

COMMITTEE STATEMENT

LB 397

HEARING DATE: JANUARY 29, 1996

COMMITTEE ON: REVENUE

TITLE: LB 397 (Kristensen, Hartnett, Landis, et al.) Transfer powers and duties from the State Board of Equalization to the Tax Equalization and Review Commission

ROLL CALL VOTE, FINAL COMMITTEE ACTION

Advanced to General File

X Advanced to General File with amendments

Indefinitely Postponed

Vote results:

7 Yes SENATORS COORDSEN, HARTNETT, KRISTENSEN, LANDIS, SCHELLPEPER,  
WARNER AND WICKERSHAM

0 No

0 Present, not voting

1 Absent SENATOR WILL

PROPOSERS

SENATOR DOUG KRISTENSEN

MARK REYNOLDS

CATHERINE LANG MORRISSEY

BILL PETERS

Representing

INTRODUCER

TAX EQUALIZATION & REVIEW COMMISSION

PROPERTY TAX ADMINISTRATOR

NE TAX RESEARCH COUNCIL

OPPOSERS

Representing

NEUTRAL

Representing

Summary of purpose and/or changes:

LB 397 IS TO IMPLEMENT LR 3 CA (1995), WHICH WAS APPROVED BY THE PEOPLE AT THE 1996 PRIMARY, AND CALLED FOR SWITCHING THE RESPONSIBILITY FOR STATEWIDE EQUALIZATION FROM THE STATE BOARD OF EQUALIZATION TO THE TAX EQUALIZATION AND REVIEW COMMITTEE.

SECTIONS 1 THROUGH 3 AMEND THE LOCAL BUDGET ACT, SECTIONS 13-501, 13-504, AND 13-509, TO CHANGE REFERENCES TO ADJUSTMENTS BY THE STATE BOARD TO REFER TO THE TERC. SECTION 13-513 CURRENTLY REQUIRES TAX RATES TO BE ADJUSTED IF THE STATE BOARD ADJUSTS VALUE ON ANY CLASS OF PROPERTY. AND WOULD BE REPEALED OUTRIGHT BY THE BILL.

SECTION 4 AMENDS SECTION 46-133 TO CHANGE THE BODY TO WHICH EQUALIZATION DECISIONS OF AN IRRIGATION DISTRICT BOARD ARE APPEALED FROM THE STATE BOARD TO THE TERC.

SECTION 5 WOULD ENACT A NEW SECTION OF LAW TO PROVIDE THAT DURING INVESTIGATIONS OR HEARINGS CONDUCTED BY THE PROPERTY TAX ADMINISTRATOR,

TESTIMONY SHALL BE UNDER OATH AND TRANSCRIBED. KNOWING AND INTENTIONAL FALSE STATEMENTS SHALL BE PERJURY AND CLASSIFIED AS A CLASS I MISDEMEANOR.

SECTION 6 AMENDS SECTION 77-425 TO PROVIDE THAT APPEALS OF AN ACTION OF THE PROPERTY TAX ADMINISTRATOR TO INVALIDATE AN ASSESSOR'S CERTIFICATE SHALL BE CONDUCTED UNDER THE TERC ACT RATHER THAN THE APA.

SECTIONS 7 TO 16 AMEND VARIOUS SECTIONS IN THE STATUTES WHICH DEAL WITH EQUALIZATION BY THE STATE BOARD TO CHANGE STATE BOARD TO TERC. THE SECTION NUMBERS ARE ALSO STRUCK TO ALLOW RECODIFYING THESE PROVISIONS WITH THE TERC STATUTES. IN ADDITION TO THESE HARMONIZING CHANGES, THE BILL WOULD ALSO AMEND THE SECTIONS GRANTING THE POWER TO EQUALIZE TO STRIKE THE TERM "INTERCOUNTY" WHEN USED WITH EQUALIZATION, STRIKE A REFERENCE TO RECOMMENDATIONS BY THE PROPERTY TAX ADMINISTRATOR, REQUIRE THE COUNTY ASSESSORS TO RECERTIFY THE ABSTRACT AFTER EQUALIZATION RATHER THAN THE STATE BOARD, CLARIFY THAT ANY POLITICAL SUBDIVISION WITH AUTHORITY TO LEVY A PROPERTY TAX MAY APPEAL AN EQUALIZATION DECISION MADE BY THE TERC, AND REPEAL OUTRIGHT §77-511 WHICH GRANTS AUTHORITY TO THE STATE BOARD TO DEMAND AN ABSTRACT AND ASSESS THE COUNTY FOR THE COST.

SECTION 17 AMENDS §77-1234 TO REQUIRE THE TERC (RATHER THAN STATE BOARD) TO NOTIFY THE COUNTY ATTORNEY OF ANY WILLFUL FAILURE TO REPORT AND LIST PROPERTY, AND TO STRIKE THE REQUIREMENT TO SIGN AND VERIFY SUCH COMPLAINTS.

SECTIONS 18 TO 20 AMEND THREE SECTIONS DEALING WITH REAPPRAISAL TO CHANGE STATE BOARD TO TERC.

SECTION 21 AMENDS SECTION 77-1338, PROVIDING THAT POLITICAL SUBDIVISIONS ARE BOUND BY EQUALIZED VALUES, TO CHANGE STATE BOARD TO TERC.

SECTIONS 22 TO 24 AMEND THREE SECTIONS DEALING WITH THE AGRICULTURAL AND HORTICULTURAL LAND VALUATION BOARDS TO CHANGE REFERENCES TO THE STATE BOARD TO TERC, TO REQUIRE THAT SUCH BOARDS PUBLISH NOTICE OF THEIR ACTIONS, THAT THE ACTIONS MAY BE APPEALED TO TERC. AND TO LENGTHEN THE PERIOD OF TIME FOR FILING SUCH APPEALS FROM 10 DAYS TO 15.

SECTION 25 AMENDS SECTION 77-1504.01 (EQUALIZATION BY THE COUNTY BOARD) TO PROVIDE THAT THE PETITIONS FILED AFTER INDIVIDUAL PROTESTS BE FILED WITH TERC RATHER THAN THE STATE BOARD, AND TO REQUIRE THAT THE ABSTRACT BE RECERTIFIED BY THE COUNTY ASSESSOR RATHER THAN THE STATE BOARD.

SECTION 26 AMENDS SECTION 77-1510 TO SPECIFY THAT AFTER AN APPEAL OF AN ACTION OF THE COUNTY BOARD, IT RETAINS NO AUTHORITY TO ALTER AN ASSESSMENT EXCEPT THAT IT MAY CONFESS JUDGEMENT.

SECTION 27 AMENDS §77-1775.01 (PROPERTY TAX REFUNDS) TO CHANGE STATE BOARD TO TERC.

SECTION 28 AMENDS §77-27,137 (COUNTY AID) TO CHANGE A REFERENCE TO VALUATION RECERTIFIED BY THE COUNTY ASSESSOR TO THE PROPERTY TAX ADMINISTRATOR.

SECTION 29 AMENDS SECTION 77-3523 (REIMBURSEMENT FOR HOMESTEAD EXEMPTION) TO CHANGE THE STANDARD OF VALUE ADJUSTMENT FROM THE RANGE AS SET BY THE STATE BOARD TO THE TERC.

SECTION 30 AMENDS SECTION 77-5001 TO INTEGRATE A NEW SECTION 37 INTO THE TERC ACT.

SECTION 31 AMENDS SECTION 77-5004 TO GRANT LIVING AND TRAVEL EXPENSES NOT TO EXCEED \$6,000 ANNUALLY TO THE DISTRICT 2 & 3 COMMISSIONERS.

SECTION 32 AMENDS SECTION 77-5007 TO GRANT TO THE TERC THE POWER TO REVIEW ANY DECISION OF THE PROPERTY TAX ADMINISTRATOR.

SECTION 33 AMENDS SECTION 77-5011 TO ALLOW THE TERC TO ENFORCE ORDERS IN DISTRICT COURT.

SECTION 34 AMENDS SECTION 77-5012 TO CHANGE THE DATE THE ASSESSMENT PLAN IS DUE FROM JANUARY 1ST TO SEPTEMBER 1ST.

SECTION 35 AMENDS SECTION 77-5016 TO SPECIFICALLY AUTHORIZE INFORMAL AND FORMAL HEARINGS, AND PROVIDE THAT KNOWINGLY AND INTENTIONALLY MAKING A FALSE STATEMENT WHILE TESTIFYING TO THE TERC IS PERJURY, A CLASS I MISDEMEANOR.

SECTION 36 AMENDS SECTION 77-5018 TO CLARIFY THAT ONLY FINAL ORDERS MAY BE APPEALED.

SECTION 37 CREATES THE TAX EQUALIZATION AND REVIEW COMMISSION REVOLVING FUND. PROCEEDS FROM APPEALS AND SERVICES RENDERED ARE TO BE CREDITED TO THE FUND. EXPENDITURES MAY BE MADE FROM THE FUND TO CARRY OUT THE TERC ACT, AND ANY BALANCE AT THE END OF THE FISCAL YEAR IS TO BE LAPSED INTO THE GENERAL FUND.

SECTION 38 AMENDS SECTION 79-1018 TO STRIKE REFERENCES TO AMOUNTS PAID BY THE STATE TO REFUND LITIGATED PERSONAL PROPERTY TAXES IN 1988 IN THE DEFINITION OF ACCOUNTABLE RECEIPTS FOR SCHOOL AID PURPOSES. SECTIONS 77-3616 AND 3617, WHICH CREATED THE PERSONAL PROPERTY TAX REIMBURSEMENT FUND, ARE REPEALED OUTRIGHT BY THE BILL.

SECTION 39 AMENDS SECTION 79-1028 (EXCEPTION TO THE LB 1059 [1990] EXPENDITURE LID FOR PERSONAL PROPERTY TAX REIMBURSEMENTS) TO STRIKE THE REFERENCE TO ORDERS OF THE STATE BOARD.

SECTION 40 REPEALS THE ORIGINAL SECTIONS.

SECTION 41 REPEALS FIVE SECTIONS MENTIONED EARLIER OUTRIGHT, AND

SECTION 42 DECLARES AN EMERGENCY.

Explanation of Amendments, if any:

THE COMMITTEE AMENDMENTS:

- 1) PROVIDE THAT THE PROPERTY TAX ADMINISTRATOR HAS RESPONSIBILITY TO THE TERC TO PROVIDE INFORMATION REGARDING ASSESSMENT LEVEL AND QUALITY AND OTHER INFORMATION AS NEEDED.
- 2) CLARIFY THAT COUNTY AID IS TO BE DISTRIBUTED BASED ON THE CERTIFICATE OF TAXES LEVIED.
- 3) STRIKE SECTION 31, DEALING WITH REIMBURSEMENT OF EXPENSES FOR COMMISSIONERS IN DISTRICTS 2 AND 3.
- 4) CHANGE THE TERC -REVOLVING FUND” TO THE TERC “CASH” FUND AND PROVIDE THAT IT DOES NOT LAPSE INTO THE GENERAL FUND AFTER THE END OF THE YEAR.
- 5) STRIKE SECTIONS 2 AND 39 UNTIL SUCH TIME AS THERE ARE NO MORE APPEALS PENDING OR REFUNDS DUE BECAUSE OF ACTION OF THE STATE BOARD OF EQUALIZATION.
- 6) CHANGE THE NAME OF THE “STATE BOARD OF EQUALIZATION AND ASSESSMENT- TO THE “STATE TAX BOARD” IN TWO FUEL TAX SECTIONS AND THE THREE SECTIONS REMAINING IN CHAPTER 77, ARTICLE 5.

SENATOR JEROME WARNER  
Chairperson