



**Ninety-Ninth Legislature - Second Session - 2006**  
**Committee Statement**  
**LB 813**

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**kHearing Date:** January 20, 2006  
**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:**

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

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**Proponents:**  
Senator David Landis  
Catherine D. Lang

**Representing:**  
Introducer  
Department of Property Assessment & Taxation

**Opponents:**  
Ken Bunger

**Representing:**  
Himself

**Neutral:**

**Representing:**

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

LB 813 is the annual bill from the Property Tax Administrator to clarify and enhance the administration of the property tax in Nebraska. Many of the sections in the bill this year deal with community redevelopment law, the formal name for the statutes that authorize tax increment financing (TIF). Others clarify the statutes or update terminology. Also sections dealing with discipline against county assessors are coordinated and two sections that call for separate penalties against county assessors for failure to report would be repealed.

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## Section by Section Summary

Section 1 would amend community redevelopment law, section 18-2117. 01 to eliminate the need for cities to annually report the total valuation, consolidated levy, and the total taxes collected in each project. The annual report would still contain the redevelopment plan and a general description of the project. A new requirement would be the effective date of the division of taxes. The Property Tax Administrator would still be required to issue a report annually, including the tax information based on records of the county.

Section 2 would amend section 18-2147 to require the county assessor to place a value on property that was previously exempt, but is now the subject of a TIF project. The value would be the fair market value as of January 1 of the year prior to the year the taxes are to be divided. This value may be protested with 30 days. The protest is to be determined by the County board of equalization within 30 days of the protest. The decision could then be appealed to the TERC within 30 days.

Beginning August 1, 2006, all notices of the division of taxes are to be on forms developed by the Property Tax Administrator.

Section 3 would amend section 18-2148 to require the county assessor to report the current value to the redevelopment authority by a date certain, August 20<sup>th</sup> under the bill.

Section 4 would amend section 18-2149 to insert a new paragraph governing what would occur if the current valuation of a property in a redevelopment project falls below the redevelopment project valuation. In that case, the redevelopment project valuation would be the current valuation and there would be no increment to levy against to satisfy the bonds.

Section 5 would amend section 23-3202, dealing with the qualifications of county assessors, to clarify that persons may be neither appointed to nor hold the office without a certificate.

Section 6 would amend section 23-209 to provide that a county assessor that refuses to perform the duties of the office shall no longer be subject to criminal prosecution, but may be liable for damages to any political subdivision injured as a result.

Section 7 would amend section 77-422 to provide that any person whose assessor's certificate has been invalidated shall not be eligible to hold a certificate for five years after the date of invalidation.

Section 8 would amend section 77-801.01 to update the term "telegraphs, telephones" to the term "telecommunications" in the definition of "operating property" of a public service company subject to central assessment.

Section 9 would amend section 77-1502 to clarify that valuation protests are to be filed for each parcel of real property and provide that the report of the decision shall be given to the county assessor on or before August 2<sup>nd</sup>.

Section 10 would amend section 77-1507 to clarify that the use of the omitted property section is limited to real property that was not reported to the county assessor. If action is taken under the omitted property section, the board's decision is to be available at county clerk's office and may be used to file an appeal. This section would also clarify that improvements that were properly reported are to be added to the assessment roll by March 19<sup>th</sup>.

Section 11 would amend section 77-1843 to strike a cross reference to section 77-1515 which would be repealed outright by the bill.

Section 12 would amend section 77-1529 to provide that county assessors are to change value as ordered by the TERC in equalization processes by June 1st of each year. LB 812 contains this same change, only the date is July 25<sup>th</sup>.

Section 13 would amend section 79-1016, school adjusted value, to strike an independent definition of clerical error that would justify a change and adopt the general definition in section 77-128 instead.

Section 14 is the repealer, and

Section 15 would repeal sections 77-1515 and 77-1613.03 outright. Section 77-1515 provides penalties for county assessors that fail to prepare the abstract, and 77-1613.03 provides penalties for county assessors that fail to prepare the certificate of taxes levied. Neither is necessary given the general authority of the Property Tax Administrator and the TERC to discipline assessors. These sections are shown below:

**77-1515. County assessor; failure to prepare and forward abstract; penalty.**

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 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.

**77-1613.03. Certification by county assessor to Property Tax Administrator; violation; effect.**

If any county assessor refuses or neglects to prepare a Certificate of Taxes Levied for his or her county and forward it to the Property Tax Administrator as required in section 77-1613.01, he or she shall forfeit to the state the sum of one hundred dollars, to be recovered in 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 hearing of such action.

**Explanation of amendments, if any:**

The Committee Amendments strike Section 12, the section that set the date by when assessors must make adjustments ordered by TERC.

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**Senator David Landis, Chairperson**