

ONE HUNDRED NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 292CA

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Andersen, 49; Clouse, 37; Hansen, 16; Holdcroft, 36;
Lonowski, 33; Raybould, 28; Sanders, 45; Sorrentino, 39.

Read first time January 07, 2026

Committee: Revenue

1 THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, SECOND
2 SESSION, RESOLVE THAT:

3 **Section 1.** At the general election in November 2026, the following
4 proposed amendment to the Constitution of Nebraska shall be submitted to
5 the electors of the State of Nebraska for approval or rejection:

6 To amend Article VIII, section 1, and add new sections 14 and 15 to
7 Article VIII:

8 **VIII-1** The necessary revenue of the state and its governmental
9 subdivisions shall be raised by taxation in such manner as the
10 Legislature may direct. Notwithstanding Article I, section 16, Article
11 III, section 18, or Article VIII, section 4, of this Constitution or any
12 other provision of this Constitution to the contrary: (1) Except as
13 otherwise provided in or permitted by this Constitution, real property
14 shall all be taxed in accordance with Article VIII, section 14, of this
15 Constitution and there shall be two valuations for each parcel of real
16 property: Fair market value and taxable market value. Fair market value
17 shall be dynamic and determined by the assessor of the property. Taxable
18 market value shall be used to establish the baseline valuation for tax
19 liability for the individual property owner. Fair market value shall be
20 assessed uniformly and proportionately upon all real property and
21 franchises as defined by the Legislature. Taxes shall be levied by
22 valuation uniformly and proportionately upon all real property and
23 franchises as defined by the Legislature except as otherwise provided in

1 ~~or permitted by this Constitution~~; (2) tangible personal property, as
2 defined by the Legislature, not exempted by this Constitution or by
3 legislation, shall all be taxed at depreciated cost using the same
4 depreciation method with reasonable class lives, as determined by the
5 Legislature, or shall all be taxed by valuation uniformly and
6 proportionately; (3) the Legislature may provide for a different method
7 of taxing motor vehicles and may also establish a separate class of motor
8 vehicles consisting of those owned and held for resale by motor vehicle
9 dealers which shall be taxed in the manner and to the extent provided by
10 the Legislature and may also establish a separate class for trucks,
11 trailers, semitrailers, truck-tractors, or combinations thereof,
12 consisting of those owned by residents and nonresidents of this state,
13 and operating in interstate commerce, and may provide reciprocal and
14 proportionate taxation of such vehicles. The tax proceeds from motor
15 vehicles taxed in each county shall be allocated to the county and the
16 cities, villages, and school districts of such county; (4) the
17 Legislature may provide that agricultural land and horticultural land, as
18 defined by the Legislature, shall constitute a separate and distinct
19 class of property for purposes of taxation and may provide for a
20 different method of taxing agricultural land and horticultural land which
21 results in values that are not uniform and proportionate with all other
22 real property and franchises but which results in values that are uniform
23 and proportionate upon all property within the class of agricultural land
24 and horticultural land; (5) the Legislature may enact laws to provide
25 that the value of land actively devoted to agricultural or horticultural
26 use shall for property tax purposes be that value which such land has for
27 agricultural or horticultural use without regard to any value which such
28 land might have for other purposes or uses; (6) the Legislature may
29 prescribe standards and methods for the determination of the value of
30 real property at uniform and proportionate values; (7) in furtherance of
31 the purposes for which such a law of the United States has been adopted,

1 whenever there exists a law of the United States which is intended to
2 protect a specifically designated type, use, user, or owner of property
3 or franchise from discriminatory state or local taxation, such property
4 or franchise shall constitute a separate class of property or franchise
5 under the laws of the State of Nebraska, and such property or franchise
6 may not be taken into consideration in determining whether taxes are
7 levied by valuation uniformly or proportionately upon any property or
8 franchise, and the Legislature may enact laws which statutorily recognize
9 such class and which tax or exempt from taxation such class of property
10 or franchise in such manner as it determines; and (8) the Legislature may
11 provide that livestock shall constitute a separate and distinct class of
12 property for purposes of taxation and may further provide for reciprocal
13 and proportionate taxation of livestock located in this state for only
14 part of a year. Each actual property tax rate levied for a governmental
15 subdivision shall be the same for all classes of taxed property and
16 franchises. Taxes uniform as to class of property or the ownership or use
17 thereof may be levied by valuation or otherwise upon classes of
18 intangible property as the Legislature may determine, and such intangible
19 property held in trust or otherwise for the purpose of funding pension,
20 profit-sharing, or other employee benefit plans as defined by the
21 Legislature may be declared exempt from taxation. Taxes other than
22 property taxes may be authorized by law. Existing revenue laws shall
23 continue in effect until changed by the Legislature.

24 **VIII-14 (1) Beginning January 1, 2027:**

25 (a) Real property shall be valued, for property tax purposes, at its
26 taxable market value unless such property is exempt from tax pursuant to
27 this Constitution; and

28 (b) The property taxes levied on any parcel of real property shall
29 not increase, from one year to the next, by more than the allowable
30 growth percentage, except in those cases when the taxable market value is
31 adjusted pursuant to subdivision (2)(e) of this section.

1 (2) For purposes of this section:

2 (a) Agricultural land means real property that is primarily used for
3 agricultural or horticultural purposes;

4 (b) Agricultural or horticultural purposes means used for the
5 commercial production of any plant or animal product in a raw or
6 unprocessed state that is derived from the science and art of
7 agriculture, aquaculture, or horticulture;

8 (c) Allowable growth percentage means the percentage change in the
9 Consumer Price Index for All Urban Consumers, or its successor index, as
10 published by the United States Department of Labor, Bureau of Labor
11 Statistics, for the twelve-month period ending on June 30 of the year in
12 which the relevant property taxes are determined;

13 (d) Nonagricultural land means any real property other than
14 agricultural land; and

15 (e) Taxable market value means the assessed value of the real
16 property for 2026, except that a property's taxable market value shall be
17 adjusted when purchased, when newly constructed, when combining parcels,
18 or when a change of ownership has occurred after the 2026 assessment. In
19 such case, the taxable market value shall be adjusted as follows:

20 (i) For nonagricultural land, the taxable market value shall be
21 adjusted to one hundred percent of the property's fair market value; or

22 (ii) For agricultural land, the taxable market value shall be
23 adjusted to seventy-five percent of the property's fair market value,
24 except that for property taxes levied by a school district to pay the
25 principal and interest on bonds that are approved by a vote of the people
26 on or after January 1, 2022, the taxable market value shall be adjusted
27 to fifty percent of the property's fair market value.

28 (3) For purposes of subdivision (2)(e) of this section, the term
29 "newly constructed" does not include the construction, installation,
30 removal, or modification of any portion or structural component of an
31 existing building or structure or the rebuilding of a house destroyed by

1 a tornado, flood, or other natural disaster.

2 (4) For purposes of subdivision (2)(e) of this section, the terms
3 "purchased" and "change of ownership" do not include the purchase or
4 transfer of real property between spouses since January 1, 2027,
5 including, but not limited to, all of the following:

6 (a) Transfers to a trustee for the beneficial use of a spouse, or
7 the surviving spouse of a deceased transferor, or by a trustee of such a
8 trust to the spouse of the trustor;

9 (b) Transfers to a spouse that take effect upon the death of a
10 spouse;

11 (c) Transfers to a spouse or former spouse in connection with a
12 property settlement agreement or decree of dissolution of a marriage or
13 legal separation;

14 (d) The creation, transfer, or termination, solely between spouses,
15 of any co-owner's interest; or

16 (e) The distribution of a legal entity's property to a spouse or
17 former spouse in exchange for the interest of the spouse in the legal
18 entity in connection with a property settlement agreement or a decree of
19 dissolution of a marriage or legal separation.

20 (5) For purposes of subdivision (2)(e) of this section, the term
21 "combining parcels" means combining two or more parcels of real property
22 with any established buildings for the purpose of fully or partially
23 rebuilding any such established buildings.

24 **VIII-15** An emergency shall only be declared by an appropriate
25 government official, as determined by the Legislature. During an
26 officially declared emergency if there is a financial need for any local
27 taxing entity which cannot be funded by previously appropriated funds, an
28 election may be conducted to authorize a special bond levy, as determined
29 by the Legislature. Such authorization shall at a minimum require at
30 least half of the registered voters of such local taxing entity to vote
31 in the election and at least two-thirds of votes cast in the election in

1 favor of the authorization.

2 **Sec. 2.** The proposed amendment shall be submitted to the electors
3 in the manner prescribed by the Constitution of Nebraska, Article XVI,
4 section 1, with the following ballot language:

5 A constitutional amendment to provide a new method of valuing real
6 property for property tax purposes, provide a limit on property tax
7 increases, provide certain exceptions, provide requirements for declared
8 emergencies, provide for emergency bond levies, and eliminate conflicting
9 constitutional provisions.

10 For

11 Against.