

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1087

Introduced by Pirsch, 4.

Read first time January 22, 2014

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 77-3501, 77-3501.01, 77-3506.03, 77-3509, 77-3509.01,
3 77-3509.02, 77-3509.03, 77-3510, 77-3511, 77-3512,
4 77-3513, 77-3514, 77-3516, 77-3521, 77-3522, 77-3523,
5 77-3529, and 77-4212, Reissue Revised Statutes of
6 Nebraska, and section 77-3517, Revised Statutes
7 Cumulative Supplement, 2012; to create a homestead
8 exemption for disabled veterans and widows and widowers
9 as prescribed; to harmonize provisions; to provide an
10 operative date; and to repeal the original sections.

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

1 Section 1. Section 77-3501, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3501 For purposes of sections 77-3501 to 77-3529 and
4 section 4 of this act, unless the context otherwise requires, the
5 definitions found in sections 77-3501.01 to 77-3505.05 shall be used.

6 Sec. 2. Section 77-3501.01, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 77-3501.01 (1) For purposes of section 77-3507, exempt
9 amount shall mean the lesser of (a) the taxable value of the
10 homestead or (b) one hundred percent of the average assessed value of
11 single-family residential property in the claimant's county of
12 residence as determined in section 77-3506.02 or forty thousand
13 dollars, whichever is greater.

14 (2) For purposes of sections 77-3508 and 77-3509, exempt
15 amount shall mean the lesser of (a) the taxable value of the
16 homestead or (b) one hundred twenty percent of the average assessed
17 value of single-family residential property in the claimant's county
18 of residence as determined in section 77-3506.02 or fifty thousand
19 dollars, whichever is greater.

20 (3) For purposes of section 4 of this act, exempt amount
21 shall mean the taxable value of the homestead.

22 Sec. 3. Section 77-3506.03, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 77-3506.03 For homesteads valued at or above the maximum
25 value, the exempt amount for any exemption under sections 77-3507 to

1 77-3509 shall be reduced by ten percent for each two thousand five
2 hundred dollars of value by which the homestead exceeds the maximum
3 value and any homestead which exceeds the maximum value by twenty
4 thousand dollars or more is not eligible for any exemption under
5 sections 77-3507 to 77-3509. This section shall not apply to any
6 exemption under section 4 of this act.

7 Sec. 4. (1) All homesteads in this state shall be
8 assessed for taxation the same as other property, except that there
9 shall be exempt from taxation, on any homestead described in
10 subsection (2) of this section, one hundred percent of the exempt
11 amount.

12 (2) The exemption described in subsection (1) of this
13 section shall apply to homesteads of:

14 (a) A veteran who was discharged or otherwise separated
15 with a characterization of honorable or general (under honorable
16 conditions), who is drawing compensation from the United States
17 Department of Veterans Affairs because of one hundred percent
18 service-connected disability, and who is not eligible for total
19 exemption under sections 77-3526 to 77-3528 or the unremarried widow
20 or widower of a veteran described in this subdivision;

21 (b) An unremarried widow or widower of any veteran,
22 including a veteran other than a veteran described in section
23 80-401.01, who was discharged or otherwise separated with a
24 characterization of honorable or general (under honorable conditions)
25 and who died because of a service-connected disability; and

1 (c) An unremarried widow or widower of a serviceman or
2 servicewoman, including a veteran other than a veteran described in
3 section 80-401.01, whose death while on active duty was service-
4 connected.

5 (3) Application for exemption under this section shall
6 include certification of the status set forth in subsection (2) of
7 this section from the United States Department of Veterans Affairs.

8 Sec. 5. Section 77-3509, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 77-3509 (1)(a) All homesteads in this state shall be
11 assessed for taxation the same as other property, except that there
12 shall be exempt from taxation, on any homestead described in
13 subdivision (b) of this subsection, a percentage of the exempt amount
14 as limited by section 77-3506.03.

15 (b) The exemption described in subdivision (a) of this
16 subsection shall apply to homesteads of ~~÷ (i) A veteran described in~~
17 ~~section 80-401.01 who was discharged or otherwise separated with a~~
18 ~~characterization of honorable or general (under honorable~~
19 ~~conditions), who is drawing compensation from the United States~~
20 ~~Department of Veterans Affairs because of one hundred percent~~
21 ~~disability, and who is not eligible for total exemption under~~
22 ~~sections 77-3526 to 77-3528 or the unremarried widow or widower of a~~
23 ~~veteran described in this subdivision (i); (ii) An unremarried widow~~
24 ~~or widower of any veteran, including a veteran other than a veteran~~
25 ~~described in section 80-401.01, who was discharged or otherwise~~

1 ~~separated with a characterization of honorable or general (under~~
 2 ~~honorable conditions) and who died because of a service-connected~~
 3 ~~disability; (iii) An an unremarried widow or widower of a serviceman~~
 4 or servicewoman who died while on active duty during the periods
 5 described in section 80-401.01. ~~;~~ and

6 ~~(iv) An unremarried widow or widower of a serviceman or~~
 7 ~~servicewoman, including a veteran other than a veteran described in~~
 8 ~~section 80-401.01, whose death while on active duty was service-~~
 9 ~~connected.~~

10 (c) The exemption described in subdivision (a) of this
 11 subsection shall be based on the household income of a claimant
 12 pursuant to subsections (2) through (4) of this section. Application
 13 for exemption under this section shall include certification of the
 14 status set forth in this section from the United States Department of
 15 Veterans Affairs.

16 (2) For 2000, for a married or closely related claimant
 17 as described in subsection (1) of this section, the percentage of the
 18 exempt amount for which the claimant shall be eligible shall be the
 19 percentage in Column B which corresponds with the claimant's
 20 household income in Column A in the table found in this subsection.

21	Column A	Column B
22	Household Income	Percentage
23	In Dollars	Of Relief
24	0 through 24,700	100

1	24,701 through 25,900	85
2	25,901 through 27,100	70
3	27,101 through 28,300	55
4	28,301 through 29,500	40
5	29,501 through 30,700	25
6	30,701 and over	0

7 (3) For 2000, for a single claimant as described in
 8 subsection (1) of this section, the percentage of the exempt amount
 9 for which the claimant shall be eligible shall be the percentage in
 10 Column B which corresponds with the claimant's household income in
 11 Column A in the table found in this subsection.

12	Column A	Column B
13	Household Income	Percentage
14	In Dollars	Of Relief
15	0 through 21,600	100
16	21,601 through 22,600	85
17	22,601 through 23,600	70
18	23,601 through 24,600	55
19	24,601 through 25,600	40
20	25,601 through 26,600	25
21	26,601 and over	0

22 (4) For exemption applications filed in calendar year
 23 2001 and each year thereafter, the income eligibility amounts in

1 subsections (2) and (3) of this section shall be adjusted for
2 inflation by the method provided in section 151 of the Internal
3 Revenue Code. The income eligibility amounts shall be adjusted for
4 cumulative inflation since 2000. If any amount is not a multiple of
5 one hundred dollars, the amount shall be rounded to the next lower
6 multiple of one hundred dollars.

7 Sec. 6. Section 77-3509.01, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 77-3509.01 The owner of a homestead which has been
10 granted an exemption provided in sections 77-3507 to 77-3509 or
11 section 4 of this act, who becomes the owner of another homestead
12 prior to August 15 during the year for which the exemption was
13 granted, may file an application with the county assessor of the
14 county where the new homestead is located, on or before August 15 of
15 such year, for a transfer of the exemption to the new homestead. The
16 county assessor shall examine each application and determine whether
17 or not the new homestead, except for the January 1 through August 15
18 ownership and occupancy requirement and the income requirements, is
19 eligible for exemption under sections 77-3507 to 77-3509 or section 4
20 of this act. If the application is approved by the county assessor,
21 he or she shall make a deduction upon the assessment rolls using the
22 same criteria as previously applied to the original homestead. The
23 county assessor may allow the application for transfer to also be
24 considered an application for a homestead exemption for the
25 subsequent year.

1 Sec. 7. Section 77-3509.02, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3509.02 If the owner of any homestead granted an
4 exemption under sections 77-3507 to 77-3509 or section 4 of this act
5 becomes the owner of another homestead on or before August 15 of any
6 year pursuant to section 77-3509.01 and makes the application for
7 transfer of the homestead exemption and such application is approved,
8 the exemption shall be disallowed for such year as applied to the
9 original homestead if the exemption was granted based on the status
10 of such owner. If the transfer involves property in more than one
11 county, the county assessor of the county where the new homestead is
12 located shall notify the other county assessor and the Department of
13 Revenue of the application for transfer within ten days after receipt
14 of the application.

15 Sec. 8. Section 77-3509.03, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 77-3509.03 All property tax statements for homesteads
18 granted an exemption in sections 77-3507 to 77-3509 or section 4 of
19 this act shall show the amount of the exemption, the tax that would
20 otherwise be due, and a statement that the tax loss shall be
21 reimbursed by the state as a homestead exemption.

22 Sec. 9. Section 77-3510, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 77-3510 On or before February 1 of each year, the Tax
25 Commissioner shall prescribe forms to be used by all claimants for

1 homestead exemption or for transfer of homestead exemption. Such
2 forms shall contain provisions for the showing of all information
3 which the Tax Commissioner may deem necessary to (1) enable the
4 county officials and the Tax Commissioner to determine whether each
5 claim for exemption under sections 77-3507 to 77-3509 or section 4 of
6 this act should be allowed and (2) enable the county assessor to
7 determine whether each claim for transfer of homestead exemption
8 pursuant to section 77-3509.01 should be allowed. It shall be the
9 duty of the county assessor of each county in this state to furnish
10 such forms, upon request, to each person desiring to make application
11 for homestead exemption or for transfer of homestead exemption. The
12 forms so prescribed shall be used uniformly throughout the state, and
13 no application for exemption or for transfer of homestead exemption
14 shall be allowed unless the applicant uses the prescribed form in
15 making an application. The forms shall require the attachment of an
16 income statement for any applicant seeking an exemption under
17 sections 77-3507 to 77-3509 as prescribed by the Tax Commissioner
18 fully accounting for all household income. The Tax Commissioner shall
19 provide to each county assessor printed claim forms and address lists
20 of applicants from the prior year. The application and information
21 contained on any attachments to the application shall be confidential
22 and available to tax officials only.

23 Sec. 10. Section 77-3511, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 77-3511 The application for homestead exemption or for

1 transfer of homestead exemption shall be signed by the owner of the
2 property who qualifies for exemption under sections 77-3501 to
3 77-3529 and section 4 of this act unless the owner is an incompetent
4 or unable to make such application, in which case it shall be signed
5 by the guardian. If an owner who in all respects qualifies for a
6 homestead exemption under such sections dies after January 1 and
7 before the last day for filing an application for a homestead
8 exemption and before applying for a homestead exemption, his or her
9 personal representative may file the application for exemption on or
10 before the last day for filing an application for a homestead
11 exemption of that year if the surviving spouse of such owner
12 continues to occupy the homestead. Any exemption granted as a result
13 of such application signed by a personal representative shall be in
14 effect for only the year in which the owner died.

15 Sec. 11. Section 77-3512, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 77-3512 It shall be the duty of each owner who applies
18 for the homestead exemption provided in sections 77-3507 to 77-3509
19 and section 4 of this act to file an application therefor with the
20 county assessor of the county in which the homestead is located after
21 February 1 and on or before June 30 of each year. Failure to do so
22 shall constitute a waiver of the exemption for that year, except
23 that:

24 (1) The county board of the county in which the homestead
25 is located may, by majority vote, extend the deadline for an

1 applicant to on or before July 20. An extension shall not be granted
2 to an applicant who received an extension in the immediately
3 preceding year; and

4 (2) An owner may file a late application pursuant to
5 section 77-3514.01 if he or she includes documentation of a medical
6 condition which impaired the owner's ability to file the application
7 in a timely manner.

8 Sec. 12. Section 77-3513, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 77-3513 (1) Except as required by section 77-3514, if an
11 owner is granted a homestead exemption as provided in section 77-3507
12 or 77-3509 or section 4 of this act or subdivision (1)(b)(ii) or
13 (iii) of section 77-3508, no reapplication need be filed for
14 succeeding years, in which case the county assessor and Tax
15 Commissioner shall determine whether the claimant qualifies for the
16 homestead exemption in such succeeding years as otherwise provided in
17 sections 77-3501 to 77-3529 and section 4 of this act as though a
18 claim were made.

19 (2) It shall be the duty of each claimant who wants the
20 homestead exemption provided in subdivision (1)(b)(i) of section
21 77-3508 to file an application therefor with the county assessor on
22 or before June 30 of each year. Failure to do so shall constitute a
23 waiver of the exemption for such year, except that:

24 (a) The county board of the county in which the homestead
25 is located may, by majority vote, extend the deadline for an

1 applicant to on or before July 20. An extension shall not be granted
2 to an applicant who received an extension in the immediately
3 preceding year; and

4 (b) A claimant may file a late application pursuant to
5 section 77-3514.01 if he or she includes documentation of a medical
6 condition which impaired the claimant's ability to file the
7 application in a timely manner.

8 (3) The county assessor shall mail a notice on or before
9 April 1 to claimants who are the owners of a homestead which was
10 granted an exemption under subdivision (1)(b)(i) of section 77-3508
11 in the preceding year unless the claimant has already filed the
12 application for the current year or the county assessor has reason to
13 believe there has been a change of circumstances so that the claimant
14 no longer qualifies. The notice shall include the claimant's name,
15 the application deadlines for the current year, a list of documents
16 that must be filed with the application, and the county assessor's
17 office address and telephone number.

18 Sec. 13. Section 77-3514, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 77-3514 A claimant who is the owner of a homestead which
21 has been granted an exemption under sections 77-3507 to 77-3509 or
22 section 4 of this act, except subdivision (1)(b)(i) of section
23 77-3508, shall certify to the county assessor on or before June 30 of
24 each year that a change in the homestead exemption status has
25 occurred or that no change in the homestead exemption status has

1 occurred. The county board of the county in which the homestead is
2 located may, by majority vote, extend the deadline for certification
3 by a claimant to on or before July 20. An extension shall not be
4 granted to an applicant who received an extension in the immediately
5 preceding year. In addition, a claimant may make such certification
6 late pursuant to section 77-3514.01 if he or she includes
7 documentation of a medical condition which impaired the claimant's
8 ability to certify in a timely manner. The county assessor shall mail
9 a notice on or before April 1 to claimants who are the owners of a
10 homestead which has been granted an exemption under sections 77-3507
11 to 77-3509 or section 4 of this act, except subdivision (1)(b)(i) of
12 section 77-3508, in the preceding year unless the claimant has
13 already filed the certification for the current year or the county
14 assessor has reason to believe there has been a change of
15 circumstances so that the claimant no longer qualifies. The notice
16 shall include the claimant's name, the certification deadlines for
17 the current year, a list of documents that must be filed with the
18 certification, and the county assessor's office address and telephone
19 number. For purposes of this section, change in the homestead
20 exemption status shall include any change in the name of the owner,
21 ownership, residence, occupancy, marital status, veteran status, or
22 rating by the United States Department of Veterans Affairs or any
23 other change that would affect the qualification for or type of
24 exemption granted, except income checked by the Tax Commissioner
25 under section 77-3517. The certificate shall require the attachment

1 of an income statement for exemptions under sections 77-3507 to
2 77-3509 as prescribed by the Tax Commissioner fully accounting for
3 all household income. The certification and the information contained
4 on any attachments to the certification shall be confidential and
5 available to tax officials only. In addition, a claimant who is the
6 owner of a homestead which has been granted an exemption under
7 sections 77-3507 to 77-3509 or section 4 of this act may notify the
8 county assessor by August 15 of each year of any change in the
9 homestead exemption status occurring in the preceding portion of the
10 calendar year as a result of a transfer of the homestead exemption
11 pursuant to sections 77-3509.01 and 77-3509.02. If by his or her
12 failure to give such notice any property owner permits the allowance
13 of the homestead exemption for any year, or in the year of
14 application in the case of transfers pursuant to sections 77-3509.01
15 and 77-3509.02, after the homestead exemption status of such property
16 has changed, an amount equal to the amount of the taxes lawfully due
17 but not paid by reason of such unlawful and improper allowance of
18 homestead exemption, together with penalty and interest on such total
19 sum as provided by statute on delinquent ad valorem taxes, shall be
20 due and shall upon entry of the amount thereof on the books of the
21 county treasurer be a lien on such property while unpaid. Such lien
22 may be enforced in the manner provided for liens for other delinquent
23 taxes. Any person who has permitted the improper and unlawful
24 allowance of such homestead exemption on his or her property shall,
25 as an additional penalty, also forfeit his or her right to a

1 homestead exemption on any property in this state for the two
2 succeeding years.

3 Sec. 14. Section 77-3516, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 77-3516 The county assessor shall examine each
6 application for homestead exemption filed with him or her for an
7 exemption pursuant to sections 77-3507 to 77-3509 or section 4 of
8 this act and shall determine, except for the income requirements,
9 whether or not such application should be approved or rejected. If
10 the application is approved, the county assessor shall mark the same
11 approved and sign the application. In case he or she finds that the
12 exemption should not be allowed by reason of not being in conformity
13 to law, the county assessor shall mark the application rejected and
14 state thereon the reason for such rejection and sign the application.
15 In any case when the county assessor rejects an application for
16 exemption, he or she shall notify the applicant of such action by
17 mailing written notice to the applicant at the address shown in the
18 application, which notice shall be mailed not later than July 31 of
19 each year, except that in cases of a change in ownership or occupancy
20 from January 1 through August 15 or a late application authorized by
21 the county board or permitted because of a medical condition which
22 impaired the applicant's ability to file in a timely manner, the
23 notice shall be sent within a reasonable time. The notice shall be on
24 forms prescribed by the Tax Commissioner.

25 Sec. 15. Section 77-3517, Revised Statutes Cumulative

1 Supplement, 2012, is amended to read:

2 77-3517 (1) On or before August 1 of each year, the
3 county assessor shall forward the approved applications for homestead
4 exemptions and a copy of the certification of disability status that
5 have been examined pursuant to section 77-3516 to the Tax
6 Commissioner. The Tax Commissioner shall determine if the applicant
7 meets the income requirements and may also review any other
8 application information he or she deems necessary in order to
9 determine whether the application should be approved. The Tax
10 Commissioner shall, on or before November 1, certify his or her
11 determinations to the county assessor. If the application is
12 approved, the county assessor shall make the proper deduction on the
13 assessment rolls. If the application is denied or approved in part,
14 the Tax Commissioner shall notify the applicant of the denial or
15 partial approval by mailing written notice to the applicant at the
16 address shown on the application. The applicant may appeal the Tax
17 Commissioner's denial or partial approval pursuant to section
18 77-3520. Late applications authorized by the county board shall be
19 processed in a similar manner after approval by the county assessor.

20 (2)(a) Upon his or her own action or upon a request by an
21 applicant, a spouse, or an owner-occupant, the Tax Commissioner may
22 review any information necessary to determine whether an application
23 is in compliance with sections 77-3501 to 77-3529 and section 4 of
24 this act. Any action taken by the Tax Commissioner pursuant to this
25 subsection shall be taken within three years after December 31 of the

1 year in which the exemption was claimed.

2 (b) If after completion of the review the Tax
3 Commissioner determines that an exemption should have been approved
4 or increased, the Tax Commissioner shall notify the applicant,
5 spouse, or owner-occupant and the county treasurer and assessor of
6 his or her determination. The applicant, spouse, or owner-occupant
7 shall receive a refund of the tax, if any, that was paid as a result
8 of the exemption being denied, in whole or in part. The county
9 treasurer shall make the refund and shall amend the county's claim
10 for reimbursement from the state.

11 (c) If after completion of the review the Tax
12 Commissioner determines that an exemption should have been denied or
13 reduced, the Tax Commissioner shall notify the applicant, spouse, or
14 owner-occupant of such denial or reduction. The applicant, the
15 spouse, and any owner-occupant may appeal the Tax Commissioner's
16 denial or reduction pursuant to section 77-3520. Upon the expiration
17 of the appeal period in section 77-3520, the Tax Commissioner shall
18 notify the county assessor of the denial or reduction and the county
19 assessor shall remove or reduce the exemption from the tax rolls of
20 the county. Upon notification by the Tax Commissioner to the county
21 assessor, the amount of tax due as a result of the action of the Tax
22 Commissioner shall become a lien on the homestead until paid. Upon
23 attachment of the lien, the county treasurer shall refund to the Tax
24 Commissioner the amount of tax equal to the denied or reduced
25 exemption for deposit into the General Fund. No lien shall be created

1 if a change in ownership of the homestead or death of the applicant,
2 the spouse, and all other owner-occupants has occurred prior to the
3 Tax Commissioner's notice to the county assessor.

4 Sec. 16. Section 77-3521, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 77-3521 It shall be the duty of the Tax Commissioner to
7 adopt and promulgate rules and regulations for the information and
8 guidance of the county assessors and county boards of equalization,
9 not inconsistent with sections 77-3501 to 77-3529 and section 4 of
10 this act, affecting the application, hearing, assessment, or
11 equalization of property which is claimed to be entitled to the
12 exemption granted by such sections.

13 Sec. 17. Section 77-3522, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 77-3522 (1) Any person who makes any false or fraudulent
16 claim for exemption or any false statement or false representation of
17 a material fact in support of such claim or any person who assists
18 another in the preparation of any such false or fraudulent claim or
19 enters into any collusion with another by the execution of a
20 fictitious deed or other instrument for the purpose of obtaining
21 unlawful exemption under sections 77-3501 to 77-3529 and section 4 of
22 this act shall be guilty of a Class II misdemeanor and shall be
23 subject to a forfeiture of any such exemption for a period of two
24 years from the date of conviction. Any person who shall make an oath
25 or affirmation to any false or fraudulent application for homestead

1 exemption knowing the same to be false or fraudulent shall be guilty
2 of a Class I misdemeanor.

3 (2) In addition to the penalty provided in subsection (1)
4 of this section, if any person files a claim for exemption as
5 provided in section 77-3507, 77-3508, or 77-3509 or section 4 of this
6 act which is excessive due to misstatements by the owner filing such
7 claim, the claim may be disallowed in full and, if the claim has been
8 allowed, an amount equal to the amount of taxes lawfully due but not
9 paid by reason of such unlawful and improper allowance of homestead
10 exemption shall be due and shall upon entry of the amount thereof on
11 the books of the county treasurer be a lien on such property until
12 paid and a penalty equal to the amount of taxes lawfully due but
13 claimed for exemption shall be assessed.

14 Sec. 18. Section 77-3523, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 77-3523 The county treasurer shall, on or before November
17 30 of each year, certify to the Tax Commissioner the total tax
18 revenue that will be lost to all taxing agencies within his or her
19 county from taxes levied and assessed in that year because of
20 exemptions allowed under sections 77-3501 to 77-3529 and section 4 of
21 this act. The county treasurer may amend the certification to show
22 any change or correction in the total tax that will be lost until May
23 30 of the next succeeding year. If a homestead exemption is approved,
24 denied, or corrected by the Tax Commissioner under subsection (2) of
25 section 77-3517 after May 1 of the next year, the county treasurer

1 shall prepare and submit amended reports to the Tax Commissioner and
2 the political subdivisions covering any affected year and shall
3 adjust the reimbursement to the county and the other political
4 subdivisions by adjusting the reimbursement due under this section in
5 later years. The Tax Commissioner shall, on or before January 1 next
6 following such certification or within thirty days of any amendment
7 to the certification, notify the Director of Administrative Services
8 of the amount so certified to be reimbursed by the state.
9 Reimbursement of the funds lost shall be made to each county
10 according to the certification and shall be distributed in six as
11 nearly as possible equal monthly payments on the last business day of
12 each month beginning in January. The State Treasurer shall, on the
13 business day preceding the last business day of each month, notify
14 the Director of Administrative Services of the amount of funds
15 available in the General Fund for payment purposes. The Director of
16 Administrative Services shall, on the last business day of each
17 month, draw warrants against funds appropriated. Out of the amount so
18 received the county treasurer shall distribute to each of the taxing
19 agencies within his or her county the full amount so lost by such
20 agency, except that one percent of such amount shall be deposited in
21 the county general fund and that the amount due a Class V school
22 district shall be paid to the district and the county shall be
23 compensated pursuant to section 14-554. Each taxing agency shall, in
24 preparing its annual or biennial budget, take into account the amount
25 to be received under this section.

1 Sec. 19. Section 77-3529, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3529 If any application for exemption pursuant to
4 sections 77-3501 to 77-3529 and section 4 of this act is denied and
5 the applicant would be qualified for any other exemption under such
6 sections, then such denied application shall be treated as an
7 application for the highest exemption for which qualified. Any
8 additional documentation necessary for such other exemption shall be
9 submitted to the county assessor within a reasonable time after
10 receipt of the notice of denial.

11 Sec. 20. Section 77-4212, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 77-4212 (1) For tax year 2007, the amount of relief
14 granted under the Property Tax Credit Act shall be one hundred five
15 million dollars. For tax year 2008, the amount of relief granted
16 under the act shall be one hundred fifteen million dollars. It is the
17 intent of the Legislature to fund the Property Tax Credit Act for tax
18 years after tax year 2008 using available revenue. The relief shall
19 be in the form of a property tax credit which appears on the property
20 tax statement.

21 (2) To determine the amount of the property tax credit,
22 the county treasurer shall multiply the amount disbursed to the
23 county under subsection (4) of this section by the ratio of the real
24 property valuation of the parcel to the total real property valuation
25 in the county. The amount determined shall be the property tax credit

1 for the property.

2 (3) If the real property owner qualifies for a homestead
3 exemption under sections 77-3501 to 77-3529 and section 4 of this
4 act, the owner shall also be qualified for the relief provided in the
5 act to the extent of any remaining liability after calculation of the
6 relief provided by the homestead exemption. If the credit results in
7 a property tax liability on the homestead that is less than zero, the
8 amount of the credit which cannot be used by the taxpayer shall be
9 returned to the State Treasurer by July 1 of the year the amount
10 disbursed to the county was disbursed. The State Treasurer shall
11 immediately credit any funds returned under this section to the
12 Property Tax Credit Cash Fund.

13 (4) The amount disbursed to each county shall be equal to
14 the amount available for disbursement determined under subsection (1)
15 of this section multiplied by the ratio of the real property
16 valuation in the county to the real property valuation in the state.
17 By September 15, the Property Tax Administrator shall determine the
18 amount to be disbursed under this subsection to each county and
19 certify such amounts to the State Treasurer and to each county. The
20 disbursements to the counties shall occur in two equal payments, the
21 first on or before January 31 and the second on or before April 1.
22 After retaining one percent of the receipts for costs, the county
23 treasurer shall allocate the remaining receipts to each taxing unit
24 levying taxes on taxable property in the tax district in which the
25 real property is located in the same proportion that the levy of such

1 taxing unit bears to the total levy on taxable property of all the
2 taxing units in the tax district in which the real property is
3 located.

4 (5) The State Treasurer shall transfer from the General
5 Fund to the Property Tax Credit Cash Fund one hundred five million
6 dollars by August 1, 2007, and one hundred fifteen million dollars by
7 August 1, 2008.

8 (6) The Legislature shall have the power to transfer
9 funds from the Property Tax Credit Cash Fund to the General Fund.

10 Sec. 21. This act becomes operative on January 1, 2015.

11 Sec. 22. Original sections 77-3501, 77-3501.01,
12 77-3506.03, 77-3509, 77-3509.01, 77-3509.02, 77-3509.03, 77-3510,
13 77-3511, 77-3512, 77-3513, 77-3514, 77-3516, 77-3521, 77-3522,
14 77-3523, 77-3529, and 77-4212, Reissue Revised Statutes of Nebraska,
15 and section 77-3517, Revised Statutes Cumulative Supplement, 2012,
16 are repealed.