

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1183

Introduced by Lippincott, 34; Lonowski, 33.

Read first time January 21, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
2 79-1016, Reissue Revised Statutes of Nebraska, and sections 77-201
3 and 77-5023, Revised Statutes Cumulative Supplement, 2024; to change
4 provisions relating to valuation of property; to harmonize
5 provisions; to provide an operative date; and to repeal the original
6 sections.

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

1 **Section 1.** Section 77-201, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

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

7 (2) Agricultural land and horticultural land as defined in section
8 77-1359 shall constitute a separate and distinct class of property for
9 purposes of property taxation, shall be subject to taxation, unless
10 expressly exempt from taxation, and shall be valued at thirty-seven and
11 five-tenths ~~seventy-five~~ percent of its actual value, except that for
12 school district taxes levied to pay the principal and interest on bonds
13 that are approved by a vote of the people on or after January 1, 2027
14 ~~2022~~, such land shall be valued at twenty-five ~~fifty~~ percent of its
15 actual value.

16 (3) Agricultural land and horticultural land actively devoted to
17 agricultural or horticultural purposes which has value for purposes other
18 than agricultural or horticultural uses and which meets the
19 qualifications for special valuation under section 77-1344 shall
20 constitute a separate and distinct class of property for purposes of
21 property taxation, shall be subject to taxation, and shall be valued for
22 taxation at thirty-seven and five-tenths ~~seventy-five~~ percent of its
23 special valuation as defined in section 77-1343, except that for school
24 district taxes levied to pay the principal and interest on bonds that are
25 approved by a vote of the people on or after January 1, 2027 ~~2022~~, such
26 land shall be valued at twenty-five ~~fifty~~ percent of its special
27 valuation as defined in section 77-1343.

28 (4) Historically significant real property which meets the
29 qualifications for historic rehabilitation valuation under sections
30 77-1385 to 77-1394 shall be valued for taxation as provided in such
31 sections.

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

24 **Sec. 2.** Section 77-5023, Revised Statutes Cumulative Supplement,
25 2024, is amended to read:

26 77-5023 (1) Pursuant to section 77-5022, the commission shall have
27 the power to increase or decrease the value of a class or subclass of
28 real property in any county or taxing authority or of real property
29 valued by the state so that all classes or subclasses of real property in
30 all counties fall within an acceptable range.

31 (2) An acceptable range is the percentage of variation from a

1 standard for valuation as measured by an established indicator of central
2 tendency of assessment. Acceptable ranges are: (a) For agricultural land
3 and horticultural land as defined in section 77-1359, thirty-four and
4 five-tenths ~~sixty-nine~~ to thirty-seven and five-tenths ~~seventy-five~~
5 percent of actual value, except that for school district taxes levied to
6 pay the principal and interest on bonds that are approved by a vote of
7 the people on or after January 1, 2027 ~~2022~~, the acceptable range is
8 twenty-two ~~forty-four~~ to twenty-five ~~fifty~~ percent of actual value; (b)
9 for lands receiving special valuation, thirty-four and five-tenths ~~sixty-~~
10 ~~nine~~ to thirty-seven and five-tenths ~~seventy-five~~ percent of special
11 valuation as defined in section 77-1343, except that for school district
12 taxes levied to pay the principal and interest on bonds that are approved
13 by a vote of the people on or after January 1, 2027 ~~2022~~, the acceptable
14 range is twenty-two ~~forty-four~~ to twenty-five ~~fifty~~ percent of special
15 valuation as defined in section 77-1343; and (c) for all other real
16 property, forty-six ~~ninety-two~~ to fifty ~~one-hundred~~ percent of actual
17 value.

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

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

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

28 **Sec. 3.** Section 79-1016, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-1016 (1) On or before August 20, the county assessor shall
31 certify to the Property Tax Administrator the total taxable value by

1 school district in the county for the current assessment year on forms
2 prescribed by the Tax Commissioner. The county assessor may amend the
3 filing for changes made to the taxable valuation of the school district
4 in the county if corrections or errors on the original certification are
5 discovered. Amendments shall be certified to the Property Tax
6 Administrator on or before August 31.

7 (2) On or before October 10, the Property Tax Administrator shall
8 compute and certify to the State Department of Education the adjusted
9 valuation for the current assessment year for each class of property in
10 each school district and each local system. The adjusted valuation of
11 property for each school district and each local system, for purposes of
12 determining state aid pursuant to the Tax Equity and Educational
13 Opportunities Support Act, shall reflect as nearly as possible state aid
14 value as defined in subsection (3) of this section. The Property Tax
15 Administrator shall notify each school district and each local system of
16 its adjusted valuation for the current assessment year by class of
17 property on or before October 10. Establishment of the adjusted valuation
18 shall be based on the taxable value certified by the county assessor for
19 each school district in the county adjusted by the determination of the
20 level of value for each school district from an analysis of the
21 comprehensive assessment ratio study or other studies developed by the
22 Property Tax Administrator, in compliance with professionally accepted
23 mass appraisal techniques, as required by section 77-1327. The Tax
24 Commissioner shall adopt and promulgate rules and regulations setting
25 forth standards for the determination of level of value for state aid
26 purposes.

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

28 (a) For real property other than agricultural and horticultural
29 land, forty-eight ~~ninety-six~~ percent of actual value;

30 (b) For agricultural and horticultural land, thirty-six ~~seventy-two~~
31 percent of actual value as provided in sections 77-1359 to 77-1363. For

1 agricultural and horticultural land that receives special valuation
2 pursuant to section 77-1344, thirty-six ~~seventy-two~~ percent of special
3 valuation as defined in section 77-1343; and

4 (c) For personal property, the net book value as defined in section
5 77-120.

6 (4) On or before November 10, any local system may file with the Tax
7 Commissioner written objections to the adjusted valuations prepared by
8 the Property Tax Administrator, stating the reasons why such adjusted
9 valuations are not the valuations required by subsection (3) of this
10 section. The Tax Commissioner shall fix a time for a hearing. Either
11 party shall be permitted to introduce any evidence in reference thereto.
12 On or before January 1, the Tax Commissioner shall enter a written order
13 modifying or declining to modify, in whole or in part, the adjusted
14 valuations and shall certify the order to the State Department of
15 Education. Modification by the Tax Commissioner shall be based upon the
16 evidence introduced at hearing and shall not be limited to the
17 modification requested in the written objections or at hearing. A copy of
18 the written order shall be mailed to the local system within seven days
19 after the date of the order. The written order of the Tax Commissioner
20 may be appealed within thirty days after the date of the order to the Tax
21 Equalization and Review Commission in accordance with section 77-5013.

22 (5) On or before November 10, any local system or county official
23 may file with the Tax Commissioner a written request for a nonappealable
24 correction of the adjusted valuation due to clerical error as defined in
25 section 77-128 or, for agricultural and horticultural land, assessed
26 value changes by reason of land qualified or disqualified for special use
27 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the
28 following January 1, the Tax Commissioner shall approve or deny the
29 request and, if approved, certify the corrected adjusted valuations
30 resulting from such action to the State Department of Education.

31 (6) On or before May 31 of the year following the certification of

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

16 (7) No injunction shall be granted restraining the distribution of
17 state aid based upon the adjusted valuations pursuant to this section.

18 (8) A school district whose state aid is to be calculated pursuant
19 to subsection (5) of this section and whose state aid payment is
20 postponed as a result of failure to calculate state aid pursuant to such
21 subsection may apply to the state board for lump-sum payment of such
22 postponed state aid. Such application may be for any amount up to one
23 hundred percent of the postponed state aid. The state board may grant the
24 entire amount applied for or any portion of such amount. The state board
25 shall notify the Director of Administrative Services of the amount of
26 funds to be paid in a lump sum and the reduced amount of the monthly
27 payments. The Director of Administrative Services shall, at the time of
28 the next state aid payment made pursuant to section 79-1022, draw a
29 warrant for the lump-sum amount from appropriated funds and forward such
30 warrant to the district.

31 **Sec. 4.** This act becomes operative on January 1, 2027.

1 **Sec. 5.** Original section 79-1016, Reissue Revised Statutes of
2 Nebraska, and sections 77-201 and 77-5023, Revised Statutes Cumulative
3 Supplement, 2024, are repealed.