

AMENDMENTS TO LB890

(Amendments to Standing Committee amendments, AM1756)

Introduced by Friesen, 34.

1 1. Insert the following new sections:

2 Section 1. Section 77-201, Revised Statutes Supplement, 2021, is
3 amended to read:

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

7 (2) Agricultural land and horticultural land as defined in section
8 77-1359 shall constitute a separate and distinct class of property for
9 purposes of property taxation, shall be subject to taxation, unless
10 expressly exempt from taxation, and shall be valued at seventy-five
11 percent of its actual value, except that (a) for school district taxes
12 levied to pay the principal and interest on bonds that are approved by a
13 vote of the people on or after January 1, 2022, such land shall be valued
14 at fifty percent of its actual value and (b) for other school district
15 taxes, such land shall be valued at (i) sixty-five percent of its actual
16 value for tax year 2023 and (ii) fifty-five percent of its actual value
17 for tax year 2024 and each tax year thereafter.

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

1 people on or after January 1, 2022, such land shall be valued at fifty
2 percent of its special valuation as defined in section 77-1343 and (b)
3 for other school district taxes, such land shall be valued at (i) sixty-
4 five percent of its special valuation as defined in section 77-1343 for
5 tax year 2023 and (ii) fifty-five percent of its special valuation as
6 defined in section 77-1343 for tax year 2024 and each tax year
7 thereafter.

8 (4) Historically significant real property which meets the
9 qualifications for historic rehabilitation valuation under sections
10 77-1385 to 77-1394 shall be valued for taxation as provided in such
11 sections.

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

1 years after the close of the calendar year in which tangible personal
2 property was converted and which is, except for date of construction or
3 manufacture, substantially the same as the converted property.

4 (6) For purposes of this section, other school district taxes means
5 property taxes levied on real or personal property by any school district
6 or multiple-district school system, excluding property taxes levied to
7 pay the principal and interest on bonds issued by the school district or
8 multiple-district school system.

9 Sec. 2. Section 77-5023, Revised Statutes Supplement, 2021, is
10 amended to read:

11 77-5023 (1) Pursuant to section 77-5022, the commission shall have
12 the power to increase or decrease the value of a class or subclass of
13 real property in any county or taxing authority or of real property
14 valued by the state so that all classes or subclasses of real property in
15 all counties fall within an acceptable range.

16 (2) An acceptable range is the percentage of variation from a
17 standard for valuation as measured by an established indicator of central
18 tendency of assessment. Acceptable ranges are: (a) For agricultural land
19 and horticultural land as defined in section 77-1359, sixty-nine to
20 seventy-five percent of actual value, except that (i) for school district
21 taxes levied to pay the principal and interest on bonds that are approved
22 by a vote of the people on or after January 1, 2022, the acceptable range
23 is forty-four to fifty percent of actual value, (ii) for other school
24 district taxes levied for tax year 2023, the acceptable range is fifty-
25 nine to sixty-five percent of actual value, and (iii) for other school
26 district taxes levied for tax year 2024 and each tax year thereafter, the
27 acceptable range is forty-nine to fifty-five percent of actual value; (b)
28 for lands receiving special valuation, sixty-nine to seventy-five percent
29 of special valuation as defined in section 77-1343, except that (i) for
30 school district taxes levied to pay the principal and interest on bonds
31 that are approved by a vote of the people on or after January 1, 2022,

1 the acceptable range is forty-four to fifty percent of special valuation
2 as defined in section 77-1343, (ii) for other school district taxes
3 levied for tax year 2023, the acceptable range is fifty-nine to sixty-
4 five percent of special valuation as defined in section 77-1343, and
5 (iii) for other school district taxes levied for tax year 2024 and each
6 tax year thereafter, the acceptable range is forty-nine to fifty-five
7 percent of special valuation as defined in section 77-1343; and (c) for
8 all other real property, ninety-two to one hundred percent of actual
9 value.

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

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

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

20 (6) For purposes of this section, other school district taxes means
21 property taxes levied on real or personal property by any school district
22 or multiple-district school system, excluding property taxes levied to
23 pay the principal and interest on bonds issued by the school district or
24 multiple-district school system.

25 Sec. 16. Section 79-1016, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 79-1016 (1) On or before August 20, the county assessor shall
28 certify to the Property Tax Administrator the total taxable value by
29 school district in the county for the current assessment year on forms
30 prescribed by the Tax Commissioner. The county assessor may amend the
31 filing for changes made to the taxable valuation of the school district

1 in the county if corrections or errors on the original certification are
2 discovered. Amendments shall be certified to the Property Tax
3 Administrator on or before August 31.

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

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

25 (a) For real property other than agricultural and horticultural
26 land, ninety-six percent of actual value;

27 (b) For agricultural and horticultural land: τ

28 (i) For the adjusted valuation used for the calculation of aid for
29 school fiscal years prior to school fiscal year 2023-24, seventy-two
30 percent of actual value as provided in sections 77-1359 and ~~to~~ 77-1363;

31 (ii) For the adjusted valuation used for the calculation of aid for

1 school fiscal year 2023-24, sixty-two percent of actual value as provided
2 in sections 77-1359 and 77-1363; and

3 (iii) For the adjusted valuation used for the calculation of aid for
4 school fiscal year 2024-25 and each school fiscal year thereafter, fifty-
5 two percent of actual value as provided in sections 77-1359 and 77-1363;

6 (c) - For agricultural and horticultural land that receives special
7 valuation pursuant to section 77-1344; -

8 (i) For the adjusted valuation used for the calculation of aid for
9 school fiscal years prior to school fiscal year 2023-24, seventy-two
10 percent of special valuation as defined in section 77-1343;

11 (ii) For the adjusted valuation used for the calculation of aid for
12 school fiscal year 2023-24, sixty-two percent of special valuation as
13 defined in section 77-1343; and

14 (iii) For the adjusted valuation used for the calculation of aid for
15 school fiscal year 2024-25 and each school fiscal year thereafter, fifty-
16 two percent of special valuation as defined in section 77-1343; and

17 (d) ~~(e)~~ For personal property, the net book value as defined in
18 section 77-120.

19 (4) On or before November 10, any local system may file with the Tax
20 Commissioner written objections to the adjusted valuations prepared by
21 the Property Tax Administrator, stating the reasons why such adjusted
22 valuations are not the valuations required by subsection (3) of this
23 section. The Tax Commissioner shall fix a time for a hearing. Either
24 party shall be permitted to introduce any evidence in reference thereto.
25 On or before January 1, the Tax Commissioner shall enter a written order
26 modifying or declining to modify, in whole or in part, the adjusted
27 valuations and shall certify the order to the State Department of
28 Education. Modification by the Tax Commissioner shall be based upon the
29 evidence introduced at hearing and shall not be limited to the
30 modification requested in the written objections or at hearing. A copy of
31 the written order shall be mailed to the local system within seven days

1 after the date of the order. The written order of the Tax Commissioner
2 may be appealed within thirty days after the date of the order to the Tax
3 Equalization and Review Commission in accordance with section 77-5013.

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

13 (6) On or before May 31 of the year following the certification of
14 adjusted valuation pursuant to subsection (2) of this section, any local
15 system or county official may file with the Tax Commissioner a written
16 request for a nonappealable correction of the adjusted valuation due to
17 changes to the tax list that change the assessed value of taxable
18 property. Upon the filing of the written request, the Tax Commissioner
19 shall require the county assessor to recertify the taxable valuation by
20 school district in the county on forms prescribed by the Tax
21 Commissioner. The recertified valuation shall be the valuation that was
22 certified on the tax list, pursuant to section 77-1613, increased or
23 decreased by changes to the tax list that change the assessed value of
24 taxable property in the school district in the county in the prior
25 assessment year. On or before the following July 31, the Tax Commissioner
26 shall approve or deny the request and, if approved, certify the corrected
27 adjusted valuations resulting from such action to the State Department of
28 Education.

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

31 (8) A school district whose state aid is to be calculated pursuant

1 to subsection (5) of this section and whose state aid payment is
2 postponed as a result of failure to calculate state aid pursuant to such
3 subsection may apply to the state board for lump-sum payment of such
4 postponed state aid. Such application may be for any amount up to one
5 hundred percent of the postponed state aid. The state board may grant the
6 entire amount applied for or any portion of such amount. The state board
7 shall notify the Director of Administrative Services of the amount of
8 funds to be paid in a lump sum and the reduced amount of the monthly
9 payments. The Director of Administrative Services shall, at the time of
10 the next state aid payment made pursuant to section 79-1022, draw a
11 warrant for the lump-sum amount from appropriated funds and forward such
12 warrant to the district.

13 2. Renumber the remaining sections, correct internal references, and
14 correct the repealer accordingly.