

LEGISLATURE OF NEBRASKA
NINETY-EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 516

Introduced by Synowiecki, 7; Aguilar, 35; Baker, 44; Bourne, 8; Brown, 6; Burling, 33; Byars, 30; Combs, 32; Foley, 29; Hartnett, 45; Hudkins, 21; Janssen, 15; Jensen, 20; Johnson, 37; Kruse, 13; Louden, 49; McDonald, 41; Preister, 5; Price, 26; Schimek, 27; Smith, 48; Stuthman, 22; Tyson, 19; Vrtiska, 1

Read first time January 17, 2003

Committee: Revenue

A BILL

1 FOR AN ACT relating to homesteads; to amend sections 77-3501.01,
2 77-3506.03, 77-3509.01 to 77-3509.03, 77-3511, 77-3521,
3 77-3522, and 77-3529, Reissue Revised Statutes of
4 Nebraska, and sections 77-3501, 77-3510, 77-3512 to
5 77-3514, 77-3516, and 77-3523, Revised Statutes
6 Supplement, 2002; to create a homestead exemption; to
7 harmonize provisions; to provide an operative date; and
8 to repeal the original sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3501, Revised Statutes Supplement,
2 2002, is amended to read:

3 77-3501. For purposes of sections 77-3501 to 77-3529 and
4 section 3 of this act, unless the context otherwise requires, the
5 definitions found in sections 77-3501.01 to 77-3505.04 shall be
6 used.

7 Sec. 2. Section 77-3501.01, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 77-3501.01. (1) For purposes of section 77-3507, exempt
10 amount shall mean the lesser of (a) the taxable value of the
11 homestead or (b) eighty percent of the average assessed value of
12 single-family residential property in the claimant's county of
13 residence as determined in section 77-3506.02 or forty thousand
14 dollars, whichever is greater.

15 (2) For purposes of sections 77-3508 and 77-3509, exempt
16 amount shall mean the lesser of (a) the taxable value of the
17 homestead or (b) one hundred percent of the average assessed value
18 of single-family residential property in the claimant's county of
19 residence as determined in section 77-3506.02 or fifty thousand
20 dollars, whichever is greater.

21 (3) For purposes of section 3 of this act, exempt amount
22 shall mean the taxable value of the homestead.

23 Sec. 3. (1) All homesteads in this state shall be
24 assessed for taxation the same as other property except that there
25 shall be exempt from taxation, on any homestead of any veteran
26 drawing compensation from the United States Department of Veterans
27 Affairs because of service-connected permanent disability from
28 active duty or active duty for training, as such terms are defined

1 in subdivisions (11) and (12) of section 80-401.01, or the
2 unremarried widow or widower of such a veteran, a percentage of the
3 exempt amount.

4 (2) The exemption percentage shall be the veteran's
5 percentage of permanent disability as determined by the United
6 States Department of Veterans Affairs.

7 Sec. 4. Section 77-3506.03, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 77-3506.03. For purposes of sections 77-3507 to 77-3509,
10 for homesteads valued at or above the maximum value, the exempt
11 amount shall be reduced by ten percent for each two thousand five
12 hundred dollars of value by which the homestead exceeds the maximum
13 value and any homestead which exceeds the maximum value by twenty
14 thousand dollars or more is not eligible for any exemption under
15 sections 77-3507 to 77-3509. This section does not apply to
16 homesteads under section 3 of this act.

17 Sec. 5. Section 77-3509.01, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 77-3509.01. The owner of a homestead which has been
20 granted an exemption provided in sections 77-3507 to 77-3509 or
21 section 3 of this act, who transfers the ownership of such
22 homestead and becomes the owner of another homestead prior to
23 August 15 during the year for which the exemption was granted, may
24 file an application with the county assessor of the county where
25 the new homestead is located, on or before August 15 of such year,
26 for a transfer of the exemption to the new homestead. The county
27 assessor shall examine each application and determine whether or
28 not the new homestead, except for the January 1 through August 15

1 ownership and occupancy requirement and the income requirements, is
2 eligible for exemption under sections 77-3507 to 77-3509 or section
3 3 of this act. If the application is approved by the county
4 assessor, he or she shall make a deduction upon the assessment
5 rolls using the same criteria as previously applied to the original
6 homestead. The county assessor may allow the application for
7 transfer to also be considered an application for a homestead
8 exemption for the subsequent year.

9 Sec. 6. Section 77-3509.02, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 77-3509.02. If the owner of any homestead granted an
12 exemption under sections 77-3507 to 77-3509 or section 3 of this
13 act transfers the ownership of such homestead on or before August
14 15 of any year pursuant to section 77-3509.01 and makes the
15 application for transfer of the homestead exemption and such
16 application is approved, the exemption shall be disallowed for such
17 year as applied to the original homestead if the exemption was
18 granted based on the status of such owner. If the transfer
19 involves property in more than one county, the county assessor of
20 the county where the new homestead is located shall notify the
21 other county assessor and the Department of Revenue of the
22 application for transfer within ten days after receipt of the
23 application.

24 Sec. 7. Section 77-3509.03, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 77-3509.03. All property tax statements for homesteads
27 granted an exemption in sections 77-3507 to 77-3509 or section 3 of
28 this act shall show the amount of the exemption, the tax that would

1 otherwise be due, and a statement that the tax loss shall be
2 reimbursed by the state as a homestead exemption.

3 Sec. 8. Section 77-3510, Revised Statutes Supplement,
4 2002, is amended to read:

5 77-3510. On or before April 1 of each year, the Tax
6 Commissioner shall prescribe forms to be used by all claimants for
7 homestead exemption or for transfer of homestead exemption. Such
8 forms shall contain provisions for the showing of all information
9 which the Tax Commissioner may deem necessary to (1) enable the
10 county officials and the Tax Commissioner to determine whether each
11 claim for exemption under sections 77-3507 to 77-3509 or section 3
12 of this act should be allowed and (2) enable the county assessor to
13 determine whether each claim for transfer of homestead exemption
14 pursuant to section 77-3509.01 should be allowed. It shall be the
15 duty of the county assessor of each county in this state to furnish
16 such forms, upon request, to each person desiring to make
17 application for homestead exemption or for transfer of homestead
18 exemption. The forms so prescribed shall be used uniformly
19 throughout the state, and no application for exemption or for
20 transfer of homestead exemption shall be allowed unless the
21 applicant uses the prescribed form in making an application. The
22 forms shall require the attachment of an income statement as
23 prescribed by the Tax Commissioner fully accounting for all
24 household income. The application and information contained on any
25 attachments to the application shall be confidential and available
26 to tax officials only.

27 Sec. 9. Section 77-3511, Reissue Revised Statutes of
28 Nebraska, is amended to read:

1 77-3511. The application for homestead exemption or for
2 transfer of homestead exemption shall be signed by the owner of the
3 property who qualifies for exemption under sections 77-3501 to
4 77-3529 and section 3 of this act unless the owner is an
5 incompetent or unable to make such application, in which case it
6 shall be signed by the guardian. If an owner who in all respects
7 qualifies for a homestead exemption under such sections dies after
8 January 1 and before the last day for filing an application for a
9 homestead exemption and before applying for a homestead exemption,
10 his or her personal representative may file the application for
11 exemption on or before the last day for filing an application for a
12 homestead exemption of that year if the surviving spouse of such
13 owner continues to occupy the homestead. Any exemption granted as
14 a result of such application signed by a personal representative
15 shall be in effect for only the year in which the owner died.

16 Sec. 10. Section 77-3512, Revised Statutes Supplement,
17 2002, is amended to read:

18 77-3512. It shall be the duty of each owner who applies
19 for the homestead exemption provided in sections 77-3507 to 77-3509
20 or section 3 of this act to file an application therefor with the
21 county assessor of the county in which the homestead is located
22 after ~~January 1, 1997, and April 1 in subsequent years~~ and on or
23 before June 30 of each year. Failure to do so shall constitute a
24 waiver of the exemption for that year, except that the county board
25 of the county in which the homestead is located may, by majority
26 vote, extend the deadline to on or before July 20 of each year. An
27 extension shall not be granted to an applicant who received an
28 extension in the immediately preceding year.

1 Sec. 11. Section 77-3513, Revised Statutes Supplement,
2 2002, is amended to read:

3 77-3513. (1) Except as required by section 77-3514, if
4 an owner is granted a homestead exemption as provided in section
5 77-3507 or 77-3509, section 3 of this act, or subdivision (1)(b) or
6 (c) of section 77-3508, no reapplication need be filed for
7 succeeding years, in which case the county assessor and Tax
8 Commissioner shall determine whether the claimant qualifies for the
9 homestead exemption in such succeeding years as otherwise provided
10 in sections 77-3501 to 77-3529 and section 3 of this act as though
11 a claim were made.

12 (2) It shall be the duty of each claimant who wants the
13 homestead exemption provided in subdivision (1)(a) of section
14 77-3508 to file an application therefor with the county assessor on
15 or before June 30 of each year. Failure to do so shall constitute
16 a waiver of the exemption for such year, except that the county
17 board of the county in which the homestead is located may, by
18 majority vote, extend the deadline to on or before July 20 of each
19 year. An extension shall not be granted to an applicant who
20 received an extension in the immediately preceding year.

21 Sec. 12. Section 77-3514, Revised Statutes Supplement,
22 2002, is amended to read:

23 77-3514. A claimant who is the owner of a homestead
24 which has been granted an exemption under sections 77-3507 to
25 77-3509, except subdivision (1)(a) of section 77-3508 and section 3
26 of this act, shall certify to the county assessor on or before June
27 30 of each year that a change in the homestead exemption status has
28 occurred or that no change in the homestead exemption status has

1 occurred. The county board of the county in which the homestead is
2 located may, by majority vote, extend the deadline to on or before
3 July 20 of each year. An extension shall not be granted to an
4 applicant who received an extension in the immediately preceding
5 year. For purposes of this section, change in the homestead
6 exemption status shall include any change in the name of the owner,
7 ownership, residence, occupancy, marital status, veteran status, or
8 rating by the United States Department of Veterans Affairs or any
9 other change that would affect the qualification for or type of
10 exemption granted, except income checked by the Tax Commissioner
11 under section 77-3517. The certificate shall require the
12 attachment of an income statement as prescribed by the Tax
13 Commissioner fully accounting for all household income. The
14 certification and the information contained on any attachments to
15 the certification shall be confidential and available to tax
16 officials only. In addition, a claimant who is the owner of a
17 homestead which has been granted an exemption under sections
18 77-3507 to 77-3509 or section 3 of this act may notify the county
19 assessor by August 15 of each year of any change in the homestead
20 exemption status occurring in the preceding portion of the calendar
21 year as a result of a transfer of the homestead exemption pursuant
22 to sections 77-3509.01 and 77-3509.02. If by his or her failure to
23 give such notice any property owner permits the allowance of the
24 homestead exemption for any year, or in the year of application in
25 the case of transfers pursuant to sections 77-3509.01 and
26 77-3509.02, after the homestead exemption status of such property
27 has changed, an amount equal to the amount of the taxes lawfully
28 due but not paid by reason of such unlawful and improper allowance

1 of homestead exemption, together with penalty and interest on such
2 total sum as provided by statute on delinquent ad valorem taxes,
3 shall be due and shall upon entry of the amount thereof on the
4 books of the county treasurer be a lien on such property while
5 unpaid. Such lien may be enforced in the manner provided for liens
6 for other delinquent taxes. Any person who has permitted the
7 improper and unlawful allowance of such homestead exemption on his
8 or her property shall, as an additional penalty, also forfeit his
9 or her right to a homestead exemption on any property in this state
10 for the two succeeding years.

11 Sec. 13. Section 77-3516, Revised Statutes Supplement,
12 2002, is amended to read:

13 77-3516. The county assessor shall examine each
14 application for homestead exemption filed with him or her for an
15 exemption pursuant to sections 77-3507 to 77-3509 or section 3 of
16 this act and shall determine, except for the income requirements,
17 whether or not such application should be approved or rejected. If
18 the application is approved, the county assessor shall mark the
19 same approved and sign the application. In case he or she finds
20 that the exemption should not be allowed by reason of not being in
21 conformity to law, the county assessor shall mark the application
22 rejected and state thereon the reason for such rejection and sign
23 the application. In any case when the county assessor rejects an
24 application for exemption, he or she shall notify the applicant of
25 such action by mailing written notice to the applicant at the
26 address shown in the application, which notice shall be mailed not
27 later than July 31 of each year, except that in cases of a change
28 in ownership or occupancy from January 1 through August 15 or a

1 late application authorized by the county board, the notice shall
2 be sent within a reasonable time. The notice shall be on forms
3 prescribed by the Tax Commissioner.

4 Sec. 14. Section 77-3521, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 77-3521. It shall be the duty of the Tax Commissioner to
7 adopt and promulgate rules and regulations for the information and
8 guidance of the county assessors and county boards of equalization,
9 not inconsistent with sections 77-3501 to 77-3529 and section 3 of
10 this act, affecting the application, hearing, assessment, or
11 equalization of property which is claimed to be entitled to the
12 exemption granted by such sections.

13 Sec. 15. Section 77-3522, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 77-3522. (1) Any person who makes any false or
16 fraudulent claim for exemption or any false statement or false
17 representation of a material fact in support of such claim or any
18 person who assists another in the preparation of any such false or
19 fraudulent claim or enters into any collusion with another by the
20 execution of a fictitious deed or other instrument for the purpose
21 of obtaining unlawful exemption under sections 77-3501 to 77-3529
22 and section 3 of this act shall be guilty of a Class II misdemeanor
23 and shall be subject to a forfeiture of any such exemption for a
24 period of two years from the date of conviction. Any person who
25 shall make an oath or affirmation to any false or fraudulent
26 application for homestead exemption knowing the same to be false or
27 fraudulent shall be guilty of a Class I misdemeanor.

28 (2) In addition to the penalty provided in subsection (1)

1 of this section, if any person files a claim for exemption as
2 provided in section 77-3507, 77-3508, or 77-3509 or section 3 of
3 this act which is excessive due to misstatements by the owner
4 filing such claim, the claim may be disallowed in full and, if the
5 claim has been allowed, an amount equal to the amount of taxes
6 lawfully due but not paid by reason of such unlawful and improper
7 allowance of homestead exemption shall be due and shall upon entry
8 of the amount thereof on the books of the county treasurer be a
9 lien on such property until paid and a penalty equal to the amount
10 of taxes lawfully due but claimed for exemption shall be assessed.

11 Sec. 16. Section 77-3523, Revised Statutes Supplement,
12 2002, is amended to read:

13 77-3523. The county treasurer shall, on or before
14 November 30 of each year, certify to the Tax Commissioner the total
15 tax revenue that will be lost to all taxing agencies within his or
16 her county from taxes levied and assessed in that year because of
17 exemptions allowed under ~~Chapter 77, article 35~~ sections 77-3501 to
18 77-3529 and section 3 of this act, multiplied by the aggregate
19 assessment sales ratio calculated by the Property Tax Administrator
20 for all single-family residential real property in the county for
21 the current year after adjustments by the Tax Equalization and
22 Review Commission, except that any assessment sales ratio greater
23 than 100 or any assessment sales ratio that complies with the
24 standards of equalization as determined by the commission shall be
25 deemed to be 100 for such purpose. The county treasurer may amend
26 the certification to show any change or correction in the total tax
27 that will be lost until May 30 of the next succeeding year. If a
28 homestead exemption is approved, denied, or corrected by the Tax

1 Commissioner under subsection (2) of section 77-3517 after May 1 of
2 the next year, the county treasurer shall prepare and submit
3 amended reports to the Tax Commissioner and the political
4 subdivisions covering any affected year and shall adjust the
5 reimbursement to the county and the other political subdivisions by
6 adjusting the reimbursement due under this section in later years.
7 The Tax Commissioner shall, on or before January 1 next following
8 such certification or within thirty days of any amendment to the
9 certification, notify the Director of Administrative Services of
10 the amount so certified to be reimbursed by the state.
11 Reimbursement of the funds lost shall be made to each county
12 according to the certification and shall be distributed in six as
13 nearly as possible equal monthly payments on the last business day
14 of each month beginning in January. The State Treasurer shall, on
15 the business day preceding the last business day of each month,
16 notify the Director of Administrative Services of the amount of
17 funds available in the General Fund for payment purposes. The
18 Director of Administrative Services shall, on the last business day
19 of each month, draw warrants against funds appropriated. Out of
20 the amount so received the county treasurer shall distribute to
21 each of the taxing agencies within his or her county the full
22 amount so lost by such agency, multiplied by the aggregate
23 assessment sales ratio calculated by the Property Tax Administrator
24 for all single-family residential real property in the county for
25 the current year after adjustments by the commission, except that
26 any assessment sales ratio greater than 100 or any assessment sales
27 ratio that complies with the standards of equalization as
28 determined by the commission shall be deemed to be 100 for such

1 purpose, except that one percent of such amount shall be deposited
2 in the county general fund and that the amount due a Class V school
3 district shall be paid to the district and the county shall be
4 compensated pursuant to section 14-554. Each taxing agency shall,
5 in preparing its annual or biennial budget, take into account the
6 amount to be received under this section.

7 Sec. 17. Section 77-3529, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 77-3529. If any application for exemption pursuant to
10 sections 77-3501 to 77-3529 and section 3 of this act is denied and
11 the applicant would be qualified for any other exemption under such
12 sections, then such denied application shall be treated as an
13 application for the highest exemption for which qualified. Any
14 additional documentation necessary for such other exemption shall
15 be submitted to the county assessor within a reasonable time after
16 receipt of the notice of denial. An applicant for an exemption
17 shall not receive more than one exemption pursuant to such
18 sections.

19 Sec. 18. This act becomes operative on January 1, 2004.

20 Sec. 19. Original sections 77-3501.01, 77-3506.03,
21 77-3509.01 to 77-3509.03, 77-3511, 77-3521, 77-3522, and 77-3529,
22 Reissue Revised Statutes of Nebraska, and sections 77-3501,
23 77-3510, 77-3512 to 77-3514, 77-3516, and 77-3523, Revised Statutes
24 Supplement, 2002, are repealed.