

LEGISLATIVE BILL 1040

Approved by the Governor March 19, 1996

Introduced by Revenue Committee: Warner, 25, Chairperson; Coordsen, 32; Hartnett, 45; Kristensen, 37; Landis, 46; Schellpeper, 18; Wickersham, 49; Will, 8

AN ACT relating to revenue and taxation; to amend sections 77-202.07, 77-509, 77-1384, 77-1510, and 77-3523, Revised Statutes Supplement, 1995; to change provisions relating to appeals; to change homestead exemption calculations; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 77-202.07, Revised Statutes Supplement, 1995, is amended to read:

77-202.07. The applicant or county may appeal the order of the Property Tax Administrator, and the appeal shall be in accordance with the Administrative Procedure Act Tax Equalization and Review Commission to the Court of Appeals pursuant to section 77-5019.

Sec. 2. Section 77-509, Revised Statutes Supplement, 1995, is amended to read:

77-509. After a hearing conducted pursuant to section 77-507.01 or 77-508, the State Board of Equalization and Assessment shall either (1) enter its order based on information presented to it at the hearing or (2) meet to hear the recommendation of the Property Tax Administrator based on information presented to him or her at the hearing. Notice of the Property Tax Administrator's recommendation shall be mailed at least three days prior to the meeting. At the meeting the board may hear testimony relevant to the Property Tax Administrator's recommendation from any interested person. The order of the board shall be sent by certified mail to the county assessor and by regular mail to the county clerk and chairperson of the county board on or before May 15 of each year. The order shall specify the percentage increase or decrease and the class or subclass of property affected or the corrections or adjustments to be made to the class or subclass of property affected. The specified changes shall be made by the county assessor to each item of property in the county so affected. ~~Until such time as the Court of Appeals, pursuant to an appeal prosecuted pursuant to section 77-510, or the Supreme Court rules otherwise, each county shall be bound by the value established by the board.~~

Sec. 3. Section 77-1384, Revised Statutes Supplement, 1995, is amended to read:

77-1384. Any affected person may appeal an action of an agricultural and horticultural land valuation board increasing or decreasing values or reclassifying land within the county to the Tax Equalization and Review Commission. ~~The commission State Board of Equalization and Assessment. The State Board of Equalization and Assessment~~ shall hold a hearing and shall enter its order prior to May 15. All appeals shall be commenced within ten days after the action by the agricultural and horticultural land valuation board by mailing notice to the ~~commission State Board of Equalization and Assessment~~ and the agricultural and horticultural land valuation board setting forth the order from which the appeal is being taken, the date of the order, and a summary of the reason for the appeal. The burden of proof shall be on the party appealing the order to establish that the order by the agricultural and horticultural land valuation board is unlawful, arbitrary, or capricious.

Sec. 4. Section 77-1510, Revised Statutes Supplement, 1995, is amended to read:

77-1510. Appeals may be taken from any action of the county board of equalization to the Tax Equalization and Review Commission in accordance with the Tax Equalization and Review Commission Act. The appeal shall be filed within thirty days after adjournment of the board which for actions taken pursuant to sections 77-1502 and 77-1504, shall be deemed to be July 25 of the year in which the action is taken.

Sec. 5. Section 77-3523, Revised Statutes Supplement, 1995, is amended to read:

77-3523. The county treasurer shall, on or before November 30 of each year, certify to the Tax Commissioner: (1) For tax years 1987 through 1994, the total tax revenue that will be lost to all taxing agencies within his or her county from taxes levied and assessed in that year because of exemptions allowed under Chapter 77, article 35; and (2) for tax year 1995 and

each tax year thereafter, the total tax revenue that will be lost to all taxing agencies within his or her county from taxes levied and assessed in that year because of exemptions allowed under Chapter 77, article 35, multiplied by the aggregate assessment sales ratio calculated by the Department of Revenue Property Tax Administrator for all single-family residential real property in the county for the current year after adjustments by the State Board of Equalization and Assessment, except that any assessment sales ratio greater than 100 or any assessment sales ratio that complies with the standards of equalization as determined by the State Board of Equalization and Assessment shall be deemed to be 100 for such purpose. The county treasurer may amend the certification to show any change or correction in the total tax that will be lost until May 30 of the next succeeding year. If a homestead exemption is approved, denied, or corrected by the Tax Commissioner under subsection (2) of section 77-3517 after May 1 of the next year, the county treasurer shall prepare and submit amended reports to the Tax Commissioner and the political subdivisions covering any affected year and shall adjust the reimbursement to the county and the other political subdivisions by adjusting the reimbursement due under this section in later years. The Tax Commissioner shall, on or before January 1 next following such certification or within thirty days of any amendment to the certification, notify the Director of Administrative Services of the amount so certified to be reimbursed by the state. Reimbursement of the funds lost shall be made to each county according to the certification and shall be distributed in six as nearly as possible equal monthly payments on the last business day of each month beginning in January. The State Treasurer shall, on the business day preceding the last business day of each month, notify the Director of Administrative Services of the amount of funds available in the General Fund for payment purposes. The Director of Administrative Services shall, on the last business day of each month, draw warrants against funds appropriated. Out of the amount so received the county treasurer shall distribute to each of the taxing agencies within his or her county: (a) For tax years 1987 through 1994, the full amount so lost by such agency; and (b) for tax year 1995 and each tax year thereafter, the full amount so lost by such agency, multiplied by the aggregate assessment sales ratio calculated by the Department of Revenue Property Tax Administrator for all single-family residential real property in the county for the current year after adjustments by the State Board of Equalization and Assessment, except that any assessment sales ratio greater than 100 or any assessment sales ratio that complies with the standards of equalization as determined by the State Board of Equalization and Assessment shall be deemed to be 100 for such purpose, except that one percent of such amount shall be deposited in the county general fund and that the amount due a Class V school district shall be paid to the district and the county shall be compensated pursuant to section 14-554. Each taxing agency shall, in preparing its annual budget, take into account the amount to be received under this section.

Sec. 6. Original sections 77-202.07, 77-509, 77-1384, 77-1510, and 77-3523, Revised Statutes Supplement, 1995, are repealed.

Sec. 7. Since an emergency exists, this act takes effect when passed and approved according to law.