



**Ninety-Ninth Legislature - First Session - 2005**  
**Committee Statement**  
**LB 263**

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**Hearing Date:** January 19, 2005  
**Committee On:** Revenue

**Introducer(s):** (Landis)  
**Title:** Change property tax provisions

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**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

8	Yes	Senators Baker, Connealy, Cornett, Janssen, Landis, Preister, Raikes and Redfield
0	No	
0	Present, not voting	
0	Absent	

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**Proponents:**

George Kilpatrick, Committee Counsel  
Catherine Lang  
John Trecek  
Brad Bare  
Larry Dix

**Representing:**

Senator David Landis, Introducer  
Department of Property Assessment & Taxation  
Ameritas Investment  
Smith Hayes Financial  
NE Association of County Officials

**Opponents:**

None

**Representing:**

**Neutral:**

None

**Representing:**

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**Summary of purpose and/or changes:**

LB 263 is the annual bill brought to the Committee by the Property Tax Administrator to improve the administration of the property tax. Its major provisions are: 1) providing a definition of “parcel” that refers to a piece of land that is a single assessment record, 2) changing the five-year plan required of the county assessor to a one and three-year plan that harmonizes with the county budgeting process, 3) requiring the PTA to develop a statewide property coding system, 4) providing procedures for valuation and appeal of property granted special value after the normal valuation protest periods have run, 5) separating “omitted” property procedures from

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“undervalued or overvalued” property procedures, and (6) allowing the Property Tax Administrator to make recommendations in the reports and opinions given to TERC for purposes of intercounty equalization.

#### Section by section summary

Section 1 would amend section 23-125 to clarify the statutes governing county levies to assure that the five-year limitation on voter approved overrides of the county levy limit does not apply to bonds.

Sections 2 and 3 would amend section 77-101 and add a definition of “parcel” for property tax purposes. Parcel means a contiguous tract of land in the same ownership and same tax district. Parcel also means an improvement on leased land.

Section 4 would amend section 77-202.02 to remove a redundant certification of a county board decision on an exemption to the applicant and county.

Section 5 would amend section 77-202.12 to allow the Property Tax Administrator to intervene in exemption cases involving governmental property in the same manner that intervention is allowed in other exemption cases.

Section 6 would amend section 77-1303 to strike language allowing more than one lot to be included in the same “description” of property. The definition of parcel provided in section 3 eliminates the need for this provision.

Section 7 would amend section 77-1311 to use the term “parcel”, strike obsolete and unnecessary responsibilities of county assessors, and remove the requirement for a five- year plan of assessment. The new concept of the plan is section 8 of this bill.

Section 8 would add a new section to describe a multiyear plan of assessment to replace the five-year plan of assessment. The plan time frame would be shortened from five to one year and the following two years. It would state the specific locations or classes of property that will be the focus of the efforts of the county assessor in the next year. It would be presented to the county board by July 31 (before the budget is finalized) instead of presented to the Property Tax Administrator by September 1. The assessor may amend the plan after the budget is completed.

Section 9 would amend section 77-1331 to require the Property Tax Administrator to develop property codes for statewide use by July 1, 2007. It does not change the restriction that the Property Tax Administrator may not require specific hardware or software for the administration of the property assessment functions.

Section 10 would amend section 77-1345.01 to add procedures to the special valuation process in instances where the applicant files for special value after receiving the regular valuation notice June 1. The county board is to send notice of special value and recapture value to the applicant by July 22. If special value is denied by the county assessor, that decision may be protested to the county board within 30 days. If the county board then reverses the decision of the county assessor and approves special value, notice of approval and the special and recapture valuation

shall be sent to the applicant within 14 days. The applicant then has 30 days to appeal either valuation.

This section also provides similar procedures with later timelines if the valuation notice that causes the application for special value occurs pursuant to the omitted or undervalued sections.

Section 11 would amend section 77-1347 to change a provision in special valuation law that disqualifies land that is transferred to a governmental subdivision but still qualifies as agricultural or horticultural land. The change would allow the land to retain special value.

Section 12 would amend section 77-1504 to strike the reference to omitted real property. Omitted real property would be addressed only under section 77-1507.

Section 13 would amend section 77-1507 to clarify the duties of the county board of equalization regarding omitted real property. Valuation protests are available under the same procedures as provided in section 77-1502. A prohibition against adding improvements to real property that were properly reported after July 25<sup>th</sup> would be restated.

Section 14 would amend section 77-5027 to increase the responsibilities of the Property Tax Administrator regarding the preparation of the annual reports and opinions to the Tax Equalization and Review Commission by including non-binding recommendations. This was a recommendation given to the Property Tax Administrator by a consultant employed to review ratio studies. There are a number of other changes in the section that simply reword existing law.

Section 15 would amend section 79-1016 to change a filing date for the non-appealable corrections of the adjusted valuation for purposes of the Tax Equity and Educational Opportunities Support Act from June 30 to May 31.

Section 16 would repeal the original sections and,

Section 17 would declare an emergency.

**Explanation of amendments, if any:**

The Committee amendment strikes an existing cross reference to section 77-1507 that became unnecessary when the section was amended to refer only to omitted property.

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**Senator David Landis, Chairperson**