended to read:

77-1240.03. (1) Upon the transfer of title ownership of any motor vehicle, upon a change in the tax situs of a motor vehicle to a location outside of this state, upon a trade-in or surrender of a motor vehicle under a lease, or whenever a type or class of motor vehicle previously taxed and registered is subsequently declared by legislative act or court decision to be illegal or ineligible to be operated on the public roads and no longer subject to registration fees and taxes, the transferor, in the case of a transfer, the owner, in the case of a change in the tax situs, the lessee, in the case of a trade-in or surrender under a lease, or the last registered owner, in the case of a legislative act or court decision, shall be credited with or refunded the tax for the number of unexpired months remaining in the registration period from the date of transfer, date of registration in another state, date of trade-in or surrender under a lease, effective date of the legislative act, or date the court decision is rendered, except that when the motor vehicle is transferred, the tax situs is changed, the motor vehicle is traded in or surrendered under a lease, a legislative act is enacted, or a court decision is rendered within the same calendar month in which the vehicle is acquired, no credit or refund of the tax shall be allowed for that month.

(2) If the transferor or lessee acquires another motor vehicle at the time of the transfer, trade-in, or surrender, the transferor or lessee shall have the credit provided for in this section applied toward payment of the motor vehicle tax then owing. Otherwise the transferor or lessee shall file a claim for refund with the county assessor upon a form prescribed by the Auditor of Public Accounts.

(3) The transferor, owner, lessee, or last registered owner shall make a claim for credit or refund of the tax for the unexpired months in the registration period within sixty days one year from the date of transfer, date of registration in another state, date of trade-in or surrender, effective date of the legislative act, or date the court decision is rendered or shall be deemed to have forfeited his or her right to the refund.

(4) The county assessor shall certify to the county treasurer the amount of tax refund and the taxing unit tax district where the motor vehicle is registered. The county treasurer shall make payment to the claimant from the undistributed motor vehicle taxes of the taxing unit tax district where the tax money was originally distributed, but no refund of less than two dollars shall be paid.

(5) If a county board consolidates services under the office of a designated county official other than the county assessor pursuant to section 23-186, the claim for refund shall be filed with the designated county official.

Sec. 58. Section 77-1242.02, Reissue Revised Statutes of Nebraska,

is amended to read:

77-1242.02. The valuation of motor vehicles as provided by sections 77-1239 to 77-1242.02 shall be included in the calculations of the value of all property for the purpose of determining debt limitations of taxing units and nothing in sections 77-1239 to 77-1242.02 shall be construed to remove motor vehicles from the general classification of tangible personal tangible property in determining such debt limitations. The valuation shall be included in the abstract required by section 77-1514.

Sec. 59. Section 77-1247, Reissue Revised Statutes of Nebraska, is amended to read:

77-1247. (1) Each air carrier, as defined in section 77-1244, shall on or before June 1 in each year make to the Property Tax Administrator a report, in such form as may be prescribed by the Property Tax Administrator, containing the information necessary to determine the value of its flight equipment and the proportion allocated to this state for purposes of taxation as provided in section 77-1246. For good cause shown, the Property Tax Administrator may allow an extension of time in which to file such report. Such extension shall not exceed thirty days after June 1.

(2) For each day's failure to furnish the report required by subsection (1) of this section or for each day's failure to furnish the information as required on the report, the air carrier may be assessed a penalty in the amount of one hundred dollars, except that the penalty shall not exceed ten thousand dollars. Such penalty shall be collected by the Property Tax Administrator and credited to the Property Tax Division Cash Fund. The Property Tax Administrator, in his or her discretion, may waive all or part of the penalty provided in this section.

Sec. 60. Section 77-1249, Reissue Revised Statutes of Nebraska, is amended to read:

77-1249. The Property Tax Administrator shall, on or before January 15 each year, make a levy establish a tax rate for purposes of taxation against the taxable value ascertained and determined by the Property Tax Administrator 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 as certified pursuant to section 77-1613.01. The date when such tax rate is determined shall be deemed to be the levy date for the property. The Property Tax Administrator shall send to each air carrier a statement showing the taxable value, the tax rate, and the amount of the tax and a statement that the tax is due and payable to the Property Tax Administrator on January 31 next following the levy thereof. If an air carrier feels aggrieved, such carrier may, on or before March 1, file an appeal with the Property Tax Administrator. The Property Tax Administrator shall act upon the appeal and shall issue an order. The order may be appealed in accordance with the Tax Equalization and Review Commission Act.

Sec. 61. Section 77-1249.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1249.01. One-half of the taxes levied and due under sections 77-1249 and 77-1250 shall become delinquent ~~February~~ March 1, and the second half on July 1, next following the date the tax has become due.

All delinquent taxes shall draw interest from the date they become delinquent at a rate equal to the maximum rate of interest allowed per annum under section 45-104.01, as such rate may from time to time be adjusted by the Legislature, and the interest shall be collected and distributed the same as the tax on which the interest accrues. If such taxes and interest due thereon shall not have been paid on July 1 following the levy thereof, the Property Tax Administrator shall collect the same by distress and sale of any property belonging to such delinquent person in like manner as required of county treasurers and county sheriffs in like cases.

Sec. 62. Section 77-1250, Reissue Revised Statutes of Nebraska, is amended to read:

77-1250. The tax levied pursuant to section 77-1249 shall, on January be due and payable to the Property Tax Administrator on December 31 next following the date of levy, of such tax and shall be a first lien from that date on the personal property, both tangible and intangible, of the person assessed until the liability is satisfied or otherwise released or discharged. Such lien shall be filed and enforced pursuant to the Uniform State Tax Lien Registration and Enforcement Act. The Property Tax Administrator shall remit the tax paid to the State Treasurer, and the tax collected, less a three percent collection fee, shall be distributed to the counties to the credit of the county general fund proportionate to the amount the total property taxes levied in the county bears to the total property taxes levied in the state as a whole, as determined certified pursuant to

section 77-1613.01. The collection fee shall be credited by the State Treasurer to the ~~Tax Commissioner Revolving Property Tax Division Cash Fund.~~

Sec. 63. Section 77-1301, Reissue Revised Statutes of Nebraska, is amended to read:

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) ~~The county assessor shall complete the assessment of real property on or before April 1 of each year. 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. 64. Section 77-1301.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1301.01. The Property Tax Administrator shall adopt and promulgate rules and regulations to establish standards for the ~~reappraisal of all real property in the various counties appraisal of classes or subclasses of real property in a county.~~ The standards established shall require that the ~~reappraisal of all real property appraisal~~ 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 Property Tax Administrator shall also establish standards for ~~reappraisal~~ ~~AD~~raisal 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 appraisal~~ contract shall be valid until approved in writing by the Property Tax Administrator.

Sec. 65. Section 77-1303, Reissue Revised Statutes of Nebraska, is amended to read:

77-1303. (1) On or before ~~January 1 at 12:01 a.m.~~ April 1 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 an assessment roll of the taxable real property in the county.~~

(2) 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.

(3) 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 assessment roll~~ 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. 66. ~~The county assessor, when requested by any person, shall give a certificate of assessment of real property 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.~~

Sec. 67. Section 77-1311, Reissue Revised Statutes of Nebraska, as amended by section 13, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, is amended to read:

77-1311. The county assessor shall have general supervision over and direction of the assessment of all property in his or her county. In addition to the other duties provided by law, the county assessor shall:

(1) Annually revise the real property assessment for the correction of errors and, when properties have been assessed as entities and afterward part or parts transferred to other parties, set off and apportion to each its just and equitable portion of the valuation;

(2) Obey all rules and regulations made under Chapter 77 and the instructions and orders sent out by the Property Tax Administrator and the Tax Equalization and Review Commission;

(3) Examine the records in the office of the register of deeds and county clerk for the purpose of ascertaining whether mortgages on real property and security interests on personal property, producing mineral leases, title notes, contracts, and bills of sale, intended to operate as a lien in the county, have been fully and correctly listed and add to the assessment roll any which have been omitted, belonging to residents of his or her county, and not otherwise assessed, upon notice to the owner thereof or his or her agents;

(4) Examine the records in the office of the county judge and ascertain whether the property belonging to minors, persons with mental retardation or a mental disorder, and estates of deceased persons has been fully and correctly listed and add to or change any such assessments so that the same shall be fully assessed;

(5) Examine the records in the office of the clerk of the district court to ascertain whether any judgments or liens thereon filed, belonging to residents of his or her county and not otherwise assessed, have been omitted from the assessment rolls and, in case of any such omission, add the same to the assessment roll after notice to the owner;

(6) Make up the assessment books roll as provided in section 77-1303; and

(7) Provide access to the public to property record cards and allow facsimiles to be reproduced at cost to the requesting individual.

Sec. 68. Section 77-1315, Reissue Revised Statutes of Nebraska, is amended to read:

77-1315. (1) The county assessor shall, after April 1 and on or before June 1, implement adjustments to the real property assessment roll for actions of the agricultural and horticultural land valuation board and the Tax Equalization and Review Commission.

(2) On or before June 1, the county assessor shall notify the record owner of every item of real property which has been assessed at a value different than in the previous year. Such notice shall be given by first-class mail addressed to such owner's last-known address. It shall identify the item of real property and state the old and new valuation, the date of convening of the county board of equalization, the dates for filing a protest, and the average level of value of all classes and subclasses of real property in the county as determined by the Tax Equalization and Review Commission.

(3) Immediately upon completion of the assessment roll, the county assessor or county clerk shall cause to be published in a newspaper of general circulation in the county a certification that the assessment roll is complete and notices of valuation changes have been mailed and provide the final date for filing valuation protests with the county board of equalization, complete his or her revisions of the assessment rolls and file certificates indicating that such revisions are complete with the county clerk. The certificate for real property shall be filed on or before June 1 of each year. The certificate for tangible personal property shall be filed on or before June 1. 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.

Sec. 69. After April 1 and on or before July 25, the county assessor shall report to the county board of equalization any overvaluation or undervaluation of any real property. The county board of equalization shall consider the report in accordance with section 77-1504.

The current year's assessed valuation of any real property shall not be changed by the county assessor after April 1 except by action of the agricultural and horticultural land valuation board, the Tax Equalization and Review Commission, or the county board of equalization.

Sec. 70. Section 77-1316.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1316.01. The county assessor of any county may shall, at any time, add to correct the tax rolls as provided in section 77-1613.02 for any real property listed on the assessment roll but omitted from the tax roll, any property omitted therefrom for the current year; PROVIDED, that if the taxpayer is deceased and the inventory of his estate is not filed on or before December 1 of the year of death, the county assessor or the county clerk of the county may, within one month after the filing of such inventory, add to the tax rolls any property omitted therefrom for the year of death.

Sec. 71. Section 77-1317, Reissue Revised Statutes of Nebraska, is amended to read:

77-1317. It shall be the duty of the county assessor to report to the county board of equalization all real property in his or her county that, for any reason, was omitted from the assessment roll for the current year, after April 1, or any former year. The assessment shall be made by the county board of equalization in accordance with sections 77-1504 and 77-1507. After county board of equalization action pursuant to section 77-1504 or 77-1507, the county assessor shall correct the assessment and tax rolls as provided in section 77-1613.02. 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 for any prior year under this section when such real property has changed ownership otherwise than by will, inheritance, or gift.

Sec. 72. Section 77-1318, Reissue Revised Statutes of Nebraska, is amended to read:

77-1318. All taxes charged under section 77-1317 shall be exempt from any back interest or penalty and shall be collected in the same manner as other taxes levied upon real estate, except for taxes charged on improvements to real property made after September 1, 1980. Interest at the rate provided in section 77-207 and the following penalties and interest on penalties for late reporting or failure to report such improvements pursuant to section 77-1318.01 shall be collected in the same manner as other taxes levied upon real property. The penalty for late reporting or failure to report improvements made to real property after September 1, 1980, shall be as follows: (1) A penalty of twelve percent of the tax due on the improvements for each taxing period for improvements voluntarily filed or reported after April 1 has passed; and (2) a penalty of twenty percent of the tax due on improvements for each taxing period for improvements not voluntarily reported for taxation purposes after April 1 has passed. 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. No penalty excluding interest shall be charged in excess of one thousand dollars per year. For purposes of this section, improvement shall mean any new structure or permanent fixtures added to an existing structure construction of or change to an item of real property as defined in section 77-103.

Any additional taxes, penalties, or interest on penalties imposed pursuant to this section may be appealed in the same manner as appeals are made under section 77-1233.04 55 of this act.

Sec. 73. Section 77-1318.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1318.01. In order that improvements to real property are properly assessed for ~~ad valorem property~~ tax purposes, no building amounting to a value of one thousand dollars or more shall hereafter be erected, or structurally altered or repaired, and no electrical, heating, plumbing, or other installation or connection, or other improvement to real property, amounting to a value of one thousand dollars or more, shall hereafter be made until an information statement has been filed with the county assessor in the county in which the improvement is to be made. Common ~~PROVIDED, that common~~ carriers and public utilities regulated either by the State of Nebraska or the federal government, or owned, operated, or leased by a political subdivision thereof, shall not be required to ~~secure a building permit~~ file an information statement for the structural alteration, or repair of a building, or for the electrical, heating, plumbing, or other installation or connection, or other improvement to real property owned by it or pursuant to a contract or a service agreement. Any building permit required and issued by a county or municipal officer shall fulfill the requirements of this section if it contains the information required by this section and if a copy is provided ~~for to~~ the county assessor by the officer. If the county or municipality does not require a permit under its zoning laws, the information statement shall be filed with the county assessor. No information statement need be filed with the county assessor when the erection or repair is necessitated by an emergency caused by explosion; fire; war; act of God or natural disaster. The form for the information statement shall be provided by the county assessor and may be filed either in person or by mail shall be filed on or before December 31 of the year of construction, repair, alteration, or improvement. The information statement shall show the following: (1) Name and address of the owner of the property; (2) name and address of the applicant, if different than owner; (3) name of prime contractor for the project, if there is one; (4) location of the property, size, nature, intended use, and approximate material cost of the improvement; and (5) the estimated period of construction.

Sec. 74. Section 77-1325, Reissue Revised Statutes of Nebraska, is amended to read:

77-1325. (1) There shall be a property tax division of the Department of Revenue.

(2) The Property Tax Administrator may appoint such employees as are necessary. The Property Tax Administrator may contract for the services of expert consultants to the division.

(3) In addition to any duties, powers, or responsibilities otherwise conferred upon the Property Tax Administrator, he or she shall administer and

enforce all laws related to the state supervision of local property tax administration and the central assessment of property subject to ad valorem property taxation. The Property Tax Administrator and the property tax division shall also advise county assessors regarding the administration and assessment of taxable property within the state and measure assessment performance in order to determine the accuracy and uniformity of assessments. Whenever the Property Tax Administrator assesses or appraises property, or provides services therefor, he or she shall prescribe the methods and specifications for such assessment or appraisal by rules and regulations.

Sec. 75. Section 77-1342, Reissue Revised Statutes of Nebraska, is amended to read:

77-1342. There is hereby created a fund to be known as the Tax Commissioner Revolving Property Tax Division Cash Fund to which shall be credited all money received by the property tax division of the Department of Revenue for services performed to for county and multicounty assessment districts, for charges for publications, manuals, and lists, as an assessor's examination fee authorized by section 77-421, and under the provisions of sections 60-305.15, 77-684, and 77-1250. The fund shall be ~~which provisions shall be for the purpose of providing funds to be used to develop appraisal assessment manuals, including the manual required by section 77-1362, and distribute them to the counties, to implement sections 77-415 and 77-420, to develop programs or models to improve the assessment of taxable property, and to engage competent counsel.~~ The county or multicounty assessment district shall be billed by the Property Tax Administrator property tax division for services rendered. Reimbursements to the Property Tax Administrator property tax division shall be credited to the fund, and expenditures therefrom shall be made only when such funds are available. The Property Tax Administrator property tax division shall only bill for the actual amount expended in performing the service.

The fund shall not, 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, 77-684, and 77-1250 shall be so lapsed.~~ Any money in the Tax Commissioner Revolving Fund and any money in the Property Assessment Education and Improvement Fund on the operative date of this section shall be transferred to the Property Tax Division Cash Fund. Any money in the Tax Commissioner Revolving Property Tax Division Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 76. Section 77-1344, Reissue Revised Statutes of Nebraska, is amended to read:

77-1344. (1) Any land which has an actual value as defined in ~~subsection (1)~~ of section 77-112 reflecting a potential use other than agricultural or horticultural use, is located outside the corporate boundaries of any sanitary and improvement district, city, or village, is used exclusively for agricultural or horticultural use, and is zoned for agricultural or horticultural use shall be valued at eighty percent of its actual value for agricultural or horticultural use pursuant to sections 77-1359 to 77-1365 ~~77-1363~~ and not at the actual value it would have if applied to other than agricultural or horticultural use if application for such special valuation is made pursuant to sections 77-1343 to 77-1348. ~~The~~ ~~except that the special valuation provisions shall not be applicable to that portion of lands zoned predominantly for agricultural or horticultural use if such lands have been subdivided, for residential use.~~ No land which has an actual value as defined in ~~subsection (1)~~ of section 77-112 reflecting a potential use other than agricultural or horticultural use shall be valued as at eighty percent of its actual value for agricultural land or horticultural land use unless it receives the special valuation pursuant to sections 77-1343 to 77-1348.

(2) The eligibility of land for the special valuation provisions of this section shall be determined as of January 1, but if land so qualified becomes disqualified prior to the levy date of the same year, it shall be valued at its actual value as defined by ~~subsection (1)~~ of section 77-112 without regard to this section. If the land becomes disqualified after the date of levy, its valuation for that year shall continue as provided in this section.

Sec. 77. Section 77-1359, Reissue Revised Statutes of Nebraska, is amended to read:

77-1359. For purposes of sections 77-1359 to ~~77-1365~~ 77-1363:

(1) Agricultural land and horticultural land shall mean ~~a parcel of land (a) over twenty acres in size which is primarily used for the production of agricultural or horticultural products, (b) which is including wasteland lying in or adjacent to and in common ownership or management with land used~~

for the production of agricultural or horticultural products, 7 or (c) of twenty acres or less in size when such land (i) is managed in conjunction with other agricultural land or horticultural land which when totaled exceeds twenty acres in size or (ii) meets the requirements of section 77-1360. Such land shall have been used for production of agricultural or horticultural products in at least two of the last three previous years as certified on or before March 1 of the assessment year using a form prescribed by the Department of Revenue. Land retained or protected for future agricultural or horticultural uses under a conservation easement as provided in the Conservation and Preservation Easements Act shall be defined as agricultural land or horticultural land. Land enrolled in a federal or state program in which payments are received for removing such land from agricultural or horticultural production shall be defined as agricultural land or horticultural land. Land that is zoned predominantly for purposes other than agricultural or horticultural use shall not be assessed as agricultural land or horticultural land; and

(2) Agricultural or horticultural products shall include grain and feed crops; forages and sod crops; animal production, including breeding, feeding, or grazing of cattle, horses, swine, sheep, goats, bees, or poultry; and fruits, vegetables, flowers, seeds, grasses, trees, and other horticultural crops.

Sec. 78. Section 77-1360.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1360.01. The Legislature prescribes the method described in this section as an accurate and fair measure of the actual value of agricultural land and horticultural land for purposes of property taxation. The Property Tax Administrator shall collect market information of actual sales of agricultural land and horticultural land and any other information deemed necessary, shall collect information to determine net income per acre pursuant to section 77-1364. A market value as determined by the market information collected shall be divided into the net income per acre, which shall include price support programs, the Acreage Conservation Reserve Program, the Conserving Uses Program, wetlands and wildlife programs, and the Conservation Reserve Program, producing a market-derived capitalization rate. The department shall adjust the market-derived capitalization rates. The adjustment shall be an equal percentage across all categories of agricultural land and horticultural land. Beginning in tax year 1992, the adjustment shall be one hundred twenty-five percent of the market-derived capitalization rate so that the assessed value of agricultural land and horticultural land shall be eighty percent of market value. The actual value per acre shall be determined by taking the net income per acre and dividing it by the adjusted market-derived capitalization rate. The valuation of agricultural land and horticultural land shall be uniform and proportionate within the class of agricultural land and horticultural land.

Sec. 79. Section 77-1361, Reissue Revised Statutes of Nebraska, is amended to read:

77-1361. (1) 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. Agricultural land and horticultural land shall be valued classified using the agricultural land valuation manual issued by the Property Tax Administrator pursuant to section 77-1330 which shall be developed using the methods prescribed in sections 77-1359 to 77-1365 section 77-1362.

(2) No residential, commercial, industrial, or agricultural building or enclosed structure or the directly associated land or site of the building or enclosed structure shall be assessed as agricultural land or horticultural land.

~~(3) No area of land directly associated with an improvement or structure described in subsection (2) of this section shall apply in determining compliance with the twenty-acre requirement of sections 77-1359 and 77-1360.~~

Sec. 80. Section 77-1362, Reissue Revised Statutes of Nebraska, is amended to read:

77-1362. ~~(1)~~ An agricultural land valuation manual shall be developed by the Property Tax Administrator which divides agricultural land and horticultural land into categories and such categories into subclasses based on soil classifications, using the following method to determine actual value of agricultural land and horticultural land for taxable years beginning on or after January 1, 1986. Except as otherwise provided in subsection ~~(4)~~ of section 77-1364, the actual value of agricultural land and horticultural land shall be determined by: ~~(a)~~ Dividing agricultural land and horticultural land into categories and such categories into subclasses based on soil

classifications, (b) computing a typical income stream based on historical gross receipts and landowner share determined using the method described in section 77-1364, and (c) dividing the derived income stream by a capitalization rate determined using the method described in section 77-1365. All data used to determine actual value of agricultural land and horticultural land shall be that data available on January 1 of the year prior to the year of assessment.

(2) The agricultural land valuation manual shall contain allowances to adjust actual values for irrigation costs and land productivity cost variations. Adjustments shall be based on empirical data and apply to areas with uniform characteristics which are within or which cross county lines. Upon written application to and approval from the Property Tax Administrator a county assessor may apply such adjustments to specific parcels of agricultural land and horticultural land. The provisions of this subsection shall be strictly construed to maintain the concept of statewide mass appraisal of agricultural land and horticultural land.

(3) The Property Tax Administrator may adjust the value of a class or subclass of agricultural land and horticultural land, as determined pursuant to subsection (1) of this section, so as to secure the uniform and proportionate valuation of the class or subclass of agricultural land and horticultural land between adjoining counties.

(4) The Property Tax Administrator may recognize geographic differences that exist within the county and issue separate values for a class or subclass of agricultural land and horticultural land for those distinct areas in the county.

Sec. 81. Section 77-1363, Reissue Revised Statutes of Nebraska, is amended to read:

77-1363. Agricultural land and horticultural land shall be divided into categories, including, but not limited to, irrigated cropland, dryland cropland, grassland, wasteland, nurseries, feedlots, and orchards, so that the categories reflect uses appropriate for the valuation of such land according to law. Categories shall be divided into subclasses based on soil classification standards developed by the United States Department of Agriculture Soil Conservation Service. Land enrolled in a federal or state program in which payments are received for removing such land from agricultural or horticultural production shall be classified according to its actual taxable value as determined in section 77-1360-01 subsection (2) of section 77-201. County assessors shall utilize and implement soil surveys in the tax year after the soil survey maps become available. County assessors shall utilize and implement soil classifications as converted into land valuation groups provided by the Property Tax Administrator.

Sec. 82. Section 77-1374, Reissue Revised Statutes of Nebraska, is amended to read:

77-1374. 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 assessed together with the value of the lease to the owner of the improvements as real property. On or before March 1, following any construction thereof or any change in the improvements made on or before January 1, the owner of the improvements shall file with the county assessor an assessment application on a form prescribed by the Property Tax Administrator. 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. 83. Section 77-1375, Reissue Revised Statutes of Nebraska, is amended to read:

77-1375. (1) If improvements on leased land are to be listed assessed separately to the owner of the improvements, the actual value of the land and improvements real property 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.

(2) If the owner of the improvements claims that the value of his or her interest in the real property 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.

(3) If the county 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 real property between the owner thereof of the improvements and the owner of the land as their respective interests appear.

(4) The and the county assessor shall give notice to the parties

of his or her findings by certified mail on or before June 1, prior to the date for filing complaints with the county board of equalization.

(5) The proportions so established shall continue from year to year unless changed by the county assessor after notice on or before June 1 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. 84. Section 77-1376, Reissue Revised Statutes of Nebraska, is amended to read:

77-1376. Improvements on leased lands, other than leased public lands, shall be listed for assessment assessed to the owner of the leased lands unless before January 1 or March 1, following any construction thereof or change in the improvements made on or before January 1, 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 files with the county assessor, on a form prescribed by the Property Tax Administrator, 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 assessed 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. 85. Section 77-1501, Reissue Revised Statutes of Nebraska, is amended to read:

77-1501. The county board shall constitute the county board of equalization. The county board of equalization shall fairly and impartially equalize the values of all items of real property in the county so that all real property is assessed uniformly and proportionately. For purposes of equalizing the valuation of any real property, the county board of equalization shall make its adjustment so that the value of the real property compares to the average level of value of the class or subclass of property in which the real property is classified.

The county assessor shall attend all meetings of the county board of equalization. All records of the county assessor's office shall be available for the inspection and consideration of the county board of equalization. The county clerk shall attend all meetings of the county board of equalization, and shall make a record of the proceedings of the county board of equalization.

Sec. 86. Section 77-1502, Reissue Revised Statutes of Nebraska, is amended to read:

77-1502. The county board of equalization shall hold a session of not less than three days, for the purpose of reviewing and deciding the written protests filed pursuant to sections 77-1502 to 77-1507 this section, commencing on June 1 of each year and ending on July 25. Protests shall be written filed in triplicate and filed with the board. Protests for real property shall be filed within thirty days of after the assessor's filing of the certificate completion of the real property assessment roll as required by section 77-1315 and on or before June 30. 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 change in assessment should be made or the protest shall be automatically dismissed.

In equalizing assessments during its regular session, the The board shall prepare a separate report as to each action taken by it with respect to equalization on each protest, and such report shall include a description of the property affected by such action described in the protest, 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 protest, a summary of their testimony, and a statement by the board of the basis upon which it took such action its action was taken. 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 Equalization and Review Commission Property Tax Administrator. 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. 87. Section 77-1503.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1503.01. For purposes of section 77-1504, 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 section 77-1504.

Sec. 88. Section 77-1504, Reissue Revised Statutes of Nebraska, is amended to read:

77-1504. 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 June 1 nor after July 25 of each year.

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 Property Tax Administrator, 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 Property Tax Administrator.

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 average level of value of the class or subclass of property in which the protested property is categorized. may meet on or after June 1 and on or before July 25 to consider and correct the current year's assessment of any real property which has been undervalued, overvalued, or omitted. The board shall give notice of the assessed value to the record owner or agent at his or her last-known address.

The county board of equalization in taking action pursuant to this section may consider the report of the county assessor pursuant to section 69 of this act or any other information known to any member of the board.

Action of the county board of equalization pursuant to this section shall be for the current assessment year only.

The action of the county board of equalization may be protested to the board within thirty days after the mailing of the notice required by this section. If no protest is filed, the action of the board shall be final. If a protest is filed, the county board of equalization shall hear the protest in the manner prescribed in section 77-1502, except that all protests shall be heard and decided on or before September 15.

The action of the county board of equalization upon a protest filed pursuant to this section may be appealed to the Tax Equalization and Review Commission on or before October 15.

Sec. 89. Section 77-1507, Reissue Revised Statutes of Nebraska, is amended to read:

77-1507. (1) The county board of equalization may meet at any time upon the call of the chairperson or any three members of the board for the purpose of determining and equalizing the assessments of any omitted or undervalued real or personal property. The board shall add to the assessment rolls any taxable property not included therein, assessing the same in the name of the owners thereof. Omitted or undervalued personal property shall be added only after the owner or agent of the owner thereof is notified. The board shall maintain a written report of all proceedings and actions taken pursuant to this section. The report shall show the vote of the members of the board and the justification for the action. The report shall be available for public inspection in the office of the county assessor. A copy of such report shall be submitted to the Property Tax Administrator for the purpose

of assessing any omitted real property which was not reported to the county assessor pursuant to section 77-1318.01. The county board of equalization shall give notice of the assessed value of the real property to the record owner or agent at his or her last-known address. For real property which has been omitted in the current year, the county board of equalization shall not send notice pursuant to this section on or before June 1.

Protests for omitted real property pursuant to this section shall be filed with the county board of equalization within thirty days after the mailing of the notice. The procedures for filing a protest under this section shall be the same as those in section 77-1502 except for date restrictions.

(2) The county clerk shall, within seven days after the board's final decision, send:

(a) For protested action, a notification to the protester of the board's final action; and

(b) For protested and nonprotested action, a report to the Property Tax Administrator which shall state the description of the property, the reason such property was not assessed pursuant to section 77-1301, and a statement of the board's justification for its action. A copy of the report shall be available for public inspection in the office of the county clerk.

(3) The action of the county board of equalization upon a protest filed pursuant to this section may be appealed to the Tax Equalization and Review Commission within thirty days after the board's final decision.

(4) No omitted real property which was properly reported to the county assessor pursuant to section 77-1318.01 shall be added to the assessment roll after July 25 of the year or years in which the property was omitted.

Sec. 90. Section 77-1510, Reissue Revised Statutes of Nebraska, as amended by section 23, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, is amended to read:

77-1510. Appeals may be taken from any action of the county board of equalization to the Tax Equalization and Review Commission in accordance with the Tax Equalization and Review Commission Act. The appeal shall be filed within thirty days after adjournment of the board which, for actions taken pursuant to sections 77-1502 and 77-1504 section 77-1502, shall be deemed to be July 25 of the year in which the action is taken. After an appeal has been initiated, the county board of equalization 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 Tax Equalization and Review Commission, except that the county board of equalization may offer to confess judgment pursuant to section 77-1510.01.

Sec. 91. Section 77-1514, Reissue Revised Statutes of Nebraska, is amended to read:

77-1514. The county assessor shall prepare an abstract of the abstracts of the property assessment rolls of locally assessed property of his or her county on forms to be prescribed and furnished by the Property Tax Administrator, showing the values of all taxable property as determined by the county assessor for the current year. The by the county assessor, and shall forward it the real property abstract to the Property Tax Administrator on or before April 1 and the personal property and motor vehicle abstract on or before May 15. The abstract shall show the taxable property by school district in the county and any other information as required by the Property Tax Administrator.

Sec. 92. Section 77-1613, Reissue Revised Statutes of Nebraska, is amended to read:

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 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 adequate space for entering the payments of annual or semiannual installments and adequate space for delinquent taxes of previous years.

Sec. 93. Section 77-1613.02, Reissue Revised Statutes of Nebraska, is amended to read:

77-1613.02. The county assessor or county clerk shall correct the assessment and tax rolls after action of the county board of equalization. The county board shall provide the county assessor or county clerk with a firmly bound book for the entry of corrections, of any county, or the county clerk in those counties having unit tax ledgers which are prepared by the county clerk, may correct the tax list before the tax is paid, in case of clerical errors, and the county assessor of any county, or the county clerk in those counties having unit tax ledgers which are prepared by the county clerk, with the approval of the county board of any county, may correct the tax list before the tax is paid in case of erroneous assessments. The county board shall provide the county assessor, or the county clerk in those counties having unit tax ledgers which are prepared by the county clerk, with a firmly bound book for the entry of corrections of clerical errors and erroneous assessments, each correction being made in triplicate, each set of triplicate forms being consecutively numbered, and there shall be entered upon such form all data pertaining to the assessment which is to be corrected, as the same appears on the original tax list together with the changes made in the assessment. The correction book shall show all additions and reductions, the amount of tax added or reduced, with the reason therefor, and the page upon which such change is to be made. The original copy shall be delivered to the county treasurer, the duplicate copy to the county clerk, and the triplicate copy shall remain in the firmly bound book in the office of the county assessor. The correction book and the journal for recording each entry shall be approved by the Property Tax Administrator and be kept by the county assessor or county clerk, or the county clerk in those counties having unit tax ledgers which are prepared by the county clerk. The county treasurer shall thereupon correct the tax list roll to conform to the correction copy and all changes shall be made in red ink, drawing a line through the original or erroneous figures, but not erasing the same. No county assessor, or the county clerk in those counties having unit tax ledgers which are prepared by the county clerk, shall reduce or increase the valuation of any property, real or personal, upon the pretext of correcting an erroneous assessment without the approval of the county board of equalization. Any county assessor or county clerk who shall willfully reduce or increase the valuation of any property, without the approval of the county board of equalization, as provided in this section, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not less than twenty dollars nor more than one hundred dollars.

Sec. 94. Section 77-1614, Reissue Revised Statutes of Nebraska, is amended to read:

77-1614. All taxes which are uniform, throughout any precinct, township, school district, village, city, county, or other taxing subdivision of a county, shall be formed into a single tax, be entered upon the tax list in a double column, or upon unit tax ledgers in a single column, and be denominated a consolidated tax.

Sec. 95. Section 77-1615, Reissue Revised Statutes of Nebraska, is amended to read:

77-1615. In counties that have not adopted the use of unit tax ledgers, the tax list shall be completed by the county assessor. In counties that have adopted the use of unit tax ledgers, such unit tax ledgers shall be completed by the county assessor, except that the tax list shall be completed by the county clerk in all counties having a population of more than two hundred thousand inhabitants, and by the county assessor in all other counties. The tax lists and unit tax ledgers shall be completed by carrying out in a column by itself the consolidated tax as provided in section 77-1614, with the labor tax, and any irregular tax, each in separate columns and, after adding up each column of taxes, the officer preparing same shall, in an abstract at the end of each precinct, township, city, and village list, or other subdivisions of a county, apportion the consolidated tax among the respective funds to which it belongs, according to the tax levied for each of said such funds, showing a summary of each distinct tax. The officer

preparing the same, before transmission of the tax lists or unit tax ledgers to the county treasurer, shall set up on his or her records a controlling account, which shall reflect the total tax assessed, against which the preparing officer shall record the monthly tax collections, as shown by the county treasurer's records.

Sec. 96. Section 77-1616, Reissue Revised Statutes of Nebraska, is amended to read:

77-1616. The tax list, or unit tax ledgers in counties that shall adopt or have adopted the use thereof, in their original compilation, or the annual additions thereto, shall be completed and delivered to the county treasurer on or before the first day of November annually for personal property and on or before the first day of December annually for real property. At the same time the county assessor, or the county clerk in those counties having unit tax ledgers which are prepared by the county clerk, or county clerk shall transmit a warrant, which warrant shall be signed by the county assessor, or the county clerk in those counties having unit tax ledgers which are prepared by the county clerk, or county clerk and shall in general terms command the treasurer to collect taxes therein mentioned according to law. No informality therein, and no delay in the transmitting of the same after the time above specified, shall affect the validity of any taxes or sales, or other proceedings for the collection of taxes as provided for in this chapter. Whenever it shall be discovered that the warrant provided for in this section was not at the proper time attached to any tax list, or was not transmitted as herein provided for any preceding year or years, in the hands of the county treasurer, the county assessor, or the county clerk in those counties having unit tax ledgers which are prepared by the county clerk, shall forthwith attach or transmit such warrant, which shall be in the same form and have the same force and effect as if it had been attached to such tax list, or transmitted as herein provided, before the delivery thereof to the county treasurer.

Sec. 97. Section 77-1617, Reissue Revised Statutes of Nebraska, is amended to read:

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
 Advertising
 Total
 No. of Receipt

Remarks

Sec. 98. Section 77-1704.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1704.01. The county treasurer shall include with each tax notice or receipt to every taxpayer the following information:

(1) The total amount of aid from state sources appropriated to the county and each city, village, and school district in the county; and

(2) The net amount of property taxes to be levied by the county and each city, village, and school district in the county.

The necessary form for furnishing such information shall be prescribed by the Property Tax Administrator Department of Revenue. The necessary information required by subdivision (1) of this section shall be furnished to the county treasurer by the Property Tax Administrator Department of Revenue prior to October 1 of each year. The form prescribed by the Property Tax Administrator Department of Revenue shall contain the following

statement:

THE AMOUNT OF STATE FUNDS SHOWN ABOVE WOULD HAVE BEEN ADDITIONAL PROPERTY TAXES IF NOT ALLOCATED TO THE COUNTY, CITY, VILLAGE, AND SCHOOL DISTRICT BY THE LEGISLATURE.

Sec. 99. Section 77-1706, Reissue Revised Statutes of Nebraska, is amended to read:

77-1706. All receipts issued by the county treasurer for taxes paid to him or her shall be numbered consecutively, commencing with the number one on the first sheet issued for the taxes for any one year. The county treasurer shall not receipt for more than one year's taxes on the same property in one tax receipt but shall keep a separate and distinct series of numbers of receipts issued for the taxes of each year for which the taxes have been levied and assessed. The numbering of the tax receipts shall be done by the county clerk or printer before they are delivered to the county treasurer. They shall be firmly bound in book form. The original and duplicate of these receipts shall be attached together as one, and each duplicate of each original receipt shall bear the same number as the original.

In counties which shall adopt or have adopted the unit tax ledger, as provided for in section 77-1613, it shall not be necessary to bind the original and duplicate tax receipts together in book form. Such tax receipts may be prewritten, and the cost of so preparing such tax receipts shall be paid for by the county board of such county out of the county general fund.

Sec. 100. Section 77-5001, Reissue Revised Statutes of Nebraska, as amended by section 34, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, is amended to read:

77-5001. Sections 77-5001 to 77-5021 and sections 40 to 48 of this act and section 101 of this act shall be known and may be cited as the Tax Equalization and Review Commission Act.

Sec. 101. The Tax Equalization and Review Commission Cash Fund is hereby created. All money received by the commission for appeals and services performed and billed to other agencies or persons shall be credited to the fund. The commission shall only bill for the actual amount expended in performing services. The fund shall be used to carry out the provisions of the Tax Equalization and Review Commission Act. Expenditures from the fund shall be made only when such funds are available. Any unexpended balance in the fund at the end of each fiscal year shall not lapse to the General Fund. Any money in the Tax Equalization and Review Commission Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 102. Section 77-5007, Reissue Revised Statutes of Nebraska, as amended by section 35, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, is amended to read:

77-5007. The commission has the power and duty to hear and determine appeals of:

- (1) Decisions of any county board of equalization equalizing the value of individual tracts, lots, or parcels of real property so that all real property is assessed uniformly and proportionately;
- (2) Decisions of any county board of equalization granting or denying tax-exempt status for real or personal property;
- (3) Decisions of the Property Tax Administrator determining the taxable property of a railroad company, car company, public service entity, or air carrier within the state;
- (4) Decisions of the Property Tax Administrator determining adjusted valuation pursuant to section 79-1016;
- (5) Decisions of any county board of equalization on the valuation of personal property or any penalties imposed under section 77-1233.04 sections 77-1233.04 and 77-1233.05 and section 55 of this act;
- (6) Decisions of any county board of equalization of claims that a levy is or is not for an unlawful or unnecessary purpose or in excess of the requirements of the county;
- (7) Decisions of any county board of equalization granting or rejecting an application for a homestead exemption;
- (8) Any other decision of any county board of equalization; and
- (9) Any other decision of the Property Tax Administrator.

Sec. 103. Section 79-1016, Reissue Revised Statutes of Nebraska, as amended by section 4, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, and section 3, Legislative Bill 713, Ninety-fifth Legislature, First Session, 1997, is amended to read:

79-1016. (1) On or before July 1 of each year, the Property Tax Administrator shall compute and certify to the State Department of Education the adjusted valuation for the current calendar year of each district for each

class of property in each such district so that the valuation of property for each district, for purposes of determining state aid pursuant to the Tax Equity and Educational Opportunities Support Act, shall reflect as nearly as possible state aid value as defined in subsection (2) of this section. The Property Tax Administrator shall also notify each school district of its adjusted valuation for the current calendar year by class on or before July 1 of each year. Establishment of the adjusted valuation shall be based on assessment practices established by rule and regulation adopted and promulgated by the Property Tax Administrator. The assessment practices may include, but not be limited to, the appraisal methods listed in section 77-112.

(2) For purposes of this section, state aid value means:

(a) For real property other than agricultural land, one hundred percent of market value;

(b) For agricultural land, eighty percent of market value as provided in sections 77-1359 to 77-1365 ~~77-1363~~;

(c) For personal property other than motor vehicles, the net book value as defined in section 77-120; and

(d) For motor vehicles, the value established pursuant to section 77-1239.

(3) On or before July 31, any school district may file with the Property Tax Administrator written objections to the adjusted valuations prepared by the Property Tax Administrator, stating the reasons why such adjusted valuations are not the valuations required by subsection (2) of this section. The Property Tax Administrator shall fix a time for a hearing. Either party shall be permitted to introduce any evidence in reference thereto. On or before November 1, the Property Tax Administrator shall enter an order modifying or declining to modify, in whole or in part, the adjusted valuations and shall certify the order to the State Department of Education. Modification by the Property Tax Administrator shall be based upon the evidence introduced at hearing and shall not be limited to the modification requested in the written objections or at hearing. The final determination of the Property Tax Administrator may be appealed to the Tax Equalization and Review Commission.

(4) ~~The Property Tax Administrator shall, on the date the adjusted valuations are certified to the State Department of Education under subsection (1) of this section, cause to be published notice of such adjusted valuations in a newspaper published or of general circulation in each county in Nebraska.~~

~~(5) On or before March 15, 1997, for adjusted valuations certified in 1996, and on or before October 31 for adjusted valuations certified each year thereafter, any school district or county official may file with the Property Tax Administrator a written request for a nonappealable correction of the adjusted valuation due to clerical error or, for agricultural land, assessed value changes by reason of land qualified or disqualified for special use valuation pursuant to sections 77-1343 to 77-1348. For purposes of this subsection, clerical error means transposition of numbers, allocation of value to the wrong school district, mathematical error, and omitted value. On or before March 31, 1997, for adjusted valuations certified in 1996, and on or before November 30 for valuations certified each year thereafter, the Property Tax Administrator shall approve or deny the request and, if approved, certify the corrected adjusted valuations resulting from such action to the State Department of Education.~~

~~(6) (5) No injunction shall be granted restraining the distribution of state aid based upon the adjusted valuations pursuant to this section.~~

Sec. 104. Section 79-1036, Reissue Revised Statutes of Nebraska, is amended to read:

79-1036. (1) In making the apportionment under section 79-1035, the Commissioner of Education shall distribute from the school fund for school purposes, to any and all school districts in which there are situated school lands which have not been sold and transferred by deed or saline lands owned by the state, an amount in lieu of tax money that would be raised if such lands were taxable, to be ascertained in accordance with subsection (2) of this section, except that:

(a) For Class I districts or portions thereof which are affiliated and in which there are situated school or saline lands, 38.6207 percent of the in lieu of land tax money calculated pursuant to subsection (2) of this section, based on the affiliated school system tax levy computed pursuant to section 79-1077, shall be distributed to the affiliated high school district and the remainder shall be distributed to the Class I district;

(b) For Class I districts or portions thereof which are part of a Class VI district which offers instruction in grades nine through twelve and in which there are situated school or saline lands, 38.6207 percent of the in

lieu of land tax money calculated pursuant to subsection (2) of this section, based on the Class VI school system levy computed pursuant to section 79-1078, shall be distributed to the Class VI district and the remainder shall be distributed to the Class I district; and

(c) For Class I districts or portions thereof which are part of a Class VI district which offers instruction in grades seven through twelve and in which there are situated school or saline lands, 55.1724 percent of the in lieu of land tax money calculated pursuant to subsection (2) of this section, based on the Class VI school system levy computed pursuant to section 79-1078, shall be distributed to the Class VI district and the remainder shall be distributed to the Class I district.

(2) The county superintendents shall certify to the Commissioner of Education the tax levy for school purposes of each school district in which school land or saline land is located and the last appraised value of such school land, which value shall be the same percentage of the appraised value as the percentage of the assessed value is of market value in ~~section 77-1360-01~~ subsection (2) of section 77-201 for the purpose of applying the applicable tax levy for each district in determining the distribution to the districts of such amounts. The board of any school district in which there is located any leased or undeeded school land or saline land subject to this section may appeal to the Board of Educational Lands and Funds for a reappraisal of such school land if such school board deems the land not appraised in proportion to the value of adjoining land of the same or similar value. The Board of Educational Lands and Funds shall proceed to investigate the facts involved in such appeal and, if the contention of the school board is correct, make the proper reappraisal. The value calculation in this subsection shall be used by the Commissioner of Education for making distributions in the 1992-93 school year and every year thereafter.

Sec. 105. Sections 1, 22, 26, 27, 34, 35, 40 to 44, 57, 59, 60, 62, 75, 100, 101, 103, and 106 of this act become operative on July 1, 1997. Sections 3, 5 to 7, 15, 51, 53 to 55, 63, 65, 68 to 73, 77, 79, 80, 82 to 91, 102, and 107 of this act become operative on January 1, 1998. Sections 64, 66, 74, 76, 78, 93, 98, 99, 105, 108, and 111 of this act become operative on their effective date. The other sections of this act become operative three calendar months after adjournment of this legislative session.

Sec. 106. Original sections 77-421, 77-605, 77-683, 77-684, 77-802 to 77-804, 77-1240.03, 77-1247, 77-1249, 77-1250, and 77-1342, Reissue Revised Statutes of Nebraska, section 60-305.15, Revised Statutes Supplement, 1996, section 77-5001, Reissue Revised Statutes of Nebraska, as amended by section 34, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, and section 79-1016, Reissue Revised Statutes of Nebraska, as amended by section 4, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, and section 3, Legislative Bill 713, Ninety-fifth Legislature, First Session, 1997, are repealed.

Sec. 107. Original sections 77-103, 77-117, 77-202.08, 77-1230, 77-1233.04, 77-1233.05, 77-1301, 77-1303, 77-1315, 77-1316.01 to 77-1318.01, 77-1359, 77-1361, 77-1362, 77-1374 to 77-1376, 77-1501, 77-1502, 77-1503.01, 77-1504, 77-1507, and 77-1514, Reissue Revised Statutes of Nebraska, and sections 77-1510 and 77-5007, Reissue Revised Statutes of Nebraska, as amended by sections 23 and 35, respectively, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, are repealed.

Sec. 108. Original sections 77-1301.01, 77-1325, 77-1344, 77-1360.01, 77-1613.02, 77-1704.01, and 77-1706, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 109. Original sections 77-101, 77-201, 77-202.01 to 77-202.03, 77-370, 77-415, 77-417, 77-420, 77-602, 77-603, 77-606, 77-607, 77-612, 77-621, 77-623, 77-681, 77-687, 77-801, 77-801.01, 77-1201, 77-1202, 77-1211, 77-1214, 77-1219, 77-1229, 77-1233.02, 77-1236, 77-1242.02, 77-1249.01, 77-1363, 77-1613, 77-1614, 77-1615, 77-1616, 77-1617, and 79-1036, Reissue Revised Statutes of Nebraska, section 77-112, Reissue Revised Statutes of Nebraska, as amended by section 1, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, and sections 77-425 and 77-1311, Reissue Revised Statutes of Nebraska, as amended by sections 7 and 13, respectively, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, are repealed.

Sec. 110. The following sections are outright repealed: Sections 77-367, 77-368, 77-399, 77-3,100, 77-3,113, 77-3,114, 77-416, 77-418, 77-419, 77-428, 77-608, 77-611, 77-615, 77-1208, 77-1215, 77-1301.02 to 77-1301.04, 77-1301.06 to 77-1301.08, 77-1301.12 to 77-1301.15, 77-1304, 77-1316, 77-1360, and 77-1364, Reissue Revised Statutes of Nebraska, section 77-1301.16 and 77-1311.02, Reissue Revised Statutes of Nebraska, as amended by sections 12 and 14, respectively, Legislative Bill 397, Ninety-fifth Legislature, First

Session, 1997, and section 77-1365, Reissue Revised Statutes of Nebraska, as amended by section 3, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997.

Sec. 111. Since an emergency exists, this act takes effect when passed and approved according to law.