

LEGISLATIVE BILL 270

Approved by the Governor June 9, 1997

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 77-101, 77-103, 77-117, 77-201, 77-202.01 to 77-202.03, 77-202.08, 77-370, 77-415, 77-417, 77-420, 77-421, 77-602, 77-603, 77-605 to 77-607, 77-612, 77-621, 77-623, 77-681, 77-683, 77-684, 77-687, 77-801 to 77-804, 77-1201, 77-1202, 77-1211, 77-1214, 77-1219, 77-1229, 77-1230, 77-1233.02, 77-1233.04, 77-1233.05, 77-1236, 77-1240.03, 77-1242.02, 77-1247, 77-1249 to 77-1250, 77-1301, 77-1301.01, 77-1303, 77-1315, 77-1316.01 to 77-1318.01, 77-1325, 77-1342, 77-1344, 77-1359, 77-1360.01 to 77-1363, 77-1374 to 77-1376, 77-1501, 77-1502, 77-1503.01, 77-1504, 77-1507, 77-1514, 77-1613, 77-1613.02, 77-1614, 77-1615, 77-1616, 77-1617, 77-1704.01, 77-1706, and 79-1036, Reissue Revised Statutes of Nebraska, section 60-305.15, Revised Statutes Supplement, 1996, section 77-112, Reissue Revised Statutes of Nebraska, as amended by section 1, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, sections 77-425, 77-1311, 77-1510, 77-5001, and 77-5007, Reissue Revised Statutes of Nebraska, as amended by sections 7, 13, 23, 34, and 35, respectively, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, and section 79-1016, Reissue Revised Statutes of Nebraska, as amended by section 4, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, and section 3, Legislative Bill 713, Ninety-fifth Legislature, First Session, 1997; to change and eliminate provisions relating to the assessment and taxation of property; to define and redefine terms; to change powers and duties of the Property Tax Administrator; to create, rename, and eliminate funds; to provide, change, and eliminate penalties; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal sections 77-367, 77-368, 77-399, 77-3,100, 77-3,113, 77-3,114, 77-416, 77-418, 77-419, 77-428, 77-608, 77-611, 77-615, 77-1208, 77-1215, 77-1301.02 to 77-1301.04, 77-1301.06 to 77-1301.08, 77-1301.12 to 77-1301.15, 77-1304, 77-1316, 77-1360, and 77-1364, Reissue Revised Statutes of Nebraska, section 77-1301.16 and 77-1311.02, Reissue Revised Statutes of Nebraska, as amended by sections 12 and 14, respectively, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, and section 77-1365, Reissue Revised Statutes of Nebraska, as amended by section 3, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997; and to declare an emergency.

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

Section 1. Section 60-305.15, Revised Statutes Supplement, 1996, is amended to read:

60-305.15. (1) As registration fees are received by the Division of Motor Carrier Services of the Department of Motor Vehicles pursuant to section 60-305.09, the division shall transmit the fees to the State Treasurer, less a collection fee of three percent of thirty percent of the registration fees collected. The collection fee shall be deposited into the ~~Tax Commissioner Revolving Property Tax Division Cash~~ Fund. The State Treasurer shall deposit the remainder of the thirty percent of the fees collected in the Motor Vehicle Tax Fund and the remaining seventy percent of the fees collected in the Highway Trust Fund.

(2) On or before the last day of each quarter of the calendar year, the State Treasurer shall distribute all funds in the Motor Vehicle Tax Fund to the county treasurer of each county in the same proportion as the number of original motor vehicle registrations in each county bears to the total of all original registrations within the state in the registration year immediately preceding.

(3) Upon receipt of motor vehicle tax funds from the State Treasurer, the county treasurer shall distribute such funds to taxing agencies within the county in the same proportion that the levy of each such taxing agency bears to the total of such levies of all taxing agencies in the county.

(4) In the event any taxing district has been annexed, merged,

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statement:

THE AMOUNT OF STATE FUNDS SHOWN ABOVE WOULD HAVE BEEN ADDITIONAL PROPERTY TAXES IF NOT ALLOCATED TO THE COUNTY, CITY, VILLAGE, AND SCHOOL DISTRICT BY THE LEGISLATURE.

Sec. 99. Section 77-1706, Reissue Revised Statutes of Nebraska, is amended to read:

77-1706. All receipts issued by the county treasurer for taxes paid to him or her shall be numbered consecutively, commencing with the number one on the first sheet issued for the taxes for any one year. The county treasurer shall not receipt for more than one year's taxes on the same property in one tax receipt but shall keep a separate and distinct series of numbers of receipts issued for the taxes of each year for which the taxes have been levied and assessed. ~~The numbering of the tax receipts shall be done by the county clerk or printer before they are delivered to the county treasurer. They shall be firmly bound in book form.~~ The original and duplicate of these receipts shall be attached together as one, and each duplicate of each original receipt shall bear the same number as the original.

~~In counties which shall adopt or have adopted the unit tax ledger, provided for in section 77-1613, it shall not be necessary to bind the original and duplicate tax receipts together in book form.~~ Such tax receipts may be prewritten, and the cost of so preparing such tax receipts shall be paid for by the county board of such county out of the county general fund.

Sec. 100. Section 77-5001, Reissue Revised Statutes of Nebraska, as amended by section 34, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, is amended to read:

77-5001. Sections 77-5001 to 77-5021 and sections 40 to 48 of this act and section 101 of this act shall be known and may be cited as the Tax Equalization and Review Commission Act.

Sec. 101. The Tax and Review Commission Cash Fund is hereby created. All money received by the commission for appeals and services performed and billed to other agencies or persons shall be credited to the fund. The commission shall only bill for the actual amount expended performing services. The fund shall be used to carry out the provisions of the Tax Equalization and Review Commission Act. Expenditures from the fund shall be made only when such funds are available. Any unexpended balance in the fund at the end of each fiscal year shall not lapse to the General Fund. Any money in the Tax Equalization and Review Commission Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 102. Section 77-5007, Reissue Revised Statutes of Nebraska, as amended by section 35, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, is amended to read:

77-5007. The commission has the power and duty to hear and determine appeals of:

- (1) Decisions of any county board of equalization equalizing the value of individual tracts, lots, or parcels of real property so that all real property is assessed uniformly and proportionately;
- (2) Decisions of any county board of equalization granting or denying tax-exempt status for real or personal property;
- (3) Decisions of the Property Tax Administrator determining the taxable property of a railroad company, car company, public service entity, or air carrier within the state;
- (4) Decisions of the Property Tax Administrator determining adjusted valuation pursuant to section 79-1016;
- (5) Decisions of any county board of equalization on the valuation of personal property or any penalties imposed under ~~section 77-1233.04~~ sections 77-1233.04 and 77-1233.05 and section 55 of this act;
- (6) Decisions of any county board of equalization of claims that a levy is or is not for an unlawful or unnecessary purpose or in excess of the requirements of the county;
- (7) Decisions of any county board of equalization granting or rejecting an application for a homestead exemption;
- (8) Any other decision of any county board of equalization; and
- (9) Any other decision of the Property Tax Administrator.

Sec. 103. Section 79-1016, Reissue Revised Statutes of Nebraska, as amended by section 4, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, and section 3, Legislative Bill 713, Ninety-fifth Legislature, First Session, 1997, is amended to read:

79-1016. (1) On or before July 1 of each year, the Property Tax Administrator shall compute and certify to the State Department of Education the adjusted valuation for the current calendar year of each district for each

class of property in each such district so that the valuation of property for each district, for purposes of determining state aid pursuant to the Tax Equity and Educational Opportunities Support Act, shall reflect as nearly as possible state aid value as defined in subsection (2) of this section. The Property Tax Administrator shall also notify each school district of its adjusted valuation for the current calendar year by class on or before July 1 of each year. Establishment of the adjusted valuation shall be based on assessment practices established by rule and regulation adopted and promulgated by the Property Tax Administrator. The assessment practices may include, but not be limited to, the appraisal methods listed in section 77-112.

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

(a) For real property other than agricultural land, one hundred percent of market value;

(b) For agricultural land, eighty percent of market value as provided in sections 77-1359 to ~~77-1366~~ 77-1363;

(c) For personal property other than motor vehicles, the net book value as defined in section 77-120; and

(d) For motor vehicles, the value established pursuant to section 77-1239.

(3) On or before July 31, any school district may file with the Property Tax Administrator written objections to the adjusted valuations prepared by the Property Tax Administrator, stating the reasons why such adjusted valuations are not the valuations required by subsection (2) of this section. The Property Tax Administrator shall fix a time for a hearing. Either party shall be permitted to introduce any evidence in reference thereto. On or before November 1, the Property Tax Administrator shall enter an order modifying or declining to modify, in whole or in part, the adjusted valuations and shall certify the order to the State Department of Education. Modification by the Property Tax Administrator shall be based upon the evidence introduced at hearing and shall not be limited to the modification requested in the written objections or at hearing. The final determination of the Property Tax Administrator may be appealed to the Tax Equalization and Review Commission.

~~(4) The Property Tax Administrator shall, on the date the adjusted valuations are certified to the State Department of Education under subsection (1) of this section, cause to be published notice of such adjusted valuations in a newspaper published or of general circulation in each county in Nebraska.~~

~~(5)~~ On or before March 15, 1997, for adjusted valuations certified in 1996, and on or before October 31 for adjusted valuations certified each year thereafter, any school district or county official may file with the Property Tax Administrator a written request for a nonappealable correction of the adjusted valuation due to clerical error or, for agricultural land, assessed value changes by reason of land qualified or disqualified for special use valuation pursuant to sections 77-1343 to 77-1348. For purposes of this subsection, clerical error means transposition of numbers, allocation of value to the wrong school district, mathematical error, and omitted value. On or before March 31, 1997, for adjusted valuations certified in 1996, and on or before November 30 for valuations certified each year thereafter, the Property Tax Administrator shall approve or deny the request and, if approved, certify the corrected adjusted valuations resulting from such action to the State Department of Education.

~~(6)~~ (5) No injunction shall be granted restraining the distribution of state aid based upon the adjusted valuations pursuant to this section.

Sec. 104. Section 79-1036, Reissue Revised Statutes of Nebraska, is amended to read:

79-1036. (1) In making the apportionment under section 79-1035, the Commissioner of Education shall distribute from the school fund for school purposes, to any and all school districts in which there are situated school lands which have not been sold and transferred by deed or saline lands owned by the state, an amount in lieu of tax money that would be raised if such lands were taxable, to be ascertained in accordance with subsection (2) of this section, except that:

(4) For Class I districts or portions thereof which are affiliated and in which there are situated school or saline lands, 38.6207 percent of the in lieu of land tax money calculated pursuant to subsection (2) of this section, based on the affiliated school system tax levy computed pursuant to section 79-1077, shall be distributed to the affiliated high school district and the remainder shall be distributed to the Class I district;

(b) For Class I districts or portions thereof which are part of a Class VI district which offers instruction in grades nine through twelve and in which there are situated school or saline lands, 38.6207 percent of the in

lieu of land tax money calculated pursuant to subsection (2) of this section, based on the Class VI school system levy computed pursuant to section 79-1078, shall be distributed to the Class VI district and the remainder shall be distributed to the Class I district; and

(c) For Class I districts or portions thereof which are part of a Class VI district which offers instruction in grades seven through twelve and in which there are situated school or saline lands, 55.1724 percent of the in lieu of land tax money calculated pursuant to subsection (2) of this section, based on the Class VI school system levy computed pursuant to section 79-1078, shall be distributed to the Class VI district and the remainder shall be distributed to the Class I district.

(2) The county superintendents shall certify to the Commissioner of Education the tax levy for school purposes of each school district in which school land or saline land is located and the last appraised value of such school land, which value shall be the same percentage of the appraised value as the percentage of the assessed value is of market value in ~~section 77-1360.01~~ subsection (2) of section 77-201 for the purpose of applying the applicable tax levy for each district in determining the distribution to the districts of such amounts. The board of any school district in which there is located any leased or undeeded school land or saline land subject to this section may appeal to the Board of Educational Lands and Funds for a reappraisal of such school land if such school board deems the land not appraised in proportion to the value of adjoining land of the same or similar value. The Board of Educational Lands and Funds shall proceed to investigate the facts involved in such appeal and, if the contention of the school board is correct, make the proper reappraisal. The value calculation in this subsection shall be used by the Commissioner of Education for making distributions in the 1992-93 school year and every year thereafter.

Sec. 105. Sections 1, 22, 26, 27, 34, 35, 40 to 44, 57, 59, 60, 62, 75, 100, 101, 103, and 106 of this act become operative on July 1, 1997. Sections 3, 5 to 7, 15, 51, 53 to 55, 63, 65, 68 to 73, 77, 79, 80, 82 to 91, 102, and 107 of this act become operative on January 1, 1998. Sections 64, 66, 74, 76, 78, 93, 98, 99, 105, 108, and 111 of this act become operative on their effective date. The other sections of this act become operative three calendar months after adjournment of this legislative session.

Sec. 106. Original sections 77-421, 77-605, 77-683, 77-684, 77-802 to 77-804, 77-1240.03, 77-1247, 77-1249, 77-1250, and 77-1342, Reissue Revised Statutes of Nebraska, section 60-305.15, Revised Statutes Supplement, 1996, section 77-5001, Reissue Revised Statutes of Nebraska, as amended by section 34, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, and section 79-1016, Reissue Revised Statutes of Nebraska, as amended by section 4, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, and section 3, Legislative Bill 713, Ninety-fifth Legislature, First Session, 1997, are repealed.

Sec. 107. Original sections 77-103, 77-117, 77-202.08, 77-1230, 77-1233.04, 77-1233.05, 77-1301, 77-1303, 77-1315, 77-1316.01 to 77-1318.01, 77-1359, 77-1361, 77-1362, 77-1374 to 77-1376, 77-1501, 77-1502, 77-1503.01, 77-1504, 77-1507, and 77-1514, Reissue Revised Statutes of Nebraska, and sections 77-1510 and 77-5007, Reissue Revised Statutes of Nebraska, as amended by sections 23 and 35, respectively, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, are repealed.

Sec. 108. Original sections 77-1301.01, 77-1325, 77-1344, 77-1360.01, 77-1613.02, 77-1704.01, and 77-1706, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 109. Original sections 77-101, 77-201, 77-202.01 to 77-202.03, 77-370, 77-415, 77-417, 77-420, 77-602, 77-603, 77-606, 77-607, 77-612, 77-621, 77-623, 77-681, 77-687, 77-801, 77-801.01, 77-1201, 77-1202, 77-1211, 77-1214, 77-1219, 77-1229, 77-1233.02, 77-1236, 77-1242.02, 77-1249.01, 77-1363, 77-1613, 77-1614, 77-1615, 77-1616, 77-1617, and 79-1036, Reissue Revised Statutes of Nebraska, section 77-112, Reissue Revised Statutes of Nebraska, as amended by section 1, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997, and sections 77-425 and 77-1311, Reissue Revised Statutes of Nebraska, as amended by sections 7 and 13, respectively, Legislative Bill 397, Ninety-fifth Legislature, First Session, 1997, are repealed.

Sec. 110. The following sections are outright repealed: Sections 77-367, 77-368, 77-399, 77-3,100, 77-3,113, 77-3,114, 77-416, 77-418, 77-419, 77-428, 77-608, 77-611, 77-615, 77-1208, 77-1215, 77-1301.02 to 77-1301.04, 77-1301.06 to 77-1301.08, 77-1301.12 to 77-1301.15, 77-1304, 77-1316, 77-1360, and 77-1364, Reissue Revised Statutes of Nebraska, section 77-1301.16 and 77-1311.02, Reissue Revised Statutes of Nebraska, as amended by sections 12 and 14, respectively, Legislative Bill 397, Ninety-fifth Legislature, First

Session, 1997, and section 77-1365, Reissue Revised Statutes of Nebraska, as amended by section 3, Legislative Bill 342, Ninety-fifth Legislature, First Session, 1997.

Sec. 111. Since an emergency exists, this act takes effect when passed and approved according to law.