

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 239

Introduced by Lathrop, 12.

Read first time January 13, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend
2 sections 77-3501, 77-3506.03, 77-3509.01, 77-3509.02,
3 77-3509.03, 77-3510, 77-3511, 77-3512, 77-3516, 77-3521,
4 77-3522, 77-3523, and 77-3529, Reissue Revised Statutes
5 of Nebraska, and sections 77-3501.01, 77-3505.02,
6 77-3506.02, 77-3513, 77-3514, and 77-4212, Revised
7 Statutes Cumulative Supplement, 2008; to create a
8 homestead exemption for disabled veterans as prescribed;
9 to harmonize provisions; to provide an operative date;
10 and to repeal the original sections.
11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3501, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3501 For purposes of sections 77-3501 to 77-3529 and
4 section 2 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. (1) All homesteads in this state shall be
8 assessed for taxation the same as other property except that there
9 shall be exempt from taxation, on any homestead of any veteran
10 drawing compensation from the United States Department of Veterans
11 Affairs because of a service-connected permanent disability from
12 active duty or active duty for training, as such terms are
13 defined in subdivisions (11) and (12) of section 80-401.01, or the
14 unremarried widow or widower of such a veteran, a percentage of the
15 exempt amount.

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

19 Sec. 3. Section 77-3501.01, Revised Statutes Cumulative
20 Supplement, 2008, is amended to read:

21 77-3501.01 (1) For purposes of section 77-3507, exempt
22 amount shall mean the lesser of (a) the taxable value of the
23 homestead or (b) one hundred percent of the average assessed value
24 of single-family residential property in the claimant's county of
25 residence as determined in section 77-3506.02 or forty thousand

1 dollars, whichever is greater.

2 (2) For purposes of sections 77-3508 and 77-3509 and
3 section 2 of this act, exempt amount shall mean the lesser of
4 (a) the taxable value of the homestead or (b) one hundred twenty
5 percent of the average assessed value of single-family residential
6 property in the claimant's county of residence as determined in
7 section 77-3506.02 or fifty thousand dollars, whichever is greater.

8 Sec. 4. Section 77-3505.02, Revised Statutes Cumulative
9 Supplement, 2008, is amended to read:

10 77-3505.02 Maximum value shall mean:

11 (1) For applicants eligible under section 77-3507, two
12 hundred percent of the average assessed value of single-family
13 residential property in the claimant's county of residence as
14 determined in section 77-3506.02 or ninety-five thousand dollars,
15 whichever is greater; and

16 (2) For applicants eligible under sections 77-3508 and
17 77-3509 and section 2 of this act, two hundred twenty-five percent
18 of the average assessed value of single-family residential property
19 in the claimant's county of residence as determined in section
20 77-3506.02 or one hundred ten thousand dollars, whichever is
21 greater.

22 Sec. 5. Section 77-3506.02, Revised Statutes Cumulative
23 Supplement, 2008, is amended to read:

24 77-3506.02 After county board of equalization action
25 pursuant to sections 77-1502 to 77-1504.01 and on or before

1 September 1 each year, the county assessor shall certify to the
2 Department of Revenue the average assessed value of single-family
3 residential property in the county for the current year for
4 purposes of sections 77-3507 to 77-3509 and section 2 of this act.

5 The county assessor shall determine the current average
6 assessed value of single-family residential property from all
7 real property records containing dwellings, mobile homes, and
8 duplexes all of which are designed for occupancy as single-family
9 residential property and any associated land not to exceed one
10 acre.

11 The county assessor shall also report to the Department
12 of Revenue the computed exempt amounts pursuant to section
13 77-3501.01.

14 Sec. 6. Section 77-3506.03, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 77-3506.03 For homesteads valued at or above the maximum
17 value, the exempt amount shall be reduced by ten percent for each
18 two thousand five hundred dollars of value by which the homestead
19 exceeds the maximum value and any homestead which exceeds the
20 maximum value by twenty thousand dollars or more is not eligible
21 for any exemption under sections 77-3507 to 77-3509 or section 2 of
22 this act.

23 Sec. 7. Section 77-3509.01, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 77-3509.01 The owner of a homestead which has been

1 granted an exemption provided in sections 77-3507 to 77-3509
2 or section 2 of this act, who transfers the ownership of such
3 homestead and becomes the owner of another homestead prior to
4 August 15 during the year for which the exemption was granted, may
5 file an application with the county assessor of the county where
6 the new homestead is located, on or before August 15 of such year,
7 for a transfer of the exemption to the new homestead. The county
8 assessor shall examine each application and determine whether or
9 not the new homestead, except for the January 1 through August 15
10 ownership and occupancy requirement and the income requirements,
11 is eligible for exemption under sections 77-3507 to 77-3509 or
12 section 2 of this act. If the application is approved by the county
13 assessor, he or she shall make a deduction upon the assessment
14 rolls using the same criteria as previously applied to the original
15 homestead. The county assessor may allow the application for
16 transfer to also be considered an application for a homestead
17 exemption for the subsequent year.

18 Sec. 8. Section 77-3509.02, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 77-3509.02 If the owner of any homestead granted an
21 exemption under sections 77-3507 to 77-3509 or section 2 of
22 this act transfers the ownership of such homestead on or before
23 August 15 of any year pursuant to section 77-3509.01 and makes
24 the application for transfer of the homestead exemption and such
25 application is approved, the exemption shall be disallowed for such

1 year as applied to the original homestead if the exemption was
2 granted based on the status of such owner. If the transfer involves
3 property in more than one county, the county assessor of the county
4 where the new homestead is located shall notify the other county
5 assessor and the Department of Revenue of the application for
6 transfer within ten days after receipt of the application.

7 Sec. 9. Section 77-3509.03, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 77-3509.03 All property tax statements for homesteads
10 granted an exemption in sections 77-3507 to 77-3509 or section 2
11 of this act shall show the amount of the exemption, the tax that
12 would otherwise be due, and a statement that the tax loss shall be
13 reimbursed by the state as a homestead exemption.

14 Sec. 10. Section 77-3510, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 77-3510 On or before February 1 of each year, the Tax
17 Commissioner shall prescribe forms to be used by all claimants for
18 homestead exemption or for transfer of homestead exemption. Such
19 forms shall contain provisions for the showing of all information
20 which the Tax Commissioner may deem necessary to (1) enable the
21 county officials and the Tax Commissioner to determine whether
22 each claim for exemption under sections 77-3507 to 77-3509 or
23 section 2 of this act should be allowed and (2) enable the
24 county assessor to determine whether each claim for transfer
25 of homestead exemption pursuant to section 77-3509.01 should be

1 allowed. It shall be the duty of the county assessor of each
2 county in this state to furnish such forms, upon request, to
3 each person desiring to make application for homestead exemption
4 or for transfer of homestead exemption. The forms so prescribed
5 shall be used uniformly throughout the state, and no application
6 for exemption or for transfer of homestead exemption shall be
7 allowed unless the applicant uses the prescribed form in making an
8 application. The forms shall require the attachment of an income
9 statement as prescribed by the Tax Commissioner fully accounting
10 for all household income. The application and information contained
11 on any attachments to the application shall be confidential and
12 available to tax officials only.

13 Sec. 11. Section 77-3511, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 77-3511 The application for homestead exemption or for
16 transfer of homestead exemption shall be signed by the owner of
17 the property who qualifies for exemption under sections 77-3501
18 to 77-3529 and section 2 of this act unless the owner is an
19 incompetent or unable to make such application, in which case it
20 shall be signed by the guardian. If an owner who in all respects
21 qualifies for a homestead exemption under such sections dies after
22 January 1 and before the last day for filing an application for a
23 homestead exemption and before applying for a homestead exemption,
24 his or her personal representative may file the application for
25 exemption on or before the last day for filing an application for

1 a homestead exemption of that year if the surviving spouse of such
2 owner continues to occupy the homestead. Any exemption granted as
3 a result of such application signed by a personal representative
4 shall be in effect for only the year in which the owner died.

5 Sec. 12. Section 77-3512, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 77-3512 It shall be the duty of each owner who applies
8 for the homestead exemption provided in sections 77-3507 to 77-3509
9 or section 2 of this act to file an application therefor with the
10 county assessor of the county in which the homestead is located
11 after February 1 and on or before June 30 of each year. Failure
12 to do so shall constitute a waiver of the exemption for that year,
13 except that the county board of the county in which the homestead
14 is located may, by majority vote, extend the deadline to on or
15 before July 20 of each year. An extension shall not be granted to
16 an applicant who received an extension in the immediately preceding
17 year.

18 Sec. 13. Section 77-3513, Revised Statutes Cumulative
19 Supplement, 2008, is amended to read:

20 77-3513 (1) Except as required by section 77-3514, if an
21 owner is granted a homestead exemption as provided in section
22 77-3507 or 77-3509, section 2 of this act, or subdivision
23 (1)(b)(ii) or (iii) of section 77-3508, no reapplication need
24 be filed for succeeding years, in which case the county assessor
25 and Tax Commissioner shall determine whether the claimant qualifies

1 for the homestead exemption in such succeeding years as otherwise
2 provided in sections 77-3501 to 77-3529 and section 2 of this act
3 as though a claim were made.

4 (2) It shall be the duty of each claimant who wants the
5 homestead exemption provided in subdivision (1)(b)(i) of section
6 77-3508 to file an application therefor with the county assessor on
7 or before June 30 of each year. Failure to do so shall constitute a
8 waiver of the exemption for such year, except that the county board
9 of the county in which the homestead is located may, by majority
10 vote, extend the deadline to on or before July 20 of each year.
11 An extension shall not be granted to an applicant who received an
12 extension in the immediately preceding year.

13 Sec. 14. Section 77-3514, Revised Statutes Cumulative
14 Supplement, 2008, is amended to read:

15 77-3514 A claimant who is the owner of a homestead which
16 has been granted an exemption under sections 77-3507 to 77-3509,
17 except subdivision (1)(b)(i) of section 77-3508 and section 2 of
18 this act, shall certify to the county assessor on or before June
19 30 of each year that a change in the homestead exemption status
20 has occurred or that no change in the homestead exemption status
21 has occurred. The county board of the county in which the homestead
22 is located may, by majority vote, extend the deadline to on or
23 before July 20 of each year. An extension shall not be granted to
24 an applicant who received an extension in the immediately preceding
25 year. For purposes of this section, change in the homestead

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

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

9 Sec. 15. Section 77-3516, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 77-3516 The county assessor shall examine each
12 application for homestead exemption filed with him or her for an
13 exemption pursuant to sections 77-3507 to 77-3509 or section 2 of
14 this act and shall determine, except for the income requirements,
15 whether or not such application should be approved or rejected. If
16 the application is approved, the county assessor shall mark the
17 same approved and sign the application. In case he or she finds
18 that the exemption should not be allowed by reason of not being in
19 conformity to law, the county assessor shall mark the application
20 rejected and state thereon the reason for such rejection and sign
21 the application. In any case when the county assessor rejects an
22 application for exemption, he or she shall notify the applicant
23 of such action by mailing written notice to the applicant at the
24 address shown in the application, which notice shall be mailed not
25 later than July 31 of each year, except that in cases of a change

1 in ownership or occupancy from January 1 through August 15 or a
2 late application authorized by the county board, the notice shall
3 be sent within a reasonable time. The notice shall be on forms
4 prescribed by the Tax Commissioner.

5 Sec. 16. Section 77-3521, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 77-3521 It shall be the duty of the Tax Commissioner to
8 adopt and promulgate rules and regulations for the information and
9 guidance of the county assessors and county boards of equalization,
10 not inconsistent with sections 77-3501 to 77-3529 and section 2
11 of this act, affecting the application, hearing, assessment, or
12 equalization of property which is claimed to be entitled to the
13 exemption granted by such sections.

14 Sec. 17. Section 77-3522, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 77-3522 (1) Any person who makes any false or fraudulent
17 claim for exemption or any false statement or false representation
18 of a material fact in support of such claim or any person who
19 assists another in the preparation of any such false or fraudulent
20 claim or enters into any collusion with another by the execution of
21 a fictitious deed or other instrument for the purpose of obtaining
22 unlawful exemption under sections 77-3501 to 77-3529 and section 2
23 of this act shall be guilty of a Class II misdemeanor and shall
24 be subject to a forfeiture of any such exemption for a period of
25 two years from the date of conviction. Any person who shall make

1 an oath or affirmation to any false or fraudulent application for
2 homestead exemption knowing the same to be false or fraudulent
3 shall be guilty of a Class I misdemeanor.

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

15 Sec. 18. Section 77-3523, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 77-3523 The county treasurer shall, on or before November
18 30 of each year, certify to the Tax Commissioner the total tax
19 revenue that will be lost to all taxing agencies within his or
20 her county from taxes levied and assessed in that year because
21 of exemptions allowed under ~~Chapter 77, article 35, sections~~
22 77-3501 to 77-3529 and section 2 of this act, multiplied by the
23 aggregate assessment sales ratio calculated by the Property Tax
24 Administrator for all single-family residential real property in
25 the county for the current year after adjustments by the Tax

1 Equalization and Review Commission, except that any assessment
2 sales ratio greater than 100 or any assessment sales ratio that
3 complies with the standards of equalization as determined by
4 the commission shall be deemed to be 100 for such purpose. The
5 county treasurer may amend the certification to show any change
6 or correction in the total tax that will be lost until May 30 of
7 the next succeeding year. If a homestead exemption is approved,
8 denied, or corrected by the Tax Commissioner under subsection (2)
9 of section 77-3517 after May 1 of the next year, the county
10 treasurer shall prepare and submit amended reports to the Tax
11 Commissioner and the political subdivisions covering any affected
12 year and shall adjust the reimbursement to the county and the
13 other political subdivisions by adjusting the reimbursement due
14 under this section in later years. The Tax Commissioner shall, on
15 or before January 1 next following such certification or within
16 thirty days of any amendment to the certification, notify the
17 Director of Administrative Services of the amount so certified to
18 be reimbursed by the state. Reimbursement of the funds lost shall
19 be made to each county according to the certification and shall
20 be distributed in six as nearly as possible equal monthly payments
21 on the last business day of each month beginning in January. The
22 State Treasurer shall, on the business day preceding the last
23 business day of each month, notify the Director of Administrative
24 Services of the amount of funds available in the General Fund for
25 payment purposes. The Director of Administrative Services shall, on

1 the last business day of each month, draw warrants against funds
2 appropriated. Out of the amount so received the county treasurer
3 shall distribute to each of the taxing agencies within his or
4 her county the full amount so lost by such agency, multiplied by
5 the aggregate assessment sales ratio calculated by the Property
6 Tax Administrator for all single-family residential real property
7 in the county for the current year after adjustments by the
8 commission, except that any assessment sales ratio greater than 100
9 or any assessment sales ratio that complies with the standards of
10 equalization as determined by the commission shall be deemed to be
11 100 for such purpose, except that one percent of such amount shall
12 be deposited in the county general fund and that the amount due
13 a Class V school district shall be paid to the district and the
14 county shall be compensated pursuant to section 14-554. Each taxing
15 agency shall, in preparing its annual or biennial budget, take into
16 account the amount to be received under this section.

17 Sec. 19. Section 77-3529, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 77-3529 If any application for exemption pursuant to
20 sections 77-3501 to 77-3529 and section 2 of this act is denied
21 and the applicant would be qualified for any other exemption under
22 such sections, then such denied application shall be treated as
23 an application for the highest exemption for which qualified. Any
24 additional documentation necessary for such other exemption shall
25 be submitted to the county assessor within a reasonable time after

1 receipt of the notice of denial.

2 Sec. 20. Section 77-4212, Revised Statutes Cumulative
3 Supplement, 2008, is amended to read:

4 77-4212 (1) For tax year 2007, the amount of relief
5 granted under the Property Tax Credit Act shall be one hundred five
6 million dollars. For tax year 2008, the amount of relief granted
7 under the act shall be one hundred fifteen million dollars. It is
8 the intent of the Legislature to fund the Property Tax Credit Act
9 for tax years after tax year 2008 using available revenue. The
10 relief shall be in the form of a property tax credit which appears
11 on the property tax statement.

12 (2) To determine the amount of the property tax credit,
13 the county treasurer shall multiply the amount disbursed to the
14 county under subsection (4) of this section by the ratio of the
15 real property valuation of the parcel to the total real property
16 valuation in the county. The amount determined shall be the
17 property tax credit for the property.

18 (3) If the real property owner qualifies for a homestead
19 exemption under sections 77-3501 to 77-3529 and section 2 of this
20 act, the owner shall also be qualified for the relief provided in
21 the act to the extent of any remaining liability after calculation
22 of the relief provided by the homestead exemption. If the credit
23 results in a property tax liability on the homestead that is less
24 than zero, the amount of the credit which cannot be used by the
25 taxpayer shall be returned to the State Treasurer by July 1 of the

1 year the amount disbursed to the county was disbursed. The State
2 Treasurer shall immediately credit any funds returned under this
3 section to the Property Tax Credit Cash Fund.

4 (4) The amount disbursed to each county shall be equal to
5 the amount available for disbursement determined under subsection
6 (1) of this section multiplied by the ratio of the real property
7 valuation in the county to the real property valuation in the
8 state. By September 15, the Property Tax Administrator shall
9 determine the amount to be disbursed under this subsection to each
10 county and certify such amounts to the State Treasurer and to each
11 county. The disbursements to the counties shall occur in two equal
12 payments, the first on or before January 31 and the second on or
13 before April 1. After retaining one percent of the receipts for
14 costs, the county treasurer shall allocate the remaining receipts
15 to each taxing unit levying taxes on taxable property in the
16 tax district in which the real property is located in the same
17 proportion that the levy of such taxing unit bears to the total
18 levy on taxable property of all the taxing units in the tax
19 district in which the real property is located.

20 (5) The State Treasurer shall transfer from the General
21 Fund to the Property Tax Credit Cash Fund one hundred five million
22 dollars by August 1, 2007, and one hundred fifteen million dollars
23 by August 1, 2008.

24 (6) The Legislature shall have the power to transfer
25 funds from the Property Tax Credit Cash Fund to the General Fund.

1 Sec. 21. This act becomes operative on January 1, 2010.

2 Sec. 22. Original sections 77-3501, 77-3506.03,
3 77-3509.01, 77-3509.02, 77-3509.03, 77-3510, 77-3511, 77-3512,
4 77-3516, 77-3521, 77-3522, 77-3523, and 77-3529, Reissue Revised
5 Statutes of Nebraska, and sections 77-3501.01, 77-3505.02,
6 77-3506.02, 77-3513, 77-3514, and 77-4212, Revised Statutes
7 Cumulative Supplement, 2008, are repealed.