

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1061

Introduced by Heidemann, 1.

Read first time January 18, 2012

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections 77-201
2 and 77-5023, Reissue Revised Statutes of Nebraska, and
3 section 79-1016, Revised Statutes Cumulative Supplement,
4 2010; to change valuation of agricultural land and
5 horticultural land; to harmonize school aid provisions;
6 to provide an operative date; and to repeal the original
7 sections.

8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-201, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-201 (1) Except as provided in subsections (2) through
4 (4) of this section, all real property in this state, not expressly
5 exempt therefrom, shall be subject to taxation and shall be valued at
6 its actual value.

7 (2) Agricultural land and horticultural land as defined
8 in section 77-1359 shall constitute a separate and distinct class of
9 property for purposes of property taxation, shall be subject to
10 taxation, unless expressly exempt from taxation, and shall be valued
11 at seventy-five percent of its actual value, except for school
12 district taxation purposes, such land shall be valued at a percentage
13 of its actual value determined from the table in subsection (6) of
14 this section.

15 (3) Agricultural land and horticultural land actively
16 devoted to agricultural or horticultural purposes which has value for
17 purposes other than agricultural or horticultural uses and which
18 meets the qualifications for special valuation under section 77-1344
19 shall constitute a separate and distinct class of property for
20 purposes of property taxation, shall be subject to taxation, and
21 shall be valued for taxation at seventy-five percent of its special
22 value as defined in section 77-1343, except for school district
23 taxation purposes, such land shall be valued at a percentage of its
24 special value as defined in section 77-1343 determined from the table
25 in subsection (6) of this section.

1 (4) Historically significant real property which meets
2 the qualifications for historic rehabilitation valuation under
3 sections 77-1385 to 77-1394 shall be valued for taxation as provided
4 in such sections.

5 (5) Tangible personal property, not including motor
6 vehicles registered for operation on the highways of this state,
7 shall constitute a separate and distinct class of property for
8 purposes of property taxation, shall be subject to taxation, unless
9 expressly exempt from taxation, and shall be valued at its net book
10 value. Tangible personal property transferred as a gift or devise or
11 as part of a transaction which is not a purchase shall be subject to
12 taxation based upon the date the property was acquired by the
13 previous owner and at the previous owner's Nebraska adjusted basis.
14 Tangible personal property acquired as replacement property for
15 converted property shall be subject to taxation based upon the date
16 the converted property was acquired and at the Nebraska adjusted
17 basis of the converted property unless insurance proceeds are payable
18 by reason of the conversion. For purposes of this subsection, (a)
19 converted property means tangible personal property which is
20 compulsorily or involuntarily converted as a result of its
21 destruction in whole or in part, theft, seizure, requisition, or
22 condemnation, or the threat or imminence thereof, and no gain or loss
23 is recognized for federal or state income tax purposes by the holder
24 of the property as a result of the conversion and (b) replacement
25 property means tangible personal property acquired within two years

1 after the close of the calendar year in which tangible personal
 2 property was converted and which is, except for date of construction
 3 or manufacture, substantially the same as the converted property.

4 (6) The applicable percentage to be used for purposes of
 5 subsections (2) and (3) of this section shall be determined from the
 6 following table:

7 <u>Tax Year</u>	<u>Percentage</u>
8 <u>2013</u>	<u>73</u>
9 <u>2014</u>	<u>71</u>
10 <u>2015</u>	<u>69</u>
11 <u>2016</u>	<u>67</u>
12 <u>2017 and after</u>	<u>65</u>

13 Sec. 2. Section 77-5023, Reissue Revised Statutes of
 14 Nebraska, is amended to read:

15 77-5023 (1) Pursuant to section 77-5022, the commission
 16 shall have the power to increase or decrease the value of a class or
 17 subclass of real property in any county or taxing authority or of
 18 real property valued by the state so that all classes or subclasses
 19 of real property in all counties fall within an acceptable range.

20 (2) An acceptable range is the percentage of variation
 21 from a standard for valuation as measured by an established indicator
 22 of central tendency of assessment. Acceptable ranges are: (a) For
 23 agricultural land and horticultural land as defined in section
 24 77-1359, sixty-nine to seventy-five percent of actual value, except

1 for school district taxation purposes, a percentage range of actual
 2 value determined pursuant to subsection (6) of this section; (b) for
 3 lands receiving special valuation, sixty-nine to seventy-five percent
 4 of special valuation as defined in section 77-1343, except for school
 5 district taxation purposes, a percentage range of special valuation
 6 as defined in section 77-1343 determined pursuant to subsection (6)
 7 of this section; and (c) for all other real property, ninety-two to
 8 one hundred percent of actual value.

9 (3) Any increase or decrease shall cause the level of
 10 value determined by the commission to be at the midpoint of the
 11 applicable acceptable range.

12 (4) Any decrease or increase to a subclass of property
 13 shall also cause the level of value determined by the commission for
 14 the class from which the subclass is drawn to be within the
 15 applicable acceptable range.

16 (5) Whether or not the level of value determined by the
 17 commission falls within an acceptable range or at the midpoint of an
 18 acceptable range may be determined to a reasonable degree of
 19 certainty relying upon generally accepted mass appraisal techniques.

20 (6) The applicable percentage range to be used for
 21 purposes of subsection (2) of this section shall be determined from
 22 the following table:

<u>Tax Year</u>	<u>Percentage Range</u>
24 <u>2013</u>	<u>67 to 73</u>
25 <u>2014</u>	<u>65 to 71</u>

1 value certified by the county assessor for each school district in
 2 the county adjusted by the determination of the level of value for
 3 each school district from an analysis of the comprehensive assessment
 4 ratio study or other studies developed by the Property Tax
 5 Administrator, in compliance with professionally accepted mass
 6 appraisal techniques, as required by section 77-1327. The Tax
 7 Commissioner shall adopt and promulgate rules and regulations setting
 8 forth standards for the determination of level of value for state aid
 9 purposes.

10 (3) For purposes of this section, state aid value means:

11 (a) For real property other than agricultural and
 12 horticultural land, ninety-six percent of actual value;

13 (b) For agricultural and horticultural land, ~~seventy-two~~
 14 ~~percent~~ a percentage of actual value as provided in sections 77-1359
 15 ~~to and~~ 77-1363. For agricultural and horticultural land that receives
 16 special valuation pursuant to section 77-1344, ~~seventy-two percent~~ a
 17 percentage of special valuation as defined in section 77-1343. The
 18 applicable percentage shall be determined from the following table: †

19 and

20

21 <u>Tax Year</u>	<u>Percentage</u>
22 <u>2013</u>	<u>70</u>
23 <u>2014</u>	<u>68</u>
24 <u>2015</u>	<u>66</u>

1 error as defined in section 77-128 or, for agricultural and
2 horticultural land, assessed value changes by reason of land
3 qualified or disqualified for special use valuation pursuant to
4 sections 77-1343 to 77-1347.01. On or before the following January 1,
5 the Tax Commissioner shall approve or deny the request and, if
6 approved, certify the corrected adjusted valuations resulting from
7 such action to the State Department of Education.

8 (6) On or before May 31 of the year following the
9 certification of adjusted valuation pursuant to subsection (2) of
10 this section, any local system or county official may file with the
11 Tax Commissioner a written request for a nonappealable correction of
12 the adjusted valuation due to changes to the tax list that change the
13 assessed value of taxable property. Upon the filing of the written
14 request, the Tax Commissioner shall require the county assessor to
15 recertify the taxable valuation by school district in the county on
16 forms prescribed by the Tax Commissioner. The recertified valuation
17 shall be the valuation that was certified on the tax list, pursuant
18 to section 77-1613, increased or decreased by changes to the tax list
19 that change the assessed value of taxable property in the school
20 district in the county in the prior assessment year. On or before the
21 following July 31, the Tax Commissioner shall approve or deny the
22 request and, if approved, certify the corrected adjusted valuations
23 resulting from such action to the State Department of Education.

24 (7) No injunction shall be granted restraining the
25 distribution of state aid based upon the adjusted valuations pursuant

1 to this section.

2 (8) A school district whose state aid is to be calculated
3 pursuant to subsection (5) of this section and whose state aid
4 payment is postponed as a result of failure to calculate state aid
5 pursuant to such subsection may apply to the state board for lump-sum
6 payment of such postponed state aid. Such application may be for any
7 amount up to one hundred percent of the postponed state aid. The
8 state board may grant the entire amount applied for or any portion of
9 such amount. The state board shall notify the Director of
10 Administrative Services of the amount of funds to be paid in a lump
11 sum and the reduced amount of the monthly payments. The Director of
12 Administrative Services shall, at the time of the next state aid
13 payment made pursuant to section 79-1022, draw a warrant for the
14 lump-sum amount from appropriated funds and forward such warrant to
15 the district.

16 Sec. 4. This act becomes operative on January 1, 2013.

17 Sec. 5. Original sections 77-201 and 77-5023, Reissue
18 Revised Statutes of Nebraska, and section 79-1016, Revised Statutes
19 Cumulative Supplement, 2010, are repealed.