

LEGISLATIVE BILL 194

Approved by the Governor April 28, 1999

Introduced by Revenue Committee: Wickersham, 49, Chairperson; Coordsen, 32; Landis, 46; C. Peterson, 35; Redfield, 12

AN ACT relating to revenue and taxation; to amend sections 18-2147, 23-3202, 60-3006, 77-1327, 77-1330, 77-1515, 77-1701, and 77-1734.01, Reissue Revised Statutes of Nebraska, and sections 13-509, 77-101, 77-123, 77-125, 77-202.01, 77-202.03, 77-1233.04, 77-1233.06, 77-1301, 77-1303, 77-1315, 77-1315.01, 77-1317, 77-1318, 77-1501, 77-1503.01, 77-1504, 77-1504.01, 77-1507, 77-1514, 77-5007, 79-1016, and 79-1022, Revised Statutes Supplement, 1998; to change provisions relating to property taxation; to define and redefine terms; to provide and change powers and duties for the Property Tax Administrator and the Tax Equalization and Review Commission; to eliminate provisions relating to county officials, omitted property, and mortgages; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal sections 77-378, 77-1336, and 77-1401 to 77-1409, Reissue Revised Statutes of Nebraska, and sections 77-425 and 77-1233.05, Revised Statutes Supplement, 1998; and to declare an emergency.

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

Section 1. Section 13-509, Revised Statutes Supplement, 1998, is amended to read:

13-509. On or before August 20 of each year, the county assessor shall certify to each governing body or board empowered to levy or certify a tax levy the current taxable value of the taxable real and personal property subject to the applicable levy. Current taxable value for real property shall mean the value established by the county assessor and equalized by the county board of equalization, the agricultural and horticultural land valuation board, and the Tax Equalization and Review Commission. Current taxable value for tangible personal property ~~other than motor vehicles~~ shall mean the net book value reported by the taxpayer and certified by the county assessor. ~~7 and current taxable value for motor vehicles shall mean the value certified by the county assessor pursuant to section 77-1514.~~

Sec. 2. Section 18-2147, Reissue Revised Statutes of Nebraska, is amended to read:

18-2147. (1) Any redevelopment plan as originally approved or as later modified pursuant to section 18-2117, may contain a provision that any ad valorem tax levied upon real property in a redevelopment project for the benefit of any public body shall be divided, for a period not to exceed fifteen years after the effective date of such a provision by the governing body, as follows:

(a) That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and

(b) That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies.

(2) The governing body shall not implement any plan containing a provision dividing ad valorem taxes as provided in subsection (1) of this section until such time as the real property in the redevelopment project is within the corporate boundaries of the city.

(3) Notice of the provision dividing ad valorem taxes shall be sent in writing by the authority to the county assessor on or before August 1 of the year of the effective date of the provision.

Sec. 3. Section 23-3202, Reissue Revised Statutes of Nebraska, is

amended to read:

23-3202. No person, except the Property Tax Administrator assuming the duties of a county assessor pursuant to section 77-1340, shall be eligible to file for or be appointed to the office of county assessor or serve as deputy assessor in any county of this state unless he or she holds a county assessor certificate issued pursuant to section 77-422.

Sec. 4. Section 60-3006, Reissue Revised Statutes of Nebraska, is amended to read:

60-3006. (1) A veteran of the United States Armed Forces who qualifies for an exemption from the motor vehicle tax under subdivision (2) of section 60-3002 shall apply for the exemption to the county treasurer or designated county official pursuant to section 23-186 not more than fifteen days before and not later than thirty days after the registration date for the motor vehicle. A renewal application shall be made annually not sooner than the first day of the last month of the registration period or later than the last day of the registration period. The county treasurer or designated county official shall approve or deny the application and notify the applicant of his or her decision within twenty days after the filing of the application. An applicant may appeal the denial of an application to the county board of equalization within twenty days after the date the notice was mailed.

(2) An organization which qualifies for an exemption from the motor vehicle tax under subdivision (6) of section 60-3002 shall apply for the exemption to the county treasurer or designated county official not more than fifteen days before and not later than thirty days after the registration date for the motor vehicle. For a newly acquired motor vehicle, an application for exemption must be made within thirty days after the purchase date. A renewal application shall be made annually not sooner than the first day of the last month of the registration period or later than the last day of the registration period. The county treasurer or designated county official shall examine the application and recommend either exempt or nonexempt 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 treasurer or designated county official and any other information it may obtain, shall approve or deny the exemption on the basis of law and of rules and regulations adopted and promulgated by the Property Tax Administrator. The county board of equalization shall certify its decision to the applicant, the county treasurer or designated county official, and the Property Tax Administrator within ten days after the hearing. The decision of the county board of equalization may be appealed to the Tax Equalization and Review Commission.

Sec. 5. Section 77-101, Revised Statutes Supplement, 1998, 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 77-127 and sections 7 and 8 of this act shall be used.

Sec. 6. Section 77-123, Revised Statutes Supplement, 1998, is amended to read:

77-123. Omitted property means, for the current tax year, any taxable real property that was not assessed on ~~April 1~~ March 20 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 property exempt under subdivisions (1)(a) through (c) of section 77-202, ~~or~~ listing errors of an item of property on the assessment roll of the county assessor, or clerical errors as defined in section 7 of this act.

Sec. 7. Clerical error means transposition of numbers, mathematical error, computer malfunction causing programming and printing errors, data entry error, items of real property other than land identified on the wrong parcel, incorrect ownership, or certification of an incorrect valuation to political subdivisions.

Sec. 8. Assessment roll means a complete and verified list of all real property and the taxable tangible personal property in a county and the associated assessments as defined in section 77-126.

Sec. 9. Section 77-125, Revised Statutes Supplement, 1998, is amended to read:

77-125. 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. 10. Section 77-202.01, Revised Statutes Supplement, 1998, 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 real property used for cemetery purposes, shall apply for exemption to the county assessor on or before 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 for the real property or tangible personal property to the county board of equalization on or before February 1 following.

(2) Any organization or society which fails to file an exemption application on or before December 31 may apply on or before June 30 to the county 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 on or before December 31. When the waiver is granted, the county assessor shall examine the application and recommend either taxable or exempt for the real property or tangible personal property to the county board of equalization and shall assess a penalty against the ~~organization or society~~ property 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 missed the December 31 deadline. The penalty shall be collected and distributed in the same manner as a tax on the property and interest shall be assessed 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. The penalty shall also become a lien in the same manner as a tax pursuant to section 77-203.

Sec. 11. Section 77-202.03, Revised Statutes Supplement, 1998, is amended to read:

77-202.03. (1) A properly granted exemption of real or tangible personal property, except 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.

(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 real property used for cemetery purposes, shall file an affidavit with the county assessor on or before December 31 of the year preceding the year for which the exemption is sought, 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 December 31 deadline for filing the affidavit may file the affidavit by 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 shall assess a penalty against ~~such organization or society~~ the property 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 penalty shall be collected and distributed in the same manner as a tax on the property and interest shall be assessed 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. The penalty shall also become a lien in the same manner as a tax pursuant to section 77-203.

(3)(a) If any organization or society seeks a tax exemption for any real or tangible personal property 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 1 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.

(b) If an organization as described in subdivision (1)(b) or (1)(c) of section 77-202 purchases, between August 1 and the levy date, property that has been granted tax exemption and the property continues to be qualified for a property tax exemption, the purchaser shall on or before December 1 make

application for exemption 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, and the review by the county board of equalization shall be completed by December 15.

(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 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 the date of the decision of the county board of equalization the property no longer qualifies for an exemption.

The county board of equalization shall give notice of the assessed value of the real property in the same manner as outlined in section 77-1507, and the procedures for filing a protest shall be the same as those in section 77-1502.

When personal property which was exempt becomes taxable because of lost exemption status, the owner or his or her agent has thirty days after the date of denial to file a personal property return with the county assessor. Upon the expiration of the thirty days for filing a personal property return pursuant to this subsection, the county assessor shall proceed to list and value the personal property and apply the penalty pursuant to section 77-1233.04.

(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 Property Tax Administrator.

Sec. 12. Section 77-1233.04, Revised Statutes Supplement, 1998, is amended to read:

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

~~(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 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.~~

(3) Any valuation added to a personal property return after May 1 and on or before July 31 of the year the property is required to be reported shall be subject to a penalty of ten percent of the tax due on the value added.

(4) Any valuation added to a personal property return on or after August 1 of the year the property is required to be reported shall be subject to a penalty of twenty-five percent of the tax due on the value added.

(5) 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.

(6) Whenever valuation changes are made to a personal property return pursuant to this section, the county assessor shall correct the assessment roll and tax list, if necessary, to reflect such changes. Such corrections shall be made for the current taxing period and the three previous taxing periods or any taxing period included therein. If the change results in a decreased taxable valuation on the personal property return and the personal property tax has been paid prior to a correction pursuant to this section, the taxpayer may request a refund or credit of the tax in the same

manner prescribed in section 77-1734.01, except that such request shall be made within three years after the date the tax was due.

Sec. 13. Section 77-1233.06, Revised Statutes Supplement, 1998, is amended to read:

77-1233.06. For purposes of ~~sections~~ section 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~~ after 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. 14. The Property Tax Administrator shall:

(1) Establish, implement, and maintain a required system of educational courses for the certification and recertification for all county assessors; and

(2) Establish the required educational standards and criteria for certification and recertification.

In order to promote compliance with the requirements of this section, the Property Tax Administrator shall adopt and promulgate, and from time to time amend or revise, rules and regulations containing the necessary educational standards and criteria for certification and recertification.

Sec. 15. Section 77-1301, Revised Statutes Supplement, 1998, 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 assessment.

(2) The county assessor shall complete the assessment of real property on or before ~~April 1~~ March 20 of each year.

Sec. 16. Section 77-1303, Revised Statutes Supplement, 1998, is amended to read:

77-1303. (1) On or before ~~April 1~~ March 20 of each year, the county assessor or county clerk shall make up 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 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. 17. Section 77-1315, Revised Statutes Supplement, 1998, is amended to read:

77-1315. (1) The county assessor shall, after ~~April 1~~ March 20 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.

Sec. 18. Section 77-1315.01, Revised Statutes Supplement, 1998, is amended to read:

77-1315.01. After ~~April 1~~ March 20 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~~ March 20 except by action of the agricultural and horticultural land valuation board, the Tax Equalization and Review Commission, or the county board of equalization.

Sec. 19. Section 77-1317, Revised Statutes Supplement, 1998, 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~~ March 20, 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. 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. 20. Section 77-1318, Revised Statutes Supplement, 1998, 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~~ March 20 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~~ March 20 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 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 77-1233.06.

Sec. 21. Section 77-1327, Reissue Revised Statutes of Nebraska, is amended to read:

77-1327. (1) It is the intent of the Legislature that accurate and comprehensive information be made accessible to the taxpayer in order to ensure the quality and uniformity of assessment practices on both intercounty and intracounty valuations.

(2) The Property Tax Administrator annually shall make and issue comprehensive assessment ratio studies of the average level of assessment, the degree of assessment uniformity, and overall compliance with assessment requirements for each major class of real property ~~and for mobile homes and cabin trailers~~ subject to the property tax in each county in the state. In order to determine the degree of assessment uniformity and compliance in the assessment of major classes of property within each county, the Property Tax Administrator shall compute measures of central tendency and dispersion and shall employ such standard statistical analysis as deemed appropriate by him or her.

(3) The Property Tax Administrator may require assessors and other local officers to report to him or her data on taxable valuations and other features of the property tax for such periods and in such form and content as the Property Tax Administrator shall require. The Property Tax Administrator shall so construct and maintain his or her system for the collection and analysis of property tax facts as to enable him or her to make intracounty comparisons, including school districts, as well as intercounty comparisons, including school districts, based on property tax and assessment ratio data. The Property Tax Administrator shall include analysis of real estate sales pursuant to land contracts and similar transfers at the time of execution of the contract or similar transfer. The property tax division of the Department of Revenue shall assist those county officials who require supplemental information to perform the duties necessary to carry out this section. The information requested may include, but shall not be limited to, sample appraisals, statistical analyses, arm's-length sales transactions, or any other information necessary to complete such analysis.

(4) The Property Tax Administrator shall verify the accuracy of information, including the selection of form 521 comparable sales, if any, that are not arm's-length transactions.

(5) The Property Tax Administrator shall annually publish a summary of the findings of the assessment ratio studies together with digests of property tax data.

(6) The county assessor shall annually, within five days after certifying the assessment rolls pursuant to section 77-1315, post in his or her office and, as designated by the county board, mail to a newspaper of general circulation and to licensed broadcast media in the county the assessment ratios as found in his or her county as determined by the Property Tax Administrator and any other statistical measures, including, but not limited to, the assessment-to-sales ratio, the coefficient of dispersion, and the price-related differential.

Sec. 22. Section 77-1330, Reissue Revised Statutes of Nebraska, is amended to read:

77-1330. ~~(1) The Property Tax Administrator shall prepare, issue, and annually revise guides for county assessors in the form of handbooks of rules and regulations, appraisal manuals, special manuals and studies, cost and price schedules, news and reference bulletins, property tax laws, and memoranda. County assessors shall continually use such guides in the performance of their duties. All appraisals or reappraisals of property for tax purposes shall be in compliance with such manuals and guides.~~

~~(2) At any time after an examination has been conducted of the county books and records by the property tax division of the Department of Revenue and when it is apparent that the county has failed or neglected to implement any guide prescribed or issued pursuant to subsection (1) of this section, the Property Tax Administrator may, after notice and a hearing conducted in accordance with the Administrative Procedure Act, order whatever corrective measures the Property Tax Administrator deems necessary to secure compliance with subsection (1) of this section. The values resulting from such corrective measures shall be placed upon the assessment rolls and used as a basis for taxation for the current tax year if deemed possible by the Property Tax Administrator, otherwise for the next calendar year. Each~~

property owner shall be notified of the valuations to be used in the manner required by section 77-1315, and individual protests may be taken from such valuations in the manner prescribed by section 77-1502, except that if the Property Tax Administrator determines that corrective measures are able to be made for the current tax year, the Property Tax Administrator shall have authority to extend statutory due dates and filing requirements corresponding to the correction. Any current year corrections shall be completed no later than August 10. The performance of such corrective measures shall be a charge on the county and, upon completion, the Property Tax Administrator shall notify the county board of the cost and make demand for such cost. If payment is not received within sixty days after the mailing of such demand, the Property Tax Administrator shall forthwith report such fact to the State Treasurer. The State Treasurer shall immediately make payment to the Department of Revenue for the costs incurred by the department for such corrective measures. The payment shall be made out of any money to which such county may be entitled under Chapter 77, articles 27 and 35, and Chapter 66, articles 4 and 6. (1) The Property Tax Administrator shall prepare, issue, and annually revise guides for county assessors in the form of property tax laws, rules, regulations, manuals, and directives. The Property Tax Administrator may issue such directives without the necessity of compliance with the terms of the Administrative Procedure Act relating to the promulgation of rules and regulations. The assessment and appraisal function performed by counties shall comply with the standards promulgated by the Property Tax Administrator, and county assessors shall continually use the materials prepared by the Property Tax Administrator in the performance of their duties. The standards promulgated by the Property Tax Administrator shall not require the implementation of a specific computer software or hardware system if the existing software or system produces data and reports in compliance with the standards.

(2) The Property Tax Administrator, or his or her agent or representative, may examine or cause to have examined any books, papers, records, or memoranda of any county relating to the assessment of property to determine compliance with the laws, rules, regulations, manuals, and directives described in subsection (1) of this section. Such production of records shall not include the photocopying of records between January 1 and April 1. Failure to provide such records to the Property Tax Administrator may constitute grounds for the suspension of the assessor's certificate of any county assessor who willfully fails to make requested records available to the Property Tax Administrator.

(3) After an examination the Property Tax Administrator shall provide a written report of the results to the county assessor and county board. If the examination indicates a failure to meet the standards contained in the laws, rules, regulations, manuals, and directives, the Property Tax Administrator shall, in the report, set forth the facts and cause of such failures as well as corrective measures the county or county assessor may implement to correct those failures.

(4) After the issuance of the report of the results of the examination, the Property Tax Administrator may seek to order a county or county assessor to take corrective measures to remedy any failure to comply with the materials described in subsection (1) of this section. Such corrective orders may only be issued after written notice and a hearing before the Property Tax Administrator conducted at least ten days after the issuance of the written notice of hearing. The performance of such corrective measures shall be implemented by the county to which the order is issued. If the county fails to implement such corrective measures, the Property Tax Administrator may seek to suspend the assessment function of the county under the terms of subsection (5) of this section and shall implement the corrective measures pursuant to subsection (6) of this section. The performance of such corrective measures shall be a charge on the county, and upon completion, the Property Tax Administrator shall notify the county board of the cost and make demand for such cost. If payment is not received within one hundred twenty days after the start of the next fiscal year, the Property Tax Administrator shall report such fact to the State Treasurer. The State Treasurer shall immediately make payment to the property tax division of the Department of Revenue for the costs incurred by the division for such corrective measures. The payment shall be made out of any money to which such county may be entitled under Chapter 77, articles 27 and 35, and Chapter 66, articles 4 and 6.

(5) If, within one year from the service of the order, the measures in the corrective order have not been taken, the Property Tax Administrator (a) may, at any time during the continuance of such failure, issue an order requiring the county assessor and county board to show cause why the authority

of the county with respect to assessments or any matter related thereto should not be suspended, (b) shall set a time and place at which the Property Tax Administrator or his or her representative shall hear the county assessor and county board on the question of compliance by the county assessor or county with the laws, rules, regulations, manuals, directives, or corrective orders described in this section, and (c) after such hearing shall determine whether and to what extent the assessment function of the county shall be so suspended. Such hearing shall be held at least ten days after the issuance of such notice in the county.

(6) During the continuance of a suspension pursuant to subsection (5) of this section, the Property Tax Administrator shall succeed to the authority and duties from which the county has been suspended and shall exercise and perform the same. Such exercise and performance shall be a charge on the suspended county. The suspension shall continue until the Property Tax Administrator finds that the conditions responsible for the failure to meet the minimum standards contained in the laws, rules, regulations, manuals, and directives have been corrected.

(7) The Property Tax Administrator, subject to rules and regulations to be published and furnished to every county assessor and county board, shall have the power to invalidate the certificate of any assessor or deputy assessor who willfully fails or refuses to diligently perform his or her duties in accordance with the laws, rules, regulations, manuals, and orders issued by the Property Tax Administrator governing the assessment of property and the duties of each assessor and deputy assessor. No certificate shall be revoked or suspended except after notice and a hearing before the Property Tax Administrator or his or her designee. Such hearing shall be held at least ten days after the issuance of such notice in the county. Prior to revocation, a one-year probationary period, subject to oversight by the Property Tax Administrator, shall be imposed. At the end of the one-year probationary period, a second hearing shall be held. If assessment practices have improved, the probationary period shall end and no revocation shall be made. If assessment practices have not improved, the assessor certificate shall be revoked. If during the probationary period, the assessor continues to willfully fail or refuse to diligently perform his or her duties, the Property Tax Administrator may immediately hold the second hearing. If the county assessor certificate of a person serving as assessor or deputy assessor is revoked, 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 office for a period of five years after the date of removal.

(8) All hearings described in this section shall be governed by the Administrative Procedure Act. Any county aggrieved by a determination of the Property Tax Administrator after a hearing pursuant to subsections (4) and (5) of this section or alleging that its suspension is no longer justified may have review of such determination or continued suspension in accordance with the Tax Equalization and Review Commission Act. Any assessor or deputy assessor whose county assessor certificate has been revoked 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. 23. Section 77-1501, Revised Statutes Supplement, 1998, 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 when such meetings pertain to the assessment or exemption of real and personal property. The county treasurer or designated county official pursuant to section 23-186 shall attend all meetings of the county board of equalization involving the exemption of motor vehicles from the motor vehicle tax. 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. 24. Section 77-1503.01, Revised Statutes Supplement, 1998, is amended to read:

77-1503.01. Any property valued by the state shall not be subject to equalization by the jurisdiction of the county board of equalization.

~~under section 77-1504.~~

Sec. 25. Section 77-1504, Revised Statutes Supplement, 1998, is amended to read:

77-1504. The county board of equalization 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 reports of the county assessor pursuant to sections 77-1315.01 and 77-1317 or any other documented 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. 26. Section 77-1504.01, Revised Statutes Supplement, 1998, is amended to read:

77-1504.01. After completion of its actions and based upon the hearings conducted pursuant to sections 77-1502 and 77-1504, a county board of equalization may petition the Tax Equalization and Review Commission to consider an adjustment to a class or subclass of real property within the county. Petitions must be filed with the commission on or before ~~August 4~~ July 26. The commission shall hear and take action on a petition filed by a county board of equalization on or before August 10. The commission, in issuing such an order to adjust a class or subclass, may exclude individual properties from that order whose value has already been adjusted by a county board of equalization in the same manner as the commission directs in its order. In implementing the order of the commission, the county assessor shall adjust the values of the class or subclass that is the subject of the order. For properties that have already received an adjustment from the county board of equalization, no additional adjustment may be made applying the commission's order, but such an exclusion from the commission's order shall not preclude adjustments to those properties for corrections or omissions. Hearings conducted pursuant to this section shall be in the manner prescribed in section 77-5026. The burden of proof is on the petitioning county to show that failure to make an adjustment would result in values that are not equitable and in accordance with the law. The county assessor of the county adjusted by an order of the commission shall recertify the abstract of assessment to the Property Tax Administrator on or before August 20.

Sec. 27. Section 77-1507, Revised Statutes Supplement, 1998, is amended to read:

77-1507. (1) The county board of equalization may meet at any time for the purpose of assessing any omitted real property which was not reported to the county assessor pursuant to section 77-1318.01 and for clerical errors as defined in section 7 of this act that result in a change of valuation. 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 and clerical errors 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. 28. Section 77-1514, Revised Statutes Supplement, 1998, is amended to read:

77-1514. The county assessor shall prepare abstracts of the property assessment rolls of locally assessed property of his or her county on forms 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 county assessor shall forward the real property abstract to the Property Tax Administrator on or before ~~April 1~~ March 20 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. The Property Tax Administrator, upon written request from the county assessor, may extend the statutory due dates provided in this section and sections 77-1381, 77-1381.01, 77-1384, and 77-5027.

Sec. 29. Section 77-1515, Reissue Revised Statutes of Nebraska, is amended to read:

77-1515. If any county assessor refuses or neglects to prepare an abstract of the assessment roll of his or her county and forward it to the Property Tax Administrator as required in section 77-1514, he or she shall forfeit to the state the sum of one hundred dollars, to be recovered in a ~~civil action in the name of the state. The certificate an action before the Tax Equalization and Review Commission.~~ The petition of the Property Tax Administrator, setting forth the failure of the county assessor to comply with the provisions of such section, shall be prima facie evidence of such refusal or neglect on the trial of such action.

Sec. 30. The county assessor after July 25 and with approval of the county board of equalization shall correct the assessment roll and the tax list, if necessary, in the case of a clerical error as defined in section 7 of this act that results in a change in the value of the real property. Clerical errors that do not result in a change of value on the assessment roll may be corrected at any time by the county assessor. All corrections to the tax list shall be made as provided in section 77-1613.02.

Sec. 31. Section 77-1701, Reissue Revised Statutes of Nebraska, is amended to read:

77-1701. (1) The county treasurer shall be ex officio county collector of all taxes levied within the county. The county board shall direct that a statement of the amount of taxes due and a notice that special assessments are due be mailed or otherwise delivered to the last-known address of the person, firm, association, or corporation against whom such taxes or special assessments are assessed or to the lending institution or other party responsible for paying such taxes or special assessments. Such statement shall clearly indicate, for each political subdivision, the levy rate and the amount of taxes due as the result of principal or interest payments on bonds issued by the political subdivision and shall show such rate and amount separate from any other levy. When taxes are delinquent for a prior year, the county treasurer shall indicate this information on such tax statement in a clearly defined space or in a separate notice. The separate notice shall be on a colored piece of paper and may be enclosed with the tax statement. The separate notice or information on such tax statement shall read: "ATTENTION: Taxes for a prior year are delinquent. Interest is accruing. Please contact the county treasurer's office immediately." Failure to receive such statement or notice shall not relieve the taxpayer from any liability to pay such taxes or special assessments and any interest or penalties accrued thereon. In any county in which a city of the metropolitan class is located, all statements of taxes shall also include notice that special assessments for cutting weeds, removing litter, and demolishing buildings are due.

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

(3) A statement of the amount of taxes due and a notice that special assessments are due shall not be required to be mailed or otherwise delivered pursuant to subsection (1) of this section if the total amount of the taxes and special assessments due is less than two dollars. Failure to receive the

statement or notice shall not relieve the taxpayer from any liability to pay the taxes or special assessments but shall relieve the taxpayer from any liability for interest or penalties. Taxes and special assessments of less than two dollars shall be added to the amount of taxes and special assessments due in subsequent years and shall not be considered delinquent until the total amount is two dollars or more.

Sec. 32. Section 77-1734.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1734.01. ~~(1)~~ In case of payment made of any property taxes or any payments in lieu of taxes with respect to property as a result of a clerical error or honest mistake or misunderstanding, ~~of which the taxpayer had no notice,~~ on the part of a county or other political subdivision of the state or any taxpayer, the county treasurer to whom the tax was paid may refund or credit that portion of the tax paid as a result of the clerical error or honest mistake or misunderstanding. Before the refund or credit may be made, the county treasurer shall receive verification from the county assessor or other taxing official that such error or mistake was made, and the claim for refund or credit shall be submitted to the county board. The county board shall pass upon the claim as any other claim made against the county. The refund shall be made in the manner prescribed in section 77-1736.06. The claim for a refund or credit pursuant to this section shall be made in writing to the county treasurer to whom the tax was paid within two years from the date the tax was due. The ordering of a refund or credit by the county board pursuant to this section shall not have a dispositional effect on any similar claim for refund or credit made by another taxpayer. This section may not be used to challenge the valuation of property, the equalization of property, or the constitutionality of a tax.

~~(2) A taxpayer who paid taxes upon personal property for tax year 1992 as a result of the acceleration of the due date pursuant to section 77-1214 shall be eligible to claim a refund or credit of any taxes paid which are in excess of the amount which subsequently would have been due for tax year 1992. The claim for a refund or credit pursuant to this subsection shall be made in writing to the county treasurer to whom the tax was paid within two years from the date the tax was due. Before the refund or credit may be made, the county treasurer shall receive verification from the county assessor that the taxpayer is entitled to the refund or credit, and the claim shall be submitted to the county board. The county board shall pass upon the claim as any other claim made against the county. The refund or credit shall be made in the manner prescribed in section 77-1736.06.~~

Sec. 33. Section 77-5007, Revised Statutes Supplement, 1998, 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 or an exemption from motor vehicle taxes and fees;

(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 sections 77-1233.04 to 77-1233.06;

(6) Decisions of any county board of equalization on 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) Decisions of the Department of Motor Vehicles determining the taxable value of motor vehicles pursuant to section 60-3005;

(9) Decisions of the Property Tax Administrator made under section 77-1330;

(10) Any other decision of any county board of equalization; and

(11) ~~(10)~~ Any other decision of the Property Tax Administrator.

Sec. 34. Section 79-1016, Revised Statutes Supplement, 1998, is amended to read:

79-1016. (1) On or before August 25, the county assessor shall certify to the Property Tax Administrator the total taxable value by school

district in the county for the current assessment year on forms prescribed by the Property Tax Administrator. On or before July 1 of each year October 10, the Property Tax Administrator shall compute and certify to the State Department of Education the adjusted valuation for the current ~~calendar year of each local system assessment year~~ for each class of property in each ~~such~~ local system. ~~The adjusted so that the~~ valuation of property for each local system, 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 local system of its adjusted valuation for the current ~~calendar assessment year~~ by class of property on or before ~~July 1 of each year~~ October 10. 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 77-1363; and

(c) For personal property, the net book value as defined in section 77-120.

(3) On or before ~~July 31~~ November 10, any local system 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~~ January 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 in accordance with the Tax Equalization and Review Commission Act.

(4) On or before ~~June 15, 1998, for adjusted valuations certified in 1997, and on or before October 31 for adjusted valuations certified each year thereafter~~ November 10, any local system 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 ~~June 30, 1998, for adjusted valuations certified in 1997, and on or before November 30 for valuations certified each year thereafter~~ the following January 1, 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.

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

(6) ~~Beginning with the 1997-98 school fiscal year, in the school fiscal year beginning during the calendar year that a county board adopts special valuation for all qualifying property in the county pursuant to sections 77-1343 to 77-1348, the adjusted valuation used in the calculation of state aid shall not exceed one hundred eight percent of the assessed valuation for the property tax year on which the adjusted valuation is based.~~

~~(7) A school district whose state aid is to be calculated pursuant to subsections (4) and (6) subsection (4) of this section and whose state aid payment is postponed as a result of failure to calculate state aid pursuant to such subsections subsection may apply to the state board for lump-sum payment of such postponed state aid. Such application may be for any amount up to one hundred percent of the postponed state aid. The state board may grant the entire amount applied for or any portion of such amount. The state board shall notify the Director of Administrative Services of the amount of funds to be paid in a lump sum and the reduced amount of the monthly payments. The Director of Administrative Services shall, at the time of the next state aid payment made pursuant to section 79-1022, draw a warrant for the lump-sum amount from appropriated funds and forward such warrant to the district.~~

Sec. 35. Section 79-1022, Revised Statutes Supplement, 1998, is amended to read:

79-1022. (1) On or before December 1 of each year, the department shall determine the amounts to be distributed to each local system and each district pursuant to the Tax Equity and Educational Opportunities Support Act based on estimated funding levels provided by the Legislative Fiscal Analyst and shall certify the amounts to the Director of Administrative Services, the Auditor of Public Accounts, and each district. The Legislative Fiscal Analyst shall provide such estimated funding level not later than November 1 of each year. The amount to be distributed to each district from the amount certified for a local system shall be proportional based on the weighted formula students attributed to each district in the local system.

(2) Except as provided in subsection ~~(7)~~ (6) of section 79-1016, the amounts certified pursuant to subsection (1) of this section shall be distributed in ten as nearly as possible equal payments on the last business day of each month beginning in September of each ensuing school fiscal year and ending in June of the following year. Such certified state aid amounts shall be shown as budgeted non-property-tax receipts and deducted prior to calculating the property tax request in the district's general fund budget statement as provided to the Auditor of Public Accounts pursuant to section 79-1024.

Sec. 36. Sections 12, 13, 34, 35, 38, and 39 of this act become operative on January 1, 2000. The other sections of this act become operative on their effective date.

Sec. 37. Original sections 18-2147, 23-3202, 60-3006, 77-1327, 77-1330, 77-1515, 77-1701, and 77-1734.01, Reissue Revised Statutes of Nebraska, and sections 13-509, 77-101, 77-123, 77-125, 77-202.01, 77-202.03, 77-1301, 77-1303, 77-1315, 77-1315.01, 77-1317, 77-1318, 77-1501, 77-1503.01, 77-1504, 77-1504.01, 77-1507, 77-1514, and 77-5007, Revised Statutes Supplement, 1998, are repealed.

Sec. 38. Original sections 77-1233.04, 77-1233.06, 79-1016, and 79-1022, Revised Statutes Supplement, 1998, are repealed.

Sec. 39. The following section is outright repealed: Section 77-1233.05, Revised Statutes Supplement, 1998.

Sec. 40. The following sections are outright repealed: Sections 77-378, 77-1336, and 77-1401 to 77-1409, Reissue Revised Statutes of Nebraska, and section 77-425, Revised Statutes Supplement, 1998.

Sec. 41. Since an emergency exists, this act takes effect when passed and approved according to law.