

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 635

Introduced by Stuhr, 24

Read first time January 19, 1999

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend section 79-1016, Revised Statutes
3 Supplement, 1998; to change provisions relating to
4 adjusted valuation; to repeal the original sections; and
5 to declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1016, Revised Statutes Supplement,
2 1998, is amended to read:

3 79-1016. (1) On or before July 1 of each year, the
4 Property Tax Administrator shall compute and certify to the State
5 Department of Education the adjusted valuation for the current
6 calendar year of each local system for each class of property in
7 each such local system so that the valuation of property for each
8 local system, for purposes of determining state aid pursuant to the
9 Tax Equity and Educational Opportunities Support Act, shall reflect
10 as nearly as possible state aid value as defined in subsection (2)
11 of this section. The Property Tax Administrator shall also notify
12 each local system of its adjusted valuation for the current
13 calendar year by class on or before July 1 of each year.
14 Establishment of the adjusted valuation shall be based on
15 assessment practices established by rule and regulation adopted and
16 promulgated by the Property Tax Administrator. The assessment
17 practices may include, but not be limited to, the appraisal methods
18 listed in section 77-112.

19 (2) For purposes of this section, state aid value means:

20 (a) The valuations certified by the county assessor or
21 county clerk to the Property Tax Administrator pursuant to section
22 77-1613.01 if such valuations are:

23 (i) For real property other than agricultural land, not
24 less than ninety-two percent of market value and not more than one
25 hundred percent of market value; and

26 (ii) For agricultural land, not less than seventy-four
27 percent of market value and not more than eighty percent of market
28 value;

1 **(b)(i)** For real property other than agricultural land,
2 one hundred percent of market value if the valuations certified by
3 the county assessor or county clerk to the Property Tax
4 Administrator pursuant to section 77-1613.01 are less than
5 ninety-two percent of market value or more than one hundred percent
6 of market value; and

7 ~~(b)~~ **(ii)** For agricultural land, eighty percent of market
8 value as provided in sections 77-1359 to 77-1363 if the valuations
9 certified by the county assessor or county clerk to the Property
10 Tax Administrator pursuant to section 77-1613.01 are less than
11 seventy-four percent of market value or more than eighty percent of
12 market value; and

13 **(c)** For personal property, the net book value as defined
14 in section 77-120.

15 **(3)** On or before July 31, any local system may file with
16 the Property Tax Administrator written objections to the adjusted
17 valuations prepared by the Property Tax Administrator, stating the
18 reasons why such adjusted valuations are not the valuations
19 required by subsection (2) of this section. The Property Tax
20 Administrator shall fix a time for a hearing. Either party shall
21 be permitted to introduce any evidence in reference thereto. On or
22 before November 1, the Property Tax Administrator shall enter an
23 order modifying or declining to modify, in whole or in part, the
24 adjusted valuations and shall certify the order to the State
25 Department of Education. Modification by the Property Tax
26 Administrator shall be based upon the evidence introduced at
27 hearing and shall not be limited to the modification requested in
28 the written objections or at hearing. The final determination of

1 the Property Tax Administrator may be appealed to the Tax
2 Equalization and Review Commission.

3 (4) On or before ~~June 15, 1998, for adjusted valuations~~
4 ~~certified in 1997, and on or before October 31, for adjusted~~
5 ~~valuations certified each year thereafter,~~ any local system or
6 county official may file with the Property Tax Administrator a
7 written request for a nonappealable correction of the adjusted
8 valuation due to clerical error or, for agricultural land, assessed
9 value changes by reason of land qualified or disqualified for
10 special use valuation pursuant to sections 77-1343 to 77-1348. For
11 purposes of this subsection, clerical error means transposition of
12 numbers, allocation of value to the wrong school district,
13 mathematical error, and omitted value. On or before ~~June 30, 1998,~~
14 ~~for adjusted valuations certified in 1997, and on or before~~
15 ~~November 30, for valuations certified each year thereafter,~~ the
16 Property Tax Administrator shall approve or deny the request and,
17 if approved, certify the corrected adjusted valuations resulting
18 from such action to the State Department of Education.

19 (5) No injunction shall be granted restraining the
20 distribution of state aid based upon the adjusted valuations
21 pursuant to this section.

22 (6) Beginning with the 1997-98 school fiscal year, in the
23 school fiscal year beginning during the calendar year that a county
24 board adopts special valuation for all qualifying property in the
25 county pursuant to sections 77-1343 to 77-1348, the adjusted
26 valuation used in the calculation of state aid shall not exceed one
27 hundred eight percent of the assessed valuation for the property
28 tax year on which the adjusted valuation is based.

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

15 Sec. 2. Original section 79-1016, Revised Statutes
16 Supplement, 1998, is repealed.

17 Sec. 3. Since an emergency exists, this act takes effect
18 when passed and approved according to law.