

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 408**

Introduced by Briese, 41.

Read first time January 14, 2021

Committee: Revenue

1 A BILL FOR AN ACT relating to property taxes; to amend sections 77-1601  
2 and 77-1776, Reissue Revised Statutes of Nebraska, and section  
3 77-1601.02, Revised Statutes Cumulative Supplement, 2020; to adopt  
4 the Property Tax Request Act; to change provisions relating to  
5 property tax requests; to harmonize provisions; to provide an  
6 operative date; and to repeal the original sections.

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

1           Section 1. Sections 1 to 4 of this act shall be known and may be  
2 cited as the Property Tax Request Act.

3           Sec. 2. For purposes of the Property Tax Request Act:

4           (1) Approved bonds means bonds that are issued by a political  
5 subdivision after the question of issuing such bonds has been approved by  
6 the voters of such political subdivision;

7           (2) Political subdivision means any county, city, village, school  
8 district, learning community, sanitary and improvement district, natural  
9 resources district, educational service unit, or community college;

10          (3) Property tax request means the total amount of property taxes  
11 requested to be raised for a political subdivision through the levy  
12 imposed pursuant to section 77-1601; and

13          (4) Real growth value means the increase in real property valuation  
14 due to (a) improvements to real property as a result of new construction  
15 and additions to existing buildings, (b) any other improvements to real  
16 property which increase the value of such property, and (c) annexation of  
17 property by the political subdivision.

18          Sec. 3. Section 77-1601.02, Revised Statutes Cumulative Supplement,  
19 2020, is amended to read:

20          ~~77-1601.02~~ (1) If the annual assessment of property would result in  
21 an increase in the total property taxes levied by a political subdivision  
22 ~~county, municipality, school district, learning community, sanitary and~~  
23 ~~improvement district, natural resources district, educational service~~  
24 ~~unit, or community college~~, as determined using the previous year's rate  
25 of levy, such political subdivision's property tax request for the  
26 current year shall be no more than its property tax request in the prior  
27 year, and the political subdivision's rate of levy for the current year  
28 shall be decreased accordingly when such rate is set by the county board  
29 of equalization pursuant to section 77-1601. The governing body of the  
30 political subdivision shall pass a resolution or ordinance to set the  
31 amount of its property tax request after holding the public hearing

1 required in subsection (3) of this section. If the governing body of a  
2 political subdivision seeks to set its property tax request at an amount  
3 that exceeds its property tax request in the prior year, it may do so, to  
4 the extent allowed under section 4 of this act, after holding the public  
5 hearing required in subsection (3) of this section and by passing a  
6 resolution or ordinance that complies with subsection (4) of this  
7 section.

8 (2) If the annual assessment of property would result in no change  
9 or a decrease in the total property taxes levied by a political  
10 subdivision county, ~~municipality, school district, learning community,~~  
11 ~~sanitary and improvement district, natural resources district,~~  
12 ~~educational service unit, or community college,~~ as determined using the  
13 previous year's rate of levy, such political subdivision's property tax  
14 request for the current year shall be no more than its property tax  
15 request in the prior year, and the political subdivision's rate of levy  
16 for the current year shall be adjusted accordingly when such rate is set  
17 by the county board of equalization pursuant to section 77-1601. The  
18 governing body of the political subdivision shall pass a resolution or  
19 ordinance to set the amount of its property tax request after holding the  
20 public hearing required in subsection (3) of this section. If the  
21 governing body of a political subdivision seeks to set its property tax  
22 request at an amount that exceeds its property tax request in the prior  
23 year, it may do so, to the extent allowed under section 4 of this act,  
24 after holding the public hearing required in subsection (3) of this  
25 section and by passing a resolution or ordinance that complies with  
26 subsection (4) of this section.

27 (3) The resolution or ordinance required under this section shall  
28 only be passed after a special public hearing called for such purpose is  
29 held and after notice is published in a newspaper of general circulation  
30 in the area of the political subdivision at least four calendar days  
31 prior to the hearing. For purposes of such notice, the four calendar days

1 shall include the day of publication but not the day of hearing. If the  
2 political subdivision's total operating budget, not including reserves,  
3 does not exceed ten thousand dollars per year or twenty thousand dollars  
4 per biennial period, the notice may be posted at the governing body's  
5 principal headquarters. The hearing notice shall contain the following  
6 information: The certified taxable valuation under section 13-509 for the  
7 prior year, the certified taxable valuation under section 13-509 for the  
8 current year, and the percentage increase or decrease in such valuations  
9 from the prior year to the current year; the dollar amount of the prior  
10 year's tax request and the property tax rate that was necessary to fund  
11 that tax request; the property tax rate that would be necessary to fund  
12 last year's tax request if applied to the current year's valuation; the  
13 proposed dollar amount of the tax request for the current year and the  
14 property tax rate that will be necessary to fund that tax request; the  
15 percentage increase or decrease in the property tax rate from the prior  
16 year to the current year; and the percentage increase or decrease in the  
17 total operating budget from the prior year to the current year.

18 (4) Any resolution or ordinance setting a political subdivision's  
19 property tax request at an amount that exceeds the political  
20 subdivision's property tax request in the prior year shall include, but  
21 not be limited to, the following information:

22 (a) The name of the political subdivision;

23 (b) The amount of the property tax request;

24 (c) The following statements:

25 (i) The total assessed value of property differs from last year's  
26 total assessed value by ..... percent;

27 (ii) The tax rate which would levy the same amount of property taxes  
28 as last year, when multiplied by the new total assessed value of  
29 property, would be \$..... per \$100 of assessed value;

30 (iii) The (name of political subdivision) proposes to adopt a  
31 property tax request that will cause its tax rate to be \$..... per \$100

1 of assessed value; and

2 (iv) Based on the proposed property tax request and changes in other  
3 revenue, the total operating budget of (name of political subdivision)  
4 will exceed last year's by ..... percent; and

5 (d) The record vote of the governing body in passing such resolution  
6 or ordinance.

7 (5) Any resolution or ordinance setting a property tax request under  
8 this section shall be certified and forwarded to the county clerk on or  
9 before October 13 of the year for which the tax request is to apply.

10 (6) Any levy which is not in compliance with the Property Tax  
11 Request Act ~~this section~~ and section 77-1601 shall be construed as an  
12 unauthorized levy under section 77-1606.

13 Sec. 4. (1) A political subdivision's property tax request for any  
14 year shall not exceed its property tax request in the prior year by more  
15 than three percent, except as otherwise provided in this section.

16 (2) A political subdivision may exceed the limit provided in  
17 subsection (1) of this section by an amount approved by a majority of  
18 registered voters voting on the issue in a primary, general, or special  
19 election at which the issue is placed before the registered voters. The  
20 governing body of the political subdivision shall call for the submission  
21 of the issue to the voters by passing a resolution, by majority vote of  
22 the governing body, calling for exceeding the limit and delivering a copy  
23 of the resolution to the county clerk or election commissioner of every  
24 county which contains all or part of the political subdivision. The  
25 resolution shall include the amount which would be requested in excess of  
26 the limit provided in subsection (1) of this section. Any resolution  
27 calling for a special election shall be filed with the county clerk or  
28 election commissioner no later than thirty days prior to the date of the  
29 election, and the time of publication and providing a copy of the notice  
30 of election required in section 32-802 shall be no later than twenty days  
31 prior to the election. The county clerk or election commissioner shall

1 place the issue on the ballot at an election as called for in the  
2 resolution which is at least thirty days after receipt of the resolution.  
3 The election shall be held pursuant to the Election Act. If a majority of  
4 the votes cast upon the ballot question are in favor of allowing the  
5 political subdivision to exceed the limit in subsection (1) of this  
6 section, the political subdivision shall be authorized to do so. If a  
7 majority of those voting on the ballot question do not vote to allow the  
8 political subdivision to exceed such limit, the political subdivision  
9 shall not be authorized to do so.

10 (3) The limit in subsection (1) of this section shall not apply to  
11 that portion of a political subdivision's property tax request that is  
12 needed to pay the principal and interest on approved bonds.

13 (4) The limit in subsection (1) of this section shall not apply to  
14 that portion of a political subdivision's property tax request that will  
15 be derived from the real growth value for the political subdivision.

16 Sec. 5. Section 77-1601, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 77-1601 (1) The county board of equalization shall each year, on or  
19 before October 15, levy the necessary taxes for the current year if  
20 within the limit of the law. The levy shall include an amount for  
21 operation of all functions of county government and shall also include  
22 all levies necessary to fund tax requests certified under the Property  
23 Tax Request Act ~~section 77-1601.02~~ that are authorized as provided in  
24 sections 77-3442 to 77-3444.

25 (2) On or before November 5, the county board of equalization upon  
26 its own motion may act to correct a clerical error which has resulted in  
27 the calculation of an incorrect levy by any political subdivision ~~entity~~  
28 otherwise authorized to certify a tax request under the Property Tax  
29 Request Act ~~section 77-1601.02~~. The county board of equalization shall  
30 hold a public hearing to determine what adjustment to the levy is proper,  
31 legal, or necessary. Notice shall be provided to the governing body of

1 each political subdivision affected by the error. Notice of the hearing  
2 as required by section 84-1411 shall include the following: (a) The time  
3 and place of the hearing, (b) the dollar amount at issue, and (c) a  
4 statement setting forth the nature of the error.

5 (3) Upon the conclusion of the hearing, the county board of  
6 equalization shall issue a corrected levy if it determines that an error  
7 was made in the original levy which warrants correction. The county board  
8 of equalization shall then order (a) the county assessor, county clerk,  
9 and county treasurer to revise assessment books, unit valuation ledgers,  
10 tax statements, and any other tax records to reflect the correction made  
11 and (b) the recertification of the information provided to the Property  
12 Tax Administrator pursuant to section 77-1613.01.

13 Sec. 6. Section 77-1776, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 77-1776 Any political subdivision which has received proceeds from a  
16 levy imposed on all taxable property within an entire county which is in  
17 excess of that requested by the political subdivision under the Property  
18 Tax Request Act ~~section 77-1601.02~~ as a result of a clerical error or  
19 mistake shall, in the fiscal year following receipt, return the excess  
20 tax collections, net of the collection fee, to the county. By July 31 of  
21 the fiscal year following the receipt of any excess tax collections, the  
22 county treasurer shall certify to the political subdivision the amount to  
23 be returned. Such excess tax collections shall be restricted funds in the  
24 budget of the county that receives the funds under section 13-518.

25 Sec. 7. This act becomes operative on January 1, 2022.

26 Sec. 8. Original sections 77-1601 and 77-1776, Reissue Revised  
27 Statutes of Nebraska, and section 77-1601.02, Revised Statutes Cumulative  
28 Supplement, 2020, are repealed.