

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1193**

Introduced by Prokop, 27; Bostar, 29.

Read first time January 21, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to electricity; to amend sections 77-105 and  
2 77-6201, Reissue Revised Statutes of Nebraska, sections 77-6202 and  
3 77-6203, Revised Statutes Cumulative Supplement, 2024, and sections  
4 13-518, 70-1001.01, 77-202, and 77-6204, Revised Statutes  
5 Supplement, 2025; to state legislative findings and declarations; to  
6 define and redefine terms; to provide regulation of and requirements  
7 for energy storage resources; to change provisions relating to  
8 property tax exemptions and the nameplate capacity tax; to harmonize  
9 provisions; to provide an operative date; and to repeal the original  
10 sections.  
11 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 13-518, Revised Statutes Supplement, 2025, is  
2 amended to read:

3           13-518 For purposes of sections 13-518 to 13-522:

4           (1) Allowable growth means (a) for governmental units other than  
5 community colleges, the percentage increase in taxable valuation in  
6 excess of the base limitation established under section 77-3446, if any,  
7 due to (i) improvements to real property as a result of new construction  
8 and additions to existing buildings, (ii) any other improvements to real  
9 property which increase the value of such property, (iii) any increase in  
10 valuation due to annexation of real property by the governmental unit,  
11 (iv) a change in the use of real property, (v) any increase in personal  
12 property valuation over the prior year, and (vi) the accumulated excess  
13 valuation over the redevelopment project valuation described in section  
14 18-2147 of the Community Development Law for redevelopment projects  
15 within the governmental unit in the year immediately after the division  
16 of taxes for such redevelopment project has ended and (b) for community  
17 colleges, the percentage increase in excess of the base limitation, if  
18 any, in full-time equivalent students from the second year to the first  
19 year preceding the year for which the budget is being determined;

20           (2) Capital improvements means (a) acquisition of real property or  
21 (b) acquisition, construction, or extension of any improvements on real  
22 property;

23           (3) Governing body has the same meaning as in section 13-503, except  
24 that for fiscal years beginning on or after July 1, 2025, such term shall  
25 not include the governing body of any county, city, or village;

26           (4) Governmental unit means every political subdivision which has  
27 authority to levy a property tax or authority to request levy authority  
28 under section 77-3443, except that such term shall not include (a)  
29 sanitary and improvement districts which have been in existence for five  
30 years or less, (b) school districts, or (c) for fiscal years beginning on  
31 or after July 1, 2025, counties, cities, or villages;

1           (5) Qualified sinking fund means a fund or funds maintained  
2 separately from the general fund to pay for acquisition or replacement of  
3 tangible personal property with a useful life of five years or more which  
4 is to be undertaken in the future but is to be paid for in part or in  
5 total in advance using periodic payments into the fund. The term includes  
6 sinking funds under subdivision (13) of section 35-508 for firefighting  
7 and rescue equipment or apparatus;

8           (6) Restricted funds means (a) property tax, excluding any amounts  
9 refunded to taxpayers, (b) payments in lieu of property taxes, (c) local  
10 option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers  
11 of surpluses from any user fee, permit fee, or regulatory fee if the fee  
12 surplus is transferred to fund a service or function not directly related  
13 to the fee and the costs of the activity funded from the fee, (g) any  
14 funds excluded from restricted funds for the prior year because they were  
15 budgeted for capital improvements but which were not spent and are not  
16 expected to be spent for capital improvements, (h) the tax provided in  
17 sections 77-27,223 to 77-27,227 beginning in the second fiscal year in  
18 which the county will receive a full year of receipts, and (i) any excess  
19 tax collections returned to the county under section 77-1776. Funds  
20 received pursuant to the nameplate capacity tax levied under section  
21 77-6203 for the first five years after a renewable energy generation  
22 facility or energy storage resource has been commissioned are  
23 nonrestricted funds; and

24           (7) State aid means:

25           (a) For all governmental units, state aid paid pursuant to sections  
26 60-3,202 and 77-3523 and reimbursement provided pursuant to section  
27 77-1239;

28           (b) For municipalities, state aid to municipalities paid pursuant to  
29 sections 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and insurance  
30 premium tax paid to municipalities;

31           (c) For counties, state aid to counties paid pursuant to sections

1 60-3,184 to 60-3,190, insurance premium tax paid to counties, and  
2 reimbursements to counties from funds appropriated pursuant to section  
3 29-3933;

4 (d) For community colleges, state aid to community colleges paid  
5 pursuant to the Community College Aid Act;

6 (e) For educational service units, state aid appropriated under  
7 sections 79-1241.01 and 79-1241.03; and

8 (f) For local public health departments as defined in section  
9 71-1626, state aid as distributed under section 71-1628.08.

10 **Sec. 2.** Section 70-1001.01, Revised Statutes Supplement, 2025, is  
11 amended to read:

12 70-1001.01 For purposes of sections 70-1001 to 70-1028.02 and  
13 section 3 of this act, unless the context otherwise requires:

14 (1) Board means the Nebraska Power Review Board;

15 (2) Commercial electric vehicle charging station means equipment  
16 designed to provide electricity for a fee for the charging of an electric  
17 vehicle or a plug-in hybrid electric vehicle, including an electric  
18 vehicle direct-current charger or a super-fast charger, any successor  
19 technology, and all components thereof. Commercial electric vehicle  
20 charging station does not include the residence of a person where an  
21 electric vehicle or a plug-in hybrid electric vehicle is charged if no  
22 customer usage fee is charged;

23 (3) Commercial electric vehicle charging station operator means a  
24 person, partnership, corporation, or other business entity or political  
25 subdivision that operates a commercial electric vehicle charging station;

26 (4) Direct-current, fast-charging station means a publicly available  
27 charging system capable of delivering at least fifty kilowatts of direct-  
28 current electrical power to an electric vehicle's rechargeable battery at  
29 a voltage of two hundred volts or greater;

30 (5) Direct-current, fast-charging station operator means a person,  
31 partnership, corporation, or other business entity that operates a

1 direct-current, fast-charging station open to the public. The term does  
2 not include an electric supplier or a political subdivision;

3 (6) Electric supplier or supplier of electricity means any legal  
4 entity supplying, producing, or distributing electricity within the state  
5 for sale at wholesale or retail. Electric supplier does not include a  
6 commercial electric vehicle charging station operator that is a private  
7 person or privately owned partnership, privately owned corporation, or  
8 other privately owned business;

9 (7) Electronic-related means relating to electronic devices,  
10 circuits, or similar systems, or the components of such electronic  
11 devices, circuits, or similar systems, that require electrical currents  
12 or electromagnetism to operate;

13 (8) Foreign adversary means a foreign government or foreign  
14 nongovernment person determined to be a foreign adversary pursuant to  
15 C.F.R. 791.4, as such regulation existed on February 7, 2025;

16 (9) Military installation means:

17 (a) A United States Air Force ballistic missile silo located within  
18 the geographic area described in 31 C.F.R. 802.211(b)(3), as such  
19 regulation existed on January 1, 2025; or

20 (b) A United States Air Force base described in 31 C.F.R.  
21 802.227(c), as such regulation existed on January 1, 2025;

22 (10) Plug-in hybrid electric vehicle has the same meaning as in  
23 section 60-345.01;

24 (11) Private electric supplier means an electric supplier producing  
25 electricity from a privately developed renewable energy generation  
26 facility that is not a public power district, a public power and  
27 irrigation district, a municipality, a registered group of  
28 municipalities, an electric cooperative, an electric membership  
29 association, any other governmental entity, or any combination thereof. A  
30 private electric supplier is limited to the development of those  
31 facilities as provided in subdivision (12) of this section;

1           (12) Privately developed renewable energy generation facility means  
2   and is limited to a facility that (a) generates electricity using solar,  
3   wind, geothermal, biomass, landfill gas, or biogas, including all  
4   electrically connected equipment used to produce, collect, and store the  
5   facility output up to and including the transformer that steps up the  
6   voltage to sixty thousand volts or greater, and including supporting  
7   structures, buildings, and roads, unless otherwise agreed to in a joint  
8   transmission development agreement, (b) is developed, constructed, and  
9   owned, in whole or in part, by one or more private electric suppliers,  
10   and (c) is not wholly owned by a public power district, a public power  
11   and irrigation district, a municipality, a registered group of  
12   municipalities, an electric cooperative, an electric membership  
13   association, any other governmental entity, or any combination thereof;

14           (13) Regional transmission organization means an entity independent  
15   from those entities generating or marketing electricity at wholesale or  
16   retail, which has operational control over the electric transmission  
17   lines in a designated geographic area in order to reduce constraints in  
18   the flow of electricity and ensure that all power suppliers have open  
19   access to transmission lines for the transmission of electricity;

20           (14) Reliable or reliability means the ability of an electric  
21   supplier to supply the aggregate electric power and energy requirements  
22   of its electricity consumers in Nebraska at all times under normal  
23   operating conditions, taking into account scheduled and unscheduled  
24   outages, including sudden disturbances or unanticipated loss of system  
25   components that are to be reasonably expected for any electric utility  
26   following prudent utility practices, recognizing certain weather  
27   conditions and other contingencies may cause outages at the distribution,  
28   transmission, and generation level;

29           (15) Representative organization means an organization designated by  
30   the board and organized for the purpose of providing joint planning and  
31   encouraging maximum cooperation and coordination among electric

1 suppliers. Such organization shall represent electric suppliers owning a  
2 combined electric generation plant accredited capacity of at least ninety  
3 percent of the total electric generation plant accredited capacity  
4 constructed and in operation within the state;

5 (16) State means the State of Nebraska; and

6 (17) Unbundled retail rates means the separation of utility bills  
7 into the individual price components for which an electric supplier  
8 charges its retail customers, including, but not limited to, the separate  
9 charges for the generation, transmission, and distribution of  
10 electricity.

11 **Sec. 3. (1) The Legislature finds and declares that:**

12 (a) The nameplate capacity tax established in 2010 has succeeded at  
13 generating revenue for Nebraska residents based on the nameplate capacity  
14 of privately developed renewable energy generation facilities;

15 (b) Privately developed energy storage resources can generate  
16 similar tax revenue, support economic development in the state, and  
17 strengthen the electric grid by improving capacity and reliability. These  
18 benefits help all Nebraskans. It is the policy of the state to encourage  
19 investment in the state and economic development; and

20 (c) To benefit the citizens of Nebraska, energy storage resources  
21 should be subject to the nameplate capacity tax and protected from any  
22 foreign adversary's control.

23 (2) For purposes of this section:

24 (a) Associated energy storage resource means any energy storage  
25 resource that is:

26 (i) Electrically connected to a privately developed renewable energy  
27 generation facility;

28 (ii) Located on the same premises or in the immediate vicinity of  
29 such facility;

30 (iii) Jointly owned or contractually affiliated with the facility;

31 (iv) Primarily intended to store the electric energy produced at the

1 facility; and

2 (v) Rated in combination with all associated energy storage  
3 resources of the facility and the facility itself at an aggregate  
4 capacity no greater than the rated capacity of the facility;

5 (b)(i) Energy storage resource means a resource capable of:

6 (A) Receiving and transmitting electric energy to and from the  
7 electrical grid or receiving electric energy from a generation resource  
8 with which the energy storage resource is associated; and

9 (B) Storing electric energy for later injection of electric energy  
10 into the electrical grid.

11 (ii) Energy storage resource does not include any device or  
12 equipment intended solely to:

13 (A) Inject or absorb reactive power, including any capacitor and  
14 synchronous condenser; or

15 (B) Provide power for electric vehicles;

16 (c) Scrutinized company has the same meaning as in section 73-903;  
17 and

18 (d) Standalone energy storage resource means a publicly or privately  
19 owned energy storage resource that is not an associated energy storage  
20 resource.

21 (3)(a) A standalone energy storage resource shall be treated as an  
22 electric generation facility that requires an application filed with and  
23 is eligible for approval by the board pursuant to sections 70-1012 to  
24 70-1016.

25 (b) The owner of a standalone energy storage resource, whether  
26 publicly or privately owned, shall be treated as an electric supplier for  
27 purposes of sections 70-1012 to 70-1016.

28 (c)(i) An associated energy storage resource shall be treated as  
29 part of the privately developed renewable energy generation facility with  
30 which the energy storage resource is associated for purposes of sections  
31 70-1012 to 70-1016.



1       (ii) If an associated energy storage resource is constructed or  
2 installed after the construction of the privately developed renewable  
3 energy generation facility with which the energy storage resource is  
4 associated, then no less than thirty days prior to the commencement of  
5 construction of the associated energy storage resource, the owner of the  
6 associated energy storage resource shall provide notification and  
7 certification to the board that satisfies the notification and  
8 certification requirements of subdivision (2)(a) of section 70-1014.02  
9 with respect to such resource.

10       (iii) Within ten days after receipt of such notification, the  
11 executive director of the board shall issue a written acknowledgment that  
12 the associated energy storage resource is part of the privately developed  
13 renewable energy generation facility and is exempt from sections 70-1012  
14 to 70-1014.01 if such facility remains in compliance with the  
15 requirements of this section.

16       (iv) When a privately developed renewable energy generation facility  
17 is decommissioned, the exemption from sections 70-1012 to 70-1014.01 for  
18 all associated energy storage resources of the facility shall end.

19       (4) Property owned, used, or operated as part of an energy storage  
20 resource shall not be subject to eminent domain by any consumer-owned  
21 electric supplier operating in the State of Nebraska.

22       (5)(a) Any energy storage resource in the state shall comply with  
23 the minimum codes and standards for energy storage resource equipment or  
24 facilities in effect at the time of construction of the resource  
25 established by the International Fire Code, as adopted and amended by the  
26 State Fire Marshal, and National Fire Protection Association 855,  
27 Standard for the Installation of Stationary Energy Storage Systems.

28       (b) Where a conflict exists between the International Fire Code and  
29 National Fire Protection Association 855, Standard for the Installation  
30 of Stationary Energy Storage Systems, National Fire Protection  
31 Association 855, Standard for the Installation of Stationary Energy

1 Storage Systems, shall control.

2 (6) Any energy storage resources in this state, other than energy  
3 storage resources installed in single-family or two-family dwellings as  
4 defined in National Fire Protection Association 855, Standard for the  
5 Installation of Stationary Energy Storage Systems, shall have and  
6 maintain, at an onsite location accessible to local first responders, a  
7 site-specific emergency operations plan. The site-specific emergency  
8 operations plan shall include:

9 (a) Identification of potential risks and hazards specific to the  
10 site;

11 (b) Hazard mitigation measures;

12 (c) Procedures for the safe shutdown, deenergizing, or isolation of  
13 equipment and systems under emergency conditions, including emergency  
14 procedures to be followed in case of fire;

15 (d) Procedures for handling equipment damaged in a fire or other  
16 emergency event;

17 (e) Procedures and schedules for conducting drills using the  
18 procedures described in this subsection and documentation related to the  
19 performance of the drills;

20 (f) Procedures for communication between the operator of the energy  
21 storage resource and first responders, including procedures that  
22 facilitate communication between first responders and emergency contacts  
23 for the operator; and

24 (g) Emergency operations protocols to ensure safety during critical  
25 events, including protocols that provide for the safety of nearby  
26 residents, neighboring properties, first responders, and the environment,  
27 and measures to mitigate or prevent pollution of air, soil, groundwater,  
28 and surface water.

29 (7) Before an energy storage resource commences operation, its owner  
30 shall provide the site-specific emergency operations plan of the resource  
31 to the local agency that is responsible for providing fire protection

1 services in the area.

2 (8) Every energy storage resource owner in the state shall offer to  
3 local first responders, at no cost to the responders, education and  
4 annual training regarding responding to an equipment failure incident at  
5 the energy storage resource. The training shall include:

6 (a) Information on specific characteristics of energy storage  
7 resource technology;

8 (b) Information on protecting first responders during an equipment  
9 failure incident;

10 (c) Information on hazards commonly associated with an equipment  
11 failure incident;

12 (d) Information on equipment failure incident response protocols,  
13 including an overview of the site-specific emergency operations plan  
14 developed under subsection (6) of this section; and

15 (e) An onsite review of the perimeter, major equipment, ingress, and  
16 egress of the energy storage resource.

17 (9) Unless expressly authorized by state law, no entity with  
18 authority to regulate an energy storage resource, including a  
19 municipality, shall adopt, enforce, or maintain any safety standard or  
20 testing requirement for energy storage resources that is different from  
21 those set forth in sections 70-1001 to 70-1028.02.

22 (10) A scrutinized company shall not own or operate an energy  
23 storage resource in the state.

24 **Sec. 4.** Section 77-105, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 77-105 The term tangible personal property includes all personal  
27 property possessing a physical existence, excluding money. The term  
28 tangible personal property also includes trade fixtures, which means  
29 machinery and equipment, regardless of the degree of attachment to real  
30 property, used directly in commercial, manufacturing, or processing  
31 activities conducted on real property, regardless of whether the real

1 property is owned or leased, and all depreciable tangible personal  
2 property described in subsection (9) of section 77-202 used in the  
3 generation of electricity using wind, solar, biomass, or landfill gas as  
4 the fuel source or in the storage of such electricity in an energy  
5 storage resource as defined in section 3 of this act or as an energy  
6 storage resource as defined in section 3 of this act. The term intangible  
7 personal property includes all other personal property, including money.

8 **Sec. 5.** Section 77-202, Revised Statutes Supplement, 2025, is  
9 amended to read:

10 77-202 (1) The following property shall be exempt from property  
11 taxes:

12 (a) Property of the state and its governmental subdivisions to the  
13 extent used or being developed for use by the state or governmental  
14 subdivision for a public purpose. For purposes of this subdivision:

15 (i) Property of the state and its governmental subdivisions means  
16 (A) property held in fee title by the state or a governmental subdivision  
17 or (B) property beneficially owned by the state or a governmental  
18 subdivision in that it is used for a public purpose and is being acquired  
19 under a lease-purchase agreement, financing lease, or other instrument  
20 which provides for transfer of legal title to the property to the state  
21 or a governmental subdivision upon payment of all amounts due thereunder.  
22 If the property to be beneficially owned by a governmental subdivision  
23 has a total acquisition cost that exceeds the threshold amount or will be  
24 used as the site of a public building with a total estimated construction  
25 cost that exceeds the threshold amount, then such property shall qualify  
26 for an exemption under this section only if the question of acquiring  
27 such property or constructing such public building has been submitted at  
28 a primary, general, or special election held within the governmental  
29 subdivision and has been approved by the voters of the governmental  
30 subdivision. For purposes of this subdivision, threshold amount means the  
31 greater of fifty thousand dollars or six-tenths of one percent of the

1 total actual value of real and personal property of the governmental  
2 subdivision that will beneficially own the property as of the end of the  
3 governmental subdivision's prior fiscal year; and

4 (ii) Public purpose means use of the property (A) to provide public  
5 services with or without cost to the recipient, including the general  
6 operation of government, public education, public safety, transportation,  
7 public works, civil and criminal justice, public health and welfare,  
8 developments by a public housing authority, parks, culture, recreation,  
9 community development, and cemetery purposes, or (B) to carry out the  
10 duties and responsibilities conferred by law with or without  
11 consideration. Public purpose does not include leasing of property to a  
12 private party unless the lease of the property is at fair market value  
13 for a public purpose. Leases of property by a public housing authority to  
14 low-income individuals as a place of residence are for the authority's  
15 public purpose;

16 (b) Unleased property of the state or its governmental subdivisions  
17 which is not being used or developed for use for a public purpose but  
18 upon which a payment in lieu of taxes is paid for public safety, rescue,  
19 and emergency services and road or street construction or maintenance  
20 services to all governmental units providing such services to the  
21 property. Except as provided in Article VIII, section 11, of the  
22 Constitution of Nebraska, the payment in lieu of taxes shall be based on  
23 the proportionate share of the cost of providing public safety, rescue,  
24 or emergency services and road or street construction or maintenance  
25 services unless a general policy is adopted by the governing body of the  
26 governmental subdivision providing such services which provides for a  
27 different method of determining the amount of the payment in lieu of  
28 taxes. The governing body may adopt a general policy by ordinance or  
29 resolution for determining the amount of payment in lieu of taxes by  
30 majority vote after a hearing on the ordinance or resolution. Such  
31 ordinance or resolution shall nevertheless result in an equitable

1 contribution for the cost of providing such services to the exempt  
2 property;

3 (c) Property owned by and used exclusively for agricultural and  
4 horticultural societies;

5 (d)(i) Property owned by educational, religious, charitable, or  
6 cemetery organizations, or any organization for the exclusive benefit of  
7 any such educational, religious, charitable, or cemetery organization,  
8 and used exclusively for educational, religious, charitable, or cemetery  
9 purposes, when such property is not (A) owned or used for financial gain  
10 or profit to either the owner or user, (B) used for the sale of alcoholic  
11 liquors for more than twenty hours per week, or (C) owned or used by an  
12 organization which discriminates in membership or employment based on  
13 race, color, or national origin.

14 (ii) For purposes of subdivision (1)(d) of this section:

15 (A) Educational organization means (I) an institution operated  
16 exclusively for the purpose of offering regular courses with systematic  
17 instruction in academic, vocational, or technical subjects or assisting  
18 students through services relating to the origination, processing, or  
19 guarantying of federally reinsured student loans for higher education,  
20 (II) a museum or historical society operated exclusively for the benefit  
21 and education of the public, or (III) a nonprofit organization that owns  
22 or operates a child care facility; and

23 (B) Charitable organization includes (I) an organization operated  
24 exclusively for the purpose of the mental, social, or physical benefit of  
25 the public or an indefinite number of persons and (II) a fraternal  
26 benefit society organized and licensed under sections 44-1072 to  
27 44-10,109.

28 (iii) The property tax exemption authorized in subdivision (1)(d)(i)  
29 of this section shall apply to any for-profit skilled nursing facility,  
30 for-profit nursing facility, or for-profit assisted-living facility that  
31 provides housing for medicaid beneficiaries, except that the exemption

1 amount for such property shall be a percentage of the property taxes that  
2 would otherwise be due. Such percentage shall be equal to the average  
3 percentage of occupied beds in the facility provided to medicaid  
4 beneficiaries over the most recent three-year period. This subdivision  
5 shall not be construed to modify, limit, or reduce any property tax  
6 exemption provided to a nonprofit skilled nursing facility, nonprofit  
7 nursing facility, or nonprofit assisted-living facility pursuant to  
8 subdivision (1)(d)(i) of this section. For purposes of this subdivision,  
9 skilled nursing facility has the same meaning as in section 71-429,  
10 nursing facility has the same meaning as in section 71-424, and assisted-  
11 living facility has the same meaning as in section 71-5903.

12 (iv) The property tax exemption authorized in subdivision (1)(d)(i)  
13 of this section shall apply to a building that (A) is owned by a  
14 charitable organization, (B) is made available to students in attendance  
15 at an educational institution, and (C) is recognized by such educational  
16 institution as approved student housing, except that the exemption shall  
17 only apply to the commons area of such building, including any common  
18 rooms and cooking and eating facilities;

19 (e) Household goods and personal effects not owned or used for  
20 financial gain or profit to either the owner or user; and

21 (f) A portion of the property owned by a taxpayer as provided in the  
22 Recreational Trail Easement Property Tax Exemption Act.

23 (2) The increased value of land by reason of shade and ornamental  
24 trees planted along the highway shall not be taken into account in the  
25 valuation of land.

26 (3) Tangible personal property which is not depreciable tangible  
27 personal property as defined in section 77-119 shall be exempt from  
28 property tax.

29 (4) Motor vehicles, trailers, and semitrailers required to be  
30 registered for operation on the highways of this state shall be exempt  
31 from payment of property taxes.

1           (5) Business and agricultural inventory shall be exempt from the  
2 personal property tax. For purposes of this subsection, business  
3 inventory includes personal property owned for purposes of leasing or  
4 renting such property to others for financial gain only if the personal  
5 property is of a type which in the ordinary course of business is leased  
6 or rented thirty days or less and may be returned at the option of the  
7 lessee or renter at any time and the personal property is of a type which  
8 would be considered household goods or personal effects if owned by an  
9 individual. All other personal property owned for purposes of leasing or  
10 renting such property to others for financial gain shall not be  
11 considered business inventory.

12           (6) Any personal property exempt pursuant to subsection (2) of  
13 section 77-4105 or section 77-5209.02 shall be exempt from the personal  
14 property tax.

15           (7) Livestock shall be exempt from the personal property tax.

16           (8) Any personal property exempt pursuant to the Nebraska Advantage  
17 Act or the Imagine Nebraska Act shall be exempt from the personal  
18 property tax.

19           (9) Any depreciable tangible personal property used ~~directly~~ in the  
20 generation of electricity using wind as the fuel source or in the storage  
21 of such electricity in an energy storage resource as defined in section 3  
22 of this act shall be exempt from the property tax levied on depreciable  
23 tangible personal property. Any depreciable tangible personal property  
24 used ~~directly~~ in the generation of electricity using solar, biomass, or  
25 landfill gas as the fuel source or in the storage of such electricity in  
26 an energy storage resource as defined in section 3 of this act shall be  
27 exempt from the property tax levied on depreciable tangible personal  
28 property if such depreciable tangible personal property was installed on  
29 or after January 1, 2016, and has a nameplate capacity of one hundred  
30 kilowatts or more. For tax years beginning on or after January 1, 2027,  
31 any depreciable tangible personal property used as an energy storage



1 resource as defined in section 3 of this act shall be exempt from the  
2 property tax levied on depreciable tangible personal property if such  
3 depreciable tangible personal property has a nameplate capacity of one  
4 hundred kilowatts or more. Depreciable tangible personal property used  
5 ~~directly~~ in the generation or storage of electricity using wind, solar,  
6 biomass, or landfill gas as the fuel source includes, but is not limited  
7 to, wind turbines, rotors and blades, towers, solar panels, trackers,  
8 generating equipment, transmission components, substations, supporting  
9 structures or racks, inverters, and other system components such as  
10 wiring, control systems, switchgears, ~~and~~ generator step-up transformers,  
11 battery modules, battery racks, power conversion systems, battery  
12 enclosures, battery cells, and battery management systems.

13 (10) Any tangible personal property that is acquired by a person  
14 operating a data center located in this state, that is assembled,  
15 engineered, processed, fabricated, manufactured into, attached to, or  
16 incorporated into other tangible personal property, both in component  
17 form or that of an assembled product, for the purpose of subsequent use  
18 at a physical location outside this state by the person operating a data  
19 center shall be exempt from the personal property tax. Such exemption  
20 extends to keeping, retaining, or exercising any right or power over  
21 tangible personal property in this state for the purpose of subsequently  
22 transporting it outside this state for use thereafter outside this state.  
23 For purposes of this subsection, data center means computers, supporting  
24 equipment, and other organized assembly of hardware or software that are  
25 designed to centralize the storage, management, or dissemination of data  
26 and information, environmentally controlled structures or facilities or  
27 interrelated structures or facilities that provide the infrastructure for  
28 housing the equipment, such as raised flooring, electricity supply,  
29 communication and data lines, Internet access, cooling, security, and  
30 fire suppression, and any building housing the foregoing.

31 (11) For tax years prior to tax year 2020, each person who owns

1 property required to be reported to the county assessor under section  
2 77-1201 shall be allowed an exemption amount as provided in the Personal  
3 Property Tax Relief Act. For tax years prior to tax year 2020, each  
4 person who owns property required to be valued by the state as provided  
5 in section 77-601, 77-682, 77-801, or 77-1248 shall be allowed a  
6 compensating exemption factor as provided in the Personal Property Tax  
7 Relief Act.

8 (12)(a) Broadband equipment shall be exempt from the personal  
9 property tax if such broadband equipment is:

10 (i) Deployed in an area funded in whole or in part by funds from the  
11 Broadband Equity, Access, and Deployment Program, authorized by the  
12 federal Infrastructure Investment and Jobs Act, Public Law 117-58; or

13 (ii) Deployed in a qualified census tract located within the  
14 corporate limits of a city of the metropolitan class and being utilized  
15 to provide end-users with access to the Internet at speeds of at least  
16 one hundred megabits per second for downloading and at least one hundred  
17 megabits per second for uploading.

18 (b) An owner of broadband equipment seeking an exemption under this  
19 section shall apply for an exemption to the county assessor on or before  
20 December 31 of the year preceding the year for which the exemption is to  
21 begin. If the broadband equipment meets the criteria described in this  
22 subsection, the county assessor shall approve the application within  
23 thirty calendar days after receiving the application. The application  
24 shall be on forms prescribed by the Tax Commissioner.

25 (c) For purposes of this subsection:

26 (i) Broadband communications service means telecommunications  
27 service as defined in section 86-121, video programming as defined in 47  
28 U.S.C. 522, as such section existed on January 1, 2024, or Internet  
29 access as defined in section 1104 of the federal Internet Tax Freedom  
30 Act, Public Law 105-277;

31 (ii) Broadband equipment means machinery or equipment used to

1 provide broadband communications service and includes, but is not limited  
2 to, wires, cables, fiber, conduits, antennas, poles, switches, routers,  
3 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
4 transmitters, circuit cards, insulating and protective materials and  
5 cases, power equipment, backup power equipment, diagnostic equipment,  
6 storage devices, modems, and other general central office or headend  
7 equipment, such as channel cards, frames, and cabinets, or equipment used  
8 in successor technologies, including items used to monitor, test,  
9 maintain, enable, or facilitate qualifying equipment, machinery,  
10 software, ancillary components, appurtenances, accessories, or other  
11 infrastructure that is used in whole or in part to provide broadband  
12 communications service. Machinery or equipment used to produce broadband  
13 communications service does not include personal consumer electronics,  
14 including, but not limited to, smartphones, computers, and tablets; and

15 (iii) Qualified census tract means a qualified census tract as  
16 defined in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on  
17 January 1, 2024.

18 **Sec. 6.** Section 77-6201, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 77-6201 The Legislature finds and declares:

21 (1) The purpose of the nameplate capacity tax levied under section  
22 77-6203 is to replace property taxes currently imposed on renewable  
23 energy and energy storage infrastructure and depreciated over a short  
24 period of time in a way that causes local budgeting challenges and  
25 increases upfront costs for renewable energy developers;

26 (2) The nameplate capacity tax should be competitive with taxes  
27 imposed directly and indirectly on renewable energy generation, storage,  
28 and development in other states;

29 (3) The nameplate capacity tax should be fair and nondiscriminatory  
30 when compared with other taxes imposed on other industries in the state;  
31 and

1           (4) The nameplate capacity tax should not be singled out as a source  
2 of General Fund revenue during times of economic hardship.

3           **Sec. 7.** Section 77-6202, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5           77-6202 For purposes of sections 77-6201 to 77-6204:

6           (1) Commissioned means the renewable energy generation facility or  
7 energy storage resource has been in commercial operation for at least  
8 twenty-four hours. A renewable energy generation facility or energy  
9 storage resource is not in commercial operation unless the renewable  
10 energy generation facility or energy storage resource is connected and  
11 transmitting energy to the electrical grid, to an associated renewable  
12 energy generation facility, or to the end user if the renewable energy  
13 generation facility is a customer-generator as defined in section  
14 70-2002;

15           (2) Energy storage resource has the same meaning as in section 3 of  
16 this act;

17           (3) (2) Nameplate capacity means the capacity of (a) a renewable  
18 energy generation facility to generate electricity as measured in  
19 megawatts, including fractions of a megawatt, or (b) an energy storage  
20 resource to store electricity as measured in megawatts, including  
21 fractions of a megawatt. Nameplate capacity shall be determined based on  
22 the ~~facility's~~ alternating current capacity of the facility or resource;  
23 and

24           (4) (3) Renewable energy generation facility means (a) a facility  
25 that generates electricity using wind as the fuel source or (b) a  
26 facility that generates electricity using solar, biomass, or landfill gas  
27 as the fuel source if such facility was installed on or after January 1,  
28 2016, and has a nameplate capacity of one hundred kilowatts or more.

29           **Sec. 8.** Section 77-6203, Revised Statutes Cumulative Supplement,  
30 2024, is amended to read:

31           77-6203 (1)(a) (1) The owner of a renewable energy generation

1 facility annually shall pay a nameplate capacity tax equal to the total  
2 nameplate capacity of the commissioned renewable energy generation  
3 facility multiplied by a tax rate of three thousand five hundred eighteen  
4 dollars per megawatt.

5 (b) The owner of an energy storage resource annually shall pay a  
6 nameplate capacity tax equal to the total nameplate capacity of the  
7 commissioned energy storage resource multiplied by a tax rate of two  
8 thousand nine hundred fifty-two dollars per megawatt.

9 (2) No tax shall be imposed on a renewable energy generation  
10 facility or energy storage resource:

11 (a) Owned or operated by the federal government, the State of  
12 Nebraska, a public power district, a public power and irrigation  
13 district, an individual municipality, a registered group of  
14 municipalities, an electric membership association, or a cooperative; or

15 (b) That is a customer-generator as defined in section 70-2002.

16 (3) No tax levied pursuant to this section shall be construed to  
17 constitute restricted funds as defined in section 13-518 for the first  
18 five years after the renewable energy generation facility or energy  
19 storage resource is commissioned.

20 (4) Notwithstanding any other law to the contrary, the The presence  
21 of one or more renewable energy generation facilities, energy storage  
22 resources, or supporting infrastructure shall not be a factor in the  
23 assessment, determination of actual value, or classification under  
24 section 77-201 of the real property underlying or adjacent to such  
25 facilities, resources, or infrastructure.

26 (5)(a)(i) On or before March 1 of each year, the owner of a  
27 renewable energy generation facility or energy storage resource subject  
28 to the nameplate capacity tax shall file a report with the county  
29 treasurer of each county in which the facility or resource is located and  
30 provide a copy of such report to the Department of Revenue.

31 (ii) The report shall state the nameplate capacity of the facility

1 or resource for the prior calendar year from January 1 through December  
2 31 and shall be on a form prescribed by the Department of Revenue.

3 (b) Upon receipt of the report filed pursuant to subdivision (5)(a)  
4 of this section, the county treasurer shall calculate the amount of the  
5 nameplate capacity tax based on the reported nameplate capacity and the  
6 tax rate provided in subsection (1) of this section. The county treasurer  
7 shall, prior to April 1 of each year, notify the owner of the amount of  
8 tax due and the date such tax is due.

9 (c) The Department of Revenue shall review all reports filed  
10 pursuant to subdivision (5)(a) of this section for accuracy, consistency,  
11 and compliance with this section. The Department of Revenue may audit  
12 facilities as necessary to verify reported nameplate capacity. (5)(a) The  
13 Department of Revenue shall collect the tax due under this section.

14 (d) (b) The tax shall be imposed beginning the first calendar year  
15 the renewable energy generation facility or energy storage resource is  
16 commissioned. A renewable energy generation facility that uses wind as  
17 the fuel source which was commissioned prior to July 15, 2010, shall be  
18 subject to the tax levied pursuant to sections 77-6201 to 77-6204 on and  
19 after January 1, 2010. The amount of property tax on depreciable tangible  
20 personal property previously paid on a renewable energy generation  
21 facility that uses wind as the fuel source which was commissioned prior  
22 to July 15, 2010, which is greater than the amount that would have been  
23 paid pursuant to sections 77-6201 to 77-6204 from the date of  
24 commissioning until January 1, 2010, shall be credited against any tax  
25 due under Chapter 77, and any amount so credited that is unused in any  
26 tax year shall be carried over to subsequent tax years until fully  
27 utilized. Beginning January 1, 2027, energy storage resources shall be  
28 subject to the tax levied pursuant to sections 77-6201 to 77-6204. The  
29 amount of property tax on depreciable tangible personal property that an  
30 energy storage resource incurred before January 1, 2027, shall be  
31 credited against any tax the resource incurs under Chapter 77 on or after

1 January 1, 2027, and any amount so credited that is unused in any tax  
2 year shall be carried over to subsequent tax years until fully utilized.

3 (e)(i) (e)(i) The tax for the first calendar year shall be prorated  
4 based upon the number of days remaining in the calendar year after the  
5 renewable energy generation facility or energy storage resource is  
6 commissioned.

7 (ii) In the first year in which a renewable energy generation  
8 facility or energy storage resource is taxed or in any year in which  
9 additional commissioned nameplate capacity is added to a renewable energy  
10 generation facility or energy storage resource, the taxes on the initial  
11 or additional nameplate capacity shall be prorated for the number of days  
12 remaining in the calendar year.

13 (iii) When a renewable energy generation facility or energy storage  
14 resource is decommissioned or made nonoperational by a change in law  
15 during a tax year, the taxes shall be prorated for the number of days  
16 during which the renewable energy generation facility or energy storage  
17 resource was not decommissioned or was operational.

18 (iv) When the capacity of a renewable energy generation facility or  
19 energy storage resource to produce or store electricity is reduced but  
20 the renewable energy generation facility or energy storage resource is  
21 not decommissioned, the nameplate capacity of the renewable energy  
22 generation facility or energy storage resource is deemed to be unchanged.

23 ~~(6)(a) On March 1 of each year, the owner of a renewable energy~~  
24 ~~generation facility shall file with the Department of Revenue a report on~~  
25 ~~the nameplate capacity of the facility for the previous year from January~~  
26 ~~1 through December 31. All taxes imposed pursuant to sections 77-6201 to~~  
27 ~~77-6204 shall be due on April 1 and shall be delinquent if not paid to~~  
28 ~~the county treasurer of each county in which the renewable energy~~  
29 ~~generation facility or energy storage resource is located. on a quarterly~~  
30 ~~basis on April 1 and each quarter thereafter. Delinquent quarterly~~  
31 ~~payments shall draw interest at the rate provided for in section~~

1 ~~45-104.02, as such rate may from time to time be adjusted.~~

2 (b) The owner of a renewable energy generation facility or energy  
3 storage resource is liable for the taxes under this section with respect  
4 to the facility or resource, whether or not the owner of the facility or  
5 resource is the owner of the land on which the facility or resource is  
6 situated.

7 (7) Failure to file a report required by subsection (6) of this  
8 section, filing such report late, failure to pay taxes due, or  
9 underpayment of such taxes shall result in a penalty of five percent of  
10 the amount due being imposed for each quarter the report is overdue or  
11 the payment is delinquent, except that the penalty shall not exceed ten  
12 thousand dollars.

13 (8) The Department of Revenue ~~shall enforce the provisions of this~~  
14 ~~section. The department~~ may adopt and promulgate rules and regulations  
15 to:

16 (a) Prescribe the form and content of reports required under  
17 subsection (5) of this section;

18 (b) Establish audit procedures and standards for verifying nameplate  
19 capacity reported under subsection (5) of this section;

20 (c) Ensure consistent calculation and collection of the nameplate  
21 capacity tax across all counties; and

22 (d) Establish procedures for assessing penalties authorized under  
23 subsection (7) of this section for failure to file required reports, late  
24 filing, failure to pay taxes due, or underpayment of taxes. necessary for  
25 ~~the implementation and enforcement of this section.~~

26 (9) The county treasurer shall distribute all revenue received  
27 pursuant to this section as provided in section 77-6204 within thirty  
28 days after receipt of such revenue. The Department of Revenue shall  
29 ~~separately identify the proceeds from the tax imposed by this section and~~  
30 ~~shall pay all such proceeds over to the county treasurer of the county~~  
31 ~~where the renewable energy generation facility is located within thirty~~



1 ~~days after receipt of such proceeds.~~

2 (10) Each county treasurer shall report annually to the Department  
3 of Revenue the total amount of nameplate capacity tax collected under  
4 this section for audit and verification purposes.

5 **Sec. 9.** Section 77-6204, Revised Statutes Supplement, 2025, is  
6 amended to read:

7 77-6204 (1)(a) {1} The county treasurer shall distribute all revenue  
8 ~~received from taxes levied prior to January 1, 2027, the Department of~~  
9 ~~Revenue~~ pursuant to section 77-6203 as follows:

10 (i) {a} Five percent of such revenue shall be distributed to the  
11 community college area in which the renewable energy generation facility  
12 is located; and

13 (ii) {b} The remainder of such revenue shall be distributed to local  
14 taxing entities which, but for such personal property tax exemption,  
15 would have received distribution of personal property tax revenue from  
16 depreciable personal property used directly in the generation of  
17 electricity using wind, solar, biomass, or landfill gas as the fuel  
18 source.

19 (b) The county treasurer shall distribute all revenue from taxes  
20 levied on or after January 1, 2027, pursuant to section 77-6203 as  
21 follows:

22 (i) Ninety-five percent of such revenue shall be distributed to the  
23 counties in proportion to the amount of tax paid by renewable energy  
24 generation facilities or energy storage resources physically located in  
25 each county. If the facility or resource is located entirely within one  
26 county, all such revenue from the tax paid by such facility or resource  
27 shall be distributed to that county. If the facility or resource is  
28 located in more than one county, the revenue from the tax paid by such  
29 facility or resource shall be apportioned among such counties in  
30 proportion to the amount of nameplate capacity of the facility or  
31 resource that is physically located within each county's boundaries;

1       (ii) Five percent of such revenue shall be distributed to the  
2       community college areas, as defined in section 85-1503, in proportion to  
3       the amount of tax paid by renewable energy generation facilities or  
4       energy storage resources physically located in each community college  
5       area. If the facility or resource is located entirely within one  
6       community college area, all such revenue from the tax paid by such  
7       facility or resource shall be distributed to that community college area.  
8       If the facility or resource is located in more than one community college  
9       area, the revenue from the tax paid by such facility or resource shall be  
10      apportioned among such community college areas in proportion to the  
11      amount of nameplate capacity of the facility or resource that is  
12      physically located within each community college area's boundaries.

13       (2) A local taxing entity's status as eligible for distribution  
14      under subdivision ~~(1)(a)(ii)~~ ~~(1)(b)~~ of this section shall not be affected  
15      when and if the net book value of personal property used directly in the  
16      generation of electricity using wind, solar, biomass, or landfill gas as  
17      the fuel source becomes zero. A local taxing entity's status as eligible  
18      for distribution under such subdivision shall be affected by the disposal  
19      of all of the exempt depreciable personal property used directly in the  
20      generation of electricity using wind, solar, biomass, or landfill gas as  
21      the fuel source.

22       (3) The distribution to each eligible local taxing entity under  
23      subdivision ~~(1)(a)(ii)~~ ~~(1)(b)~~ of this section shall be calculated by  
24      determining the amount of taxes that the eligible local taxing entity  
25      levied during the taxable year and dividing this amount by the total tax  
26      levied by all of the eligible local taxing entities during the year. Each  
27      eligible entity's resulting fraction shall then be multiplied by the  
28      amount of revenue available for distribution pursuant to subdivision ~~(1)~~  
29      ~~(a)(ii)~~ ~~(1)(b)~~ of this section to determine the portion of such revenue  
30      due each local taxing entity.

31       (4) The Department of Revenue shall not retain any revenue collected

1 pursuant to sections 77-6201 to 77-6204 for distribution, use, transfer,  
2 pledge, or allocation to or from the General Fund.

3 (5) Each county treasurer shall report annually to the Department of  
4 Revenue the distribution of revenue under this section for audit and  
5 verification purposes.

6 (6) For purposes of this section, the physical location of nameplate  
7 capacity of a renewable energy generation facility or energy storage  
8 resource shall be determined as follows:

9 (a) For wind energy generation facilities, by the location of each  
10 wind turbine structure;

11 (b) For solar energy generation facilities, by the location of each  
12 solar panel array; and

13 (c) For energy storage resources, by the location of each energy  
14 storage container.

15 **Sec. 10.** This act becomes operative on January 1, 2027.

16 **Sec. 11.** Original sections 77-105 and 77-6201, Reissue Revised  
17 Statutes of Nebraska, sections 77-6202 and 77-6203, Revised Statutes  
18 Cumulative Supplement, 2024, and sections 13-518, 70-1001.01, 77-202, and  
19 77-6204, Revised Statutes Supplement, 2025, are repealed.