

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 474

Introduced by Stuthman, 22.

Read first time January 20, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-202, Revised Statutes Cumulative Supplement, 2008;
3 to change provisions relating to property exempt from
4 property taxes; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-202, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 77-202 (1) The following property shall be exempt from
4 property taxes:

5 (a) Property of the state and its governmental
6 subdivisions to the extent used or being developed for use by
7 the state or governmental subdivision for a public purpose. For
8 purposes of this subdivision, public purpose means use of the
9 property (i) to provide public services with or without cost to the
10 recipient, including the general operation of government, public
11 education, public safety, transportation, public works, civil and
12 criminal justice, public health and welfare, developments by a
13 public housing authority, parks, culture, recreation, community
14 development, and cemetery purposes, or (ii) to carry out the
15 duties and responsibilities conferred by law with or without
16 consideration. ~~Public purpose does not include leasing of property~~
17 Property of the state and its governmental subdivisions that is
18 leased to a private party shall not be exempt unless the lease of
19 the property is at fair market value for lessee is carrying out a
20 public purpose. Leases of property by a public housing authority
21 to low-income individuals as a place of residence are for the
22 authority's public purpose;

23 (b) Unleased property of the state or its governmental
24 subdivisions which is not being used or developed for use for
25 a public purpose but upon which a payment in lieu of taxes is

1 paid for public safety, rescue, and emergency services and road
2 or street construction or maintenance services to all governmental
3 units providing such services to the property. Except as provided
4 in Article VIII, section 11, of the Constitution of Nebraska,
5 the payment in lieu of taxes shall be based on the proportionate
6 share of the cost of providing public safety, rescue, or emergency
7 services and road or street construction or maintenance services
8 unless a general policy is adopted by the governing body of the
9 governmental subdivision providing such services which provides for
10 a different method of determining the amount of the payment in
11 lieu of taxes. The governing body may adopt a general policy by
12 ordinance or resolution for determining the amount of payment in
13 lieu of taxes by majority vote after a hearing on the ordinance
14 or resolution. Such ordinance or resolution shall nevertheless
15 result in an equitable contribution for the cost of providing such
16 services to the exempt property;

17 (c) Property owned by and used exclusively for
18 agricultural and horticultural societies;

19 (d) Property owned by educational, religious, charitable,
20 or cemetery organizations, or any organization for the exclusive
21 benefit of any such educational, religious, charitable, or cemetery
22 organization, and used exclusively for educational, religious,
23 charitable, or cemetery purposes, when such property is not
24 (i) owned or used for financial gain or profit to either the
25 owner or user, (ii) used for the sale of alcoholic liquors for

1 more than twenty hours per week, or (iii) owned or used by
2 an organization which discriminates in membership or employment
3 based on race, color, or national origin. For purposes of this
4 subdivision, educational organization means (A) an institution
5 operated exclusively for the purpose of offering regular courses
6 with systematic instruction in academic, vocational, or technical
7 subjects or assisting students through services relating to the
8 origination, processing, or guarantying of federally reinsured
9 student loans for higher education or (B) a museum or historical
10 society operated exclusively for the benefit and education of the
11 public. For purposes of this subdivision, charitable organization
12 means an organization operated exclusively for the purpose of the
13 mental, social, or physical benefit of the public or an indefinite
14 number of persons; and

15 (e) Household goods and personal effects not owned or
16 used for financial gain or profit to either the owner or user.

17 (2) The increased value of land by reason of shade and
18 ornamental trees planted along the highway shall not be taken into
19 account in the valuation of land.

20 (3) Tangible personal property which is not depreciable
21 tangible personal property as defined in section 77-119 shall be
22 exempt from property tax.

23 (4) Motor vehicles required to be registered for
24 operation on the highways of this state shall be exempt from
25 payment of property taxes.

1 (5) Business and agricultural inventory shall be exempt
2 from the personal property tax. For purposes of this subsection,
3 business inventory includes personal property owned for purposes
4 of leasing or renting such property to others for financial gain
5 only if the personal property is of a type which in the ordinary
6 course of business is leased or rented thirty days or less and
7 may be returned at the option of the lessee or renter at any time
8 and the personal property is of a type which would be considered
9 household goods or personal effects if owned by an individual. All
10 other personal property owned for purposes of leasing or renting
11 such property to others for financial gain shall not be considered
12 business inventory.

13 (6) Any personal property exempt pursuant to subsection
14 (2) of section 77-4105 or 77-5209.02 shall be exempt from the
15 personal property tax.

16 (7) Livestock shall be exempt from the personal property
17 tax.

18 (8) Any personal property exempt pursuant to the Nebraska
19 Advantage Act shall be exempt from the personal property tax.

20 Sec. 2. Original section 77-202, Revised Statutes
21 Cumulative Supplement, 2008, is repealed.