

ONE HUNDRED THIRD LEGISLATURE

SECOND SESSION

**LEGISLATIVE RESOLUTION 423CA**

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Nordquist, 7; Harr, 8; Mello, 5.

Read first time January 22, 2014

Committee: Revenue

1 THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF  
2 NEBRASKA, SECOND SESSION, RESOLVE THAT:

3 Section 1. At the general election in November 2014, the  
4 following proposed amendment to the Constitution of Nebraska shall be  
5 submitted to the electors of the State of Nebraska for approval or  
6 rejection:

7 To amend Article VIII, section 1:

8 VIII-1 The necessary revenue of the state and its  
9 governmental subdivisions shall be raised by taxation in such manner  
10 as the Legislature may direct. Notwithstanding Article I, section 16,  
11 Article III, section 18, or Article VIII, section 4, of this  
12 Constitution or any other provision of this Constitution to the  
13 contrary: (1) Taxes shall be levied by valuation uniformly and  
14 proportionately upon all real property and franchises as defined by  
15 the Legislature except as otherwise provided in or permitted by this  
16 Constitution; (2) tangible personal property, as defined by the  
17 Legislature, not exempted by this Constitution or by legislation,  
18 shall all be taxed at depreciated cost using the same depreciation

1 method with reasonable class lives, as determined by the Legislature,  
2 or shall all be taxed by valuation uniformly and proportionately; (3)  
3 the Legislature may provide for a different method of taxing motor  
4 vehicles and may also establish a separate class of motor vehicles  
5 consisting of those owned and held for resale by motor vehicle  
6 dealers which shall be taxed in the manner and to the extent provided  
7 by the Legislature and may also establish a separate class for  
8 trucks, trailers, semitrailers, truck-tractors, or combinations  
9 thereof, consisting of those owned by residents and nonresidents of  
10 this state, and operating in interstate commerce, and may provide  
11 reciprocal and proportionate taxation of such vehicles. The tax  
12 proceeds from motor vehicles taxed in each county shall be allocated  
13 to the county and the cities, villages, and school districts of such  
14 county; (4) the Legislature may provide that agricultural land and  
15 horticultural land, as defined by the Legislature, shall constitute a  
16 separate and distinct class of property for purposes of taxation and  
17 may provide for a different method of taxing agricultural land and  
18 horticultural land which results in values that are not uniform and  
19 proportionate with all other real property and franchises but which  
20 results in values that are uniform and proportionate upon all  
21 property within the class of agricultural land and horticultural  
22 land; (5) the Legislature may enact laws to provide that the value of  
23 land actively devoted to agricultural or horticultural use shall for  
24 property tax purposes be that value which such land has for  
25 agricultural or horticultural use without regard to any value which

1 such land might have for other purposes or uses; (6) the Legislature  
2 may prescribe standards and methods for the determination of the  
3 value of real property at uniform and proportionate values; (7) in  
4 furtherance of the purposes for which such a law of the United States  
5 has been adopted, whenever there exists a law of the United States  
6 which is intended to protect a specifically designated type, use,  
7 user, or owner of property or franchise from discriminatory state or  
8 local taxation, such property or franchise shall constitute a  
9 separate class of property or franchise under the laws of the State  
10 of Nebraska, and such property or franchise may not be taken into  
11 consideration in determining whether taxes are levied by valuation  
12 uniformly or proportionately upon any property or franchise, and the  
13 Legislature may enact laws which statutorily recognize such class and  
14 which tax or exempt from taxation such class of property or franchise  
15 in such manner as it determines; ~~and~~ (8) the Legislature may provide  
16 that livestock shall constitute a separate and distinct class of  
17 property for purposes of taxation and may further provide for  
18 reciprocal and proportionate taxation of livestock located in this  
19 state for only part of a year; and (9) the Legislature may provide  
20 that residential real property, as defined by the Legislature, shall  
21 constitute a separate and distinct class of property for purposes of  
22 taxation and may provide for a different method of taxing residential  
23 real property which results in values that are not uniform and  
24 proportionate with all other real property and franchises but which  
25 results in values that are uniform and proportionate upon all

1 property within the class of residential real property. Each actual  
2 property tax rate levied for a governmental subdivision shall be the  
3 same for all classes of taxed property and franchises. Taxes uniform  
4 as to class of property or the ownership or use thereof may be levied  
5 by valuation or otherwise upon classes of intangible property as the  
6 Legislature may determine, and such intangible property held in trust  
7 or otherwise for the purpose of funding pension, profit-sharing, or  
8 other employee benefit plans as defined by the Legislature may be  
9 declared exempt from taxation. Taxes other than property taxes may be  
10 authorized by law. Existing revenue laws shall continue in effect  
11 until changed by the Legislature.

12           Sec. 2. The proposed amendment shall be submitted to the  
13 electors in the manner prescribed by the Constitution of Nebraska,  
14 Article XVI, section 1, with the following ballot language:

15           A constitutional amendment to permit the Legislature to  
16 classify residential real property as a separate class of property  
17 and to tax it differently than other real property so long as all  
18 residential real property is valued uniformly.

19           For

20           Against.