

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
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
of such electricity in an energy storage resource as defined in section 3
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
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 filings, 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.