

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 217**

Introduced by Harr, 8.

Read first time January 10, 2017

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-3517, Revised Statutes Cumulative Supplement, 2016; to change
- 3 provisions relating to the accrual of interest on denied and reduced
- 4 homestead exemptions; to provide an operative date; and to repeal
- 5 the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3517, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 77-3517 (1) On or before August 1 of each year, the county assessor  
4 shall forward the approved applications for homestead exemptions and a  
5 copy of the certification of disability status that have been examined  
6 pursuant to section 77-3516 to the Tax Commissioner. The Tax Commissioner  
7 shall determine if the applicant meets the income requirements and may  
8 also review any other application information he or she deems necessary  
9 in order to determine whether the application should be approved. The Tax  
10 Commissioner shall, on or before November 1, certify his or her  
11 determinations to the county assessor. If the application is approved,  
12 the county assessor shall make the proper deduction on the assessment  
13 rolls. If the application is denied or approved in part, the Tax  
14 Commissioner shall notify the applicant of the denial or partial approval  
15 by mailing written notice to the applicant at the address shown on the  
16 application. The applicant may appeal the Tax Commissioner's denial or  
17 partial approval pursuant to section 77-3520. Late applications  
18 authorized by the county board shall be processed in a similar manner  
19 after approval by the county assessor.

20 (2)(a) Upon his or her own action or upon a request by an applicant,  
21 a spouse, or an owner-occupant, the Tax Commissioner may review any  
22 information necessary to determine whether an application is in  
23 compliance with sections 77-3501 to 77-3529. Any action taken by the Tax  
24 Commissioner pursuant to this subsection shall be taken within three  
25 years after December 31 of the year in which the exemption was claimed.

26 (b) If after completion of the review the Tax Commissioner  
27 determines that an exemption should have been approved or increased, the  
28 Tax Commissioner shall notify the applicant, spouse, or owner-occupant  
29 and the county treasurer and assessor of his or her determination. The  
30 applicant, spouse, or owner-occupant shall receive a refund of the tax,  
31 if any, that was paid as a result of the exemption being denied, in whole

1 or in part. The county treasurer shall make the refund and shall amend  
2 the county's claim for reimbursement from the state.

3 (c) If after completion of the review the Tax Commissioner  
4 determines that an exemption should have been denied or reduced, the Tax  
5 Commissioner shall notify the applicant, spouse, or owner-occupant of  
6 such denial or reduction. The applicant, the spouse, and any owner-  
7 occupant may appeal the Tax Commissioner's denial or reduction pursuant  
8 to section 77-3520. Upon the expiration of the appeal period in section  
9 77-3520, the Tax Commissioner shall notify the county assessor of the  
10 denial or reduction and the county assessor shall remove or reduce the  
11 exemption from the tax rolls of the county. Upon notification by the Tax  
12 Commissioner to the county assessor, the amount of tax due as a result of  
13 the action of the Tax Commissioner shall become a lien on the homestead  
14 until paid. Upon attachment of the lien, the county treasurer shall  
15 refund to the Tax Commissioner the amount of tax equal to the denied or  
16 reduced exemption for deposit into the General Fund. No lien shall be  
17 created if a change in ownership of the homestead or death of the  
18 applicant, the spouse, and all other owner-occupants has occurred prior  
19 to the Tax Commissioner's notice to the county assessor. Beginning thirty  
20 days after the county assessor receives approval from the county board to  
21 remove or reduce the exemption from the tax rolls of the county, interest  
22 at the rate specified in section 45-104.01, as such rate may from time to  
23 time be adjusted by the Legislature, shall begin to accrue on the amount  
24 of tax due.

25 Sec. 2. This act becomes operative on January 1, 2018.

26 Sec. 3. Original section 77-3517, Revised Statutes Cumulative  
27 Supplement, 2016, is repealed.