LEGISLATIVE BILL 217

Introduced by Harr, 8.

Read first time January 10, 2017

Committee: Revenue

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-3517, Revised Statutes Cumulative Supplement, 2016; to change provisions relating to the accrual of interest on denied and reduced homestead exemptions; to provide an operative date; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 77-3517, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-3517 (1) On or before August 1 of each year, the county assessor shall forward the approved applications for homestead exemptions and a copy of the certification of disability status that have been examined pursuant to section 77-3516 to the Tax Commissioner. The Tax Commissioner shall determine if the applicant meets the income requirements and may also review any other application information he or she deems necessary in order to determine whether the application should be approved. The Tax Commissioner shall, on or before November 1, certify his or her determinations to the county assessor. If the application is approved, the county assessor shall make the proper deduction on the assessment rolls. If the application is denied or approved in part, the Tax Commissioner shall notify the applicant of the denial or partial approval by mailing written notice to the applicant at the address shown on the application. The applicant may appeal the Tax Commissioner's denial or partial approval pursuant to section 77-3520. Late applications authorized by the county board shall be processed in a similar manner after approval by the county assessor.

(2)(a) Upon his or her own action or upon a request by an applicant, a spouse, or an owner-occupant, the Tax Commissioner may review any information necessary to determine whether an application is in compliance with sections 77-3501 to 77-3529. Any action taken by the Tax Commissioner pursuant to this subsection shall be taken within three years after December 31 of the year in which the exemption was claimed.

(b) If after completion of the review the Tax Commissioner determines that an exemption should have been approved or increased, the Tax Commissioner shall notify the applicant, spouse, or owner-occupant and the county treasurer and assessor of his or her determination. The applicant, spouse, or owner-occupant shall receive a refund of the tax, if any, that was paid as a result of the exemption being denied, in whole
or in part. The county treasurer shall make the refund and shall amend
the county's claim for reimbursement from the state.

(c) If after completion of the review the Tax Commissioner
determines that an exemption should have been denied or reduced, the Tax
Commissioner shall notify the applicant, spouse, or owner-occupant of
such denial or reduction. The applicant, the spouse, and any owner-
occupant may appeal the Tax Commissioner's denial or reduction pursuant
to section 77-3520. Upon the expiration of the appeal period in section
77-3520, the Tax Commissioner shall notify the county assessor of the
denial or reduction and the county assessor shall remove or reduce the
exemption from the tax rolls of the county. Upon notification by the Tax
Commissioner to the county assessor, the amount of tax due as a result of
the action of the Tax Commissioner shall become a lien on the homestead
until paid. Upon attachment of the lien, the county treasurer shall
refund to the Tax Commissioner the amount of tax equal to the denied or
reduced exemption for deposit into the General Fund. No lien shall be
created if a change in ownership of the homestead or death of the
applicant, the spouse, and all other owner-occupants has occurred prior
to the Tax Commissioner's notice to the county assessor. Beginning thirty
days after the county assessor receives approval from the county board to
remove or reduce the exemption from the tax rolls of the county, interest
at the rate specified in section 45-104.01, as such rate may from time to
time be adjusted by the Legislature, shall begin to accrue on the amount
of tax due.

Sec. 2. This act becomes operative on January 1, 2018.

Sec. 3. Original section 77-3517, Revised Statutes Cumulative
Supplement, 2016, is repealed.