

LEGISLATIVE BILL 902

Approved by the Governor April 19, 1994

Introduced by Wickersham, 49; Warner, 25; Landis, 46; Beutler, 28; Wesely, 26

AN ACT relating to real property; to amend sections 76-214, 77-1362, 77-1364, 77-3501, 77-3504, 77-3507, 77-3509, 77-3511, 77-3521, 77-3522, 77-3523, and 77-3529, Reissue Revised Statutes of Nebraska, 1943, sections 77-1315, 77-1338, 77-1363, 77-1502, 77-1504, 77-1506.02, 77-1514, 77-3508, 77-3510, 77-3513, and 77-3514, Revised Statutes Supplement, 1992, and sections 13-509 and 77-507.01, Revised Statutes Supplement, 1993; to establish agricultural and horticultural land valuation boards and land manual areas; to define and redefine terms; to provide powers; to provide appeal procedures; to change provisions relating to valuation and categorization of agricultural land and horticultural land; to change provisions relating to statements about real estate conveyances and provide for access by appraisers; to change provisions relating to homestead exemptions; to provide for adjustments to reimbursements; to harmonize provisions; to provide operative dates; to repeal the original sections; and to declare an emergency.

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

Section 1. For purposes of sections 2 to 11 of this act:(1) Agricultural and horticultural land shall have the same meaning as agricultural land and horticultural land in section 77-1359;(2) Board shall mean an agricultural and horticultural land valuation board; and(3) Land manual area shall mean an area established in section 2 of this act.Sec. 2. The following land manual areas are hereby established:(1) Area 1-Northwest shall be composed of the following counties: Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Banner, Kimball, Morrill, Cheyenne, Garden, and Deuel;(2) Area 2-North shall be composed of the following counties: Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Grant, Hooker, Thomas, Blaine, Loup, Garfield, Wheeler, Arthur, McPherson, and Logan;(3) Area 3-Northeast shall be composed of the following counties: Knox, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Boone, Madison, Stanton, Cuming, and Burt;(4) Area 4-Central shall be composed of the following counties: Custer, Valley, Greeley, Sherman, Howard, Dawson, Buffalo, and Hall;(5) Area 5-East shall be composed of the following counties: Nance, Platte, Colfax, Dodge, Washington, Merrick, Polk, Butler, Saunders, Douglas, Sarpy, Hamilton, York, Seward, Lancaster, and Cass;(6) Area 6-Southwest shall be composed of the following counties: Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dundy, Hitchcock, and Red Willow;(7) Area 7-South shall be composed of the following counties: Gosper, Phelps, Kearney, Adams, Furnas, Harlan, Franklin, and Webster; and(8) Area 8-Southeast shall be composed of the following counties: Clay, Fillmore, Saline, Gage, Otoe, Johnson, Nemaha, Nuckolls, Thayer, Jefferson, Pawnee, and Richardson.

Sec. 3. (1) For each land manual area there is hereby created an agricultural and horticultural land valuation board. Each county in a land manual area shall appoint one person to serve on the board. The appointment shall be made by the county board for a term of four years commencing on the second Tuesday after the first Thursday in January. Vacancies occurring during a term shall be filled by appointment by the county board of the county from which the vacancy occurred for the unexpired term. Upon expiration of a term of office, a member shall continue to serve until his or her successor has been appointed. Members shall serve without compensation but shall be entitled to the actual and necessary expenses incurred in the performance of their duties. Reimbursement for mileage shall be as provided in section 23-1112.

(2) After reasonable notice and hearing, members of an agricultural and horticultural land valuation board may be removed by the State Board of Equalization and Assessment for inefficiency, neglect of duty, misconduct, or incapacity to carry out the duties of a board member.(3) Commencing on February 6, 1995, and each first Monday in

February thereafter, each board shall meet and elect a chairperson, vice-chairperson, and secretary from its members. A majority of the members of a board shall constitute a quorum for the transaction of business. All actions of a board shall require the assenting vote of a majority of the members except adjournment. A board shall keep records of its proceedings and any proceedings in court arising out of or founded upon any board action pursuant to section 4 of this act.

Sec. 4. Each board may:

(1) Employ such full-time or part-time clerical, professional, legal, or other personnel and maintain an office as deemed necessary by the board to carry out the board's duties. All original files, records, and property of the board shall be maintained at such office;

(2) In addition to the annual meeting, hold meetings and hearings as called by the chairperson of the board or upon the request of a majority of the board;

(3) After May 15 and on or before June 15 of each year, (a) increase or decrease by percentage the value of a class or subclass of agricultural and horticultural land in any county in its land manual area in order to establish equalization of value between the various counties in its land manual area effective for that year and (b) make necessary changes in classification of agricultural and horticultural land within its land manual area if the evidence discloses incorrect classification;

(4) Make recommendations to the Department of Revenue as to changes in the agricultural land valuation manual and to the Legislature concerning changes in laws necessary to obtain valuation of agricultural and horticultural land; and

(5) Participate in appeals of its actions.

Sec. 5. Notice of the meetings or hearings of a board shall be given by publication in a newspaper of general circulation in each county within the land manual area. The notice shall state the purpose for holding the meeting or hearing and the time and place of the meeting or hearing and shall be given at least five days prior to the meeting or hearing.

Sec. 6. All costs and expenses of a board for the fiscal year beginning July 1 and ending June 30 shall be charged to the counties in the land manual area on a pro rata basis computed by dividing the value, as of January 1 of the prior calendar year, of agricultural and horticultural land in each county of the land manual area by the total value, as of January 1 of the prior calendar year, of agricultural and horticultural land in the land manual area. The costs and expenses shall be paid to the secretary of the board who shall receive and account for such money to the board.

Sec. 7. Any county board of equalization within a land manual area may appeal an action of an agricultural and horticultural land valuation board increasing or decreasing values or reclassifying land within the county to the State Board of Equalization and Assessment. The State Board of Equalization and Assessment shall hold a hearing and shall enter its order prior to August 15. All appeals shall be commenced within fourteen days after the action by the agricultural and horticultural land valuation board by mailing notice to the 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. 8. Any taxpayer may appeal any action of an agricultural and horticultural land valuation board to the district court in the following manner:

(1) The appeal shall be filed within forty-five days after adjournment of the board which, for actions pursuant to subdivision (3) of section 4 of this act, shall be deemed to be June 15 of the year in which the action is taken;

(2) The appeal shall be deemed to be filed for purposes of granting jurisdiction with the filing of the petition and praecipe for summons in any district court in the land manual area and the filing of a request for a transcript with the board. The secretary of the board shall prepare the transcript as soon as practicable after requested and shall deliver the same to the taxpayer for filing with the clerk of the district court upon receipt from the taxpayer of the appropriate fees for its preparation. No proceedings shall be held on the appeal of the taxpayer until the summons has been served upon the chairperson of the board and the transcript has been filed in district court; and

(3) A bond of no less than fifty dollars and no more than two hundred dollars, as determined by the district court, shall be filed with the

petition in the form of a cash deposit or signature bond, property bond, or other bond approved by the county clerk.

After an appeal has been initiated, the board shall have no power or authority to compromise, settle, or otherwise change the action it has taken with respect to the valuation or classification, and exclusive jurisdiction thereof shall be vested in the district court, except that the board may offer to confess judgment pursuant to section 9 of this act. No appeal shall in any manner suspend the collection of any tax or the duties of officers relating thereto during the pendency of the appeal, and all taxes affected thereby, which may be collected, shall be distributed as though no appeal were pending.

If by final order of a court it is thereafter determined that the value of agricultural or horticultural land should be reduced, any tax collected on the value in excess of the taxable value found by the court shall be refunded in the manner provided in section 77-1736.06, and the taxpayer shall not have been required to pay the tax under protest or initiate a refund claim for the tax paid. A person shall not be entitled to a refund pursuant to this section unless the person has prevailed in an action against the board which was filed pursuant to this section.

The board may cross appeal without giving bond for the reason that the taxable value of the agricultural or horticultural land is too low and should be increased in value as of the assessment date from which the appeal was taken.

Any party may appeal the final order of the district court entered pursuant to this section to the Court of Appeals in the manner provided for appeals in equity cases, and the appellate court shall thereafter review the case de novo on the record.

Sec. 9. After an appeal from any action of a board is brought, the board may, with approval of the court, offer in court to confess judgment for part of the value claimed or part of the causes involved in the action. If (1) the appellant is present and refuses to accept such confession of judgment in full of his or her demands against the board in such action or the appellant fails to attend having had reasonable notice that the offer would be made, its amount, and the time of making it and (2) at trial the appellant does not recover more than was offered to be confessed, the appellant shall pay all the costs and fees the board incurred after making the offer. The offer shall not be deemed to be an admission of the cause of action or relief to which the appellant is entitled, and the offer shall not be given in evidence at the trial.

Sec. 10. The district court shall hear appeals and cross appeals taken under section 8 of this act as in equity and without a jury and determine anew all questions raised before the board which relate to the valuation or classification of the agricultural or horticultural land. The court shall affirm the action taken by the board unless evidence is adduced establishing that the action of the board was arbitrary and capricious or unlawful or unless evidence is adduced establishing that the agricultural or horticultural land is valued too low. Any decision rendered by the court shall be certified to the county treasurer and to the officer charged with the duty of preparing the tax list, and if and when such decision becomes final such officers shall correct their records accordingly.

Sec. 11. Whenever any person appeals to the district court from the valuation or classification of a class or subclass of agricultural or horticultural land by the board and the appeal is sustained in whole or in part, the costs of such appeal, including costs of witnesses, may be taxed by the court as it deems just. If the appeal is not sustained in whole or in part or if a cross appeal by the board is sustained in whole or in part, the cost of such appeal or cross appeal, including costs of witnesses, may be taxed by the court as it deems just. Whenever any person appeals from the valuation or classification of another class or subclass of property by the board and the appeal is sustained in whole or in part, the costs of such appeal may be taxed to the appellee. If the appeal is not sustained, the costs may be taxed to the appellant.

Sec. 12. That section 13-509, Revised Statutes Supplement, 1993, be amended to read as follows:

13-509. On or before August 22 of each year, the county assessor shall certify to each governing body or board empowered to levy or certify a tax levy the current taxable value of the taxable property subject to the applicable levy. Current taxable value for real property shall mean the value established by the county assessor and equalized by the county board of equalization, the agricultural and horticultural land valuation board, and the State Board of Equalization and Assessment, and current taxable value for tangible personal property shall mean the net book value reported by the taxpayer and certified by the county assessor.

Sec. 13. That section 76-214, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

76-214. (1) Every grantee who has a deed to real estate recorded, which deed was executed after July 21, 1965, shall at the time such deed is presented for recording file with the register of deeds a completed statement as prescribed by the Tax Commissioner. For all deeds executed and recorded after January 1, 1986, the statement shall contain the social security number of the grantee, if living, or the federal employer identification number of the grantee. This statement may require the recitation of any information contained in the deed, the total consideration paid, the amount of the total consideration attributable to factors other than the purchase of the real estate itself, and other factors which may influence the transaction. This statement shall be signed and filed by the grantee or his or her authorized agent. The statement form shall be designed so that multiple copies are generated. Beginning January 1, 1995, a copy of the statement shall be provided to the county assessor which shall have the blank which would contain the social security number or the federal employer identification number obscured or removed so that this information is not on that copy. If the grantee fails to furnish such the statement, the register of deeds shall not record the deed. The register of deeds shall indicate on the statement the book and page or computer system reference where the deed is recorded and shall immediately forward the statement to the county assessor. The county assessor shall process the statement according to the instructions of the Tax Commissioner and shall, when directed, forward the statement to the Tax Commissioner. Except as provided in subsection (2) of this section, the This statement and the information contained therein shall be confidential and available to tax officials only.

(2) Registered, licensed, certified residential, and certified general real estate appraisers shall have access to statements on file with the county assessor which have been filed on or after January 1, 1995.

Sec. 14. In addition to any other authority conferred by law, the State Board of Equalization and Assessment shall have the authority to remove members of an agricultural and horticultural land valuation board pursuant to section 3 of this act and review changes made by a board and shall hear appeals from a board pursuant to section 7 of this act.

Sec. 15. That section 77-507.01, Revised Statutes Supplement, 1993, be amended to read as follows:

77-507.01. In addition to the authority conferred by section 77-506, the State Board of Equalization and Assessment, in cases brought to its attention by the Tax Commissioner, shall have the authority to direct the Tax Commissioner to conduct a hearing to review any changes made by the agricultural and horticultural land valuation board or the county board of equalization in values of property in the county. At least five days' notice shall be given to the county clerk, county assessor, and chairperson of the county board. At the hearing, the legal representatives of the county may appear and show cause why the value of the property of the county should not be corrected or adjusted.

Sec. 16. That section 77-1315, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1315. The county assessor shall complete his or her revisions of the assessment rolls, schedules, lists, and returns and file certificates indicating that such revisions are complete with the county clerk. The certificate for real property shall be filed on or before April 1 of each year except for agricultural land and horticultural land which shall be on or before March 15. The certificate for tangible personal property shall be filed on or before June 20 for 1992. The certificate for tangible personal property shall be filed on or before May 20, for all years other than 1992.

The county clerk shall immediately cause to be published in a paper of general circulation in the county separate notices of the filing of each certificate. The county assessor shall, before filing the certificate for real property, notify the record owner of every item of real property which has been assessed at a higher figure than at the last previous assessment. Such notice shall be given by first-class mail addressed to such owner's last-known address. It shall describe the item of real property and state the old and new valuation, the date of the convening of the board of equalization, and the dates for filing a protest.

Sec. 17. That section 77-1338, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1338. The county and all political subdivisions within the county shall be bound by the values established by the county assessor and equalized by the county board of equalization, the agricultural and horticultural land valuation board, and the State Board of Equalization and

Assessment for all property subject to its taxing power.

Sec. 18. That section 77-1362, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-1362. (1) An agricultural land valuation manual shall be developed by the Tax Commissioner using the following method to determine actual value of agricultural land and horticultural land for taxable years beginning on or after January 1, 1986. Except as otherwise provided in subsection (4) of section 77-1364, the actual value of agricultural land and horticultural land shall be determined by: (a) Dividing agricultural land and horticultural land into ~~major use~~ categories and such categories into subclasses based on soil classifications; (b) computing a typical income stream based on historical gross receipts and landowner share determined using the method described in section 77-1364; and (c) dividing the derived income stream by a capitalization rate determined using the method described in section 77-1365. All data used to determine actual value of agricultural land and horticultural land shall be that data available on January 1 of the year prior to the year of assessment.

(2) The agricultural land valuation manual shall contain allowances to adjust actual values for irrigation costs and land productivity cost variations. Adjustments shall be based on empirical data and apply to areas with uniform characteristics which are within or which cross county lines. Upon written application to and approval from the Tax Commissioner a county assessor may apply such adjustments to specific parcels of agricultural land and horticultural land. The provisions of this subsection shall be strictly construed to maintain the concept of statewide mass appraisal of agricultural land and horticultural land.

(3) The Tax Commissioner may adjust the value of a class or subclass of agricultural land and horticultural land, as determined pursuant to subsection (1) of this section, so as to secure the uniform and proportionate valuation of the class or subclass of agricultural land and horticultural land between adjoining counties.

(4) The Tax Commissioner may recognize geographic differences that exist within the county and issue separate values for a class or subclass of agricultural land and horticultural land for those distinct areas in the county.

Sec. 19. That section 77-1363, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1363. Agricultural land and horticultural land shall be divided into ~~four major~~ categories, including, but not limited to, irrigated cropland, dryland cropland, grassland, and wasteland, ~~and~~ ~~intensive agricultural uses~~, such as nurseries, feedlots, and orchards, ~~shall be categorized so that the categories reflect uses appropriate for the valuation of such land according to law.~~ Categories as either irrigated cropland or dryland cropland. Such categories shall be divided into subclasses based on soil classification standards developed by the United States Department of Agriculture Soil Conservation Service. Land enrolled in a federal or state program in which payments are received for removing such land from agricultural or horticultural production shall be classified according to its actual value as determined in section 77-1360.01. County assessors shall utilize and implement soil surveys in the tax year after the soil survey maps become available. County assessors shall utilize and implement soil classifications as converted into land valuation groups provided by the Tax Commissioner.

Sec. 20. That section 77-1364, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-1364. (1) Income streams for ~~irrigated and dryland~~ cropland shall be computed by multiplying gross receipts by landowner share by county. Gross receipts shall be computed by multiplying the most recent five-year average price of a crop by the most recent five-year average yield of a crop and weighting the result by the most recent five-year average cropping pattern. The cropping pattern shall, as data is available, include, but not be limited to, the following crops: Continuous cropland wheat; summer fallow wheat; corn for grain; dry beans; sorghum for grain; sugar beets; soybeans for beans; oats; and alfalfa. The source of cropping patterns, crop yields by county, and crop prices by crop reporting district shall be as reported by the Nebraska Crop and Livestock Reporting Service or as published by other state or federal agencies and as selected and applied by the Tax Commissioner.

For purposes of this section, landowner share shall mean the proportion of the gross receipts less landowner expenses paid by the landowner. Landowner share shall be computed based on representative leasing arrangements as determined from surveys conducted or authorized by the Department of Revenue or as published by other state or federal agencies and as selected and applied by the Tax Commissioner. Landowner share shall be

derived at least at each crop reporting district for each of the following: (a) Gravity irrigated cropland; (b) center pivot irrigated cropland; and (c) dryland cropland.

(2)(a) Income streams for rangeland and pastureland and, for assessment year 1990 and each year thereafter, grassland shall be computed as follows: (i) By multiplying the carrying capacity in terms of animal-unit months by representative rental value per animal-unit month; or (ii) by forage production less landowner expenses paid by the landowner. Carrying capacity and forage production, by subclass, shall be based on productivity estimates published by the United States Soil Conservation Service or other state or federal agencies and as selected and applied by the Tax Commissioner. Rental values per animal-unit month shall be based on the most recent five-year average published by the Department of Agricultural Economics of the University of Nebraska or other state or federal agencies or developed from surveys performed by or for the Department of Revenue. Landowner expenses shall be computed based on representative leasing arrangements as determined from surveys conducted or authorized by the Department of Revenue or as published by other state or federal agencies and as selected and applied by the Tax Commissioner.

(b) For counties or subclasses where animal-unit-month data is not available, the income stream shall be computed by using the average of the most recent five-year prevailing cash rental rates per acre less representative landowner expenses. The annual prevailing cash rental rates per acre shall be based on data developed by the Department of Agricultural Economics of the University of Nebraska or as published by other state or federal agencies and as selected and applied by the Tax Commissioner.

(3) When making the computations prescribed in subsections (1) and (2) of this section, the same five-year period shall be used.

(4) Actual values for wasteland, including, but not limited to, forest land and shelterbelts, shall be computed based on five percent of the average actual value of all agricultural land and horticultural land in the crop reporting district within which such wasteland is located valued at its actual value.

Sec. 21. That section 77-1502, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1502. The county board of equalization shall hold a session of not less than three and not more than sixty days, for the purpose of reviewing and deciding the protests filed pursuant to sections 77-1502 to 77-1507, commencing on April 1 of each year and ending on May 31, except that for 1992 the session shall end no later than June 15 for tangible personal property protests agricultural land and horticultural land which shall commence on or after March 15 and end on May 1. Protests shall be written in triplicate and filed with the board. Protests for real property shall be filed within thirty days of the assessor's filing of the certificate required by section 77-1315. Protests for tangible personal property shall be filed on or before the last date for filing the form required by section 77-1229.

Attached to each copy of the protest shall be a written statement of the reason or reasons why the requested reduction in assessment should be made or the protest shall be automatically dismissed.

In equalizing assessments during its regular session, the board shall prepare a separate report as to each action taken by it with respect to equalization, and such report shall include a description of the property affected by such action, the recommendation of the county assessor with respect to the action proposed or taken, the names of witnesses whose testimony was heard in connection with the action, a summary of their testimony, and a statement by the board of the basis upon which it took such action. Such report shall identify by name the members of the board favoring the action taken, be signed by the chairperson of the board, and contain a certification over his or her signature that a copy thereof is being mailed to the Tax Commissioner. One copy of the report shall be given to the officer charged with the duty of preparing the tax list, and such officer shall have no authority to make a change in the values prepared and submitted by the county assessor until such report is in his or her possession, completed, signed, and certified in the manner specified in this section. If he or she deems it incomplete, he or she shall return the same to the board for proper preparation and execution.

Within seven days after a final decision by the county board of equalization on any protest filed with the board for adjustment of property values, the county clerk shall notify the protester of the action taken by the board.

Sec. 22. That section 77-1504, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1504. The county board of equalization shall fairly and impartially equalize the values of all items of real property in the county except agricultural land and horticultural land as defined in section 77-1359 so that all real property is assessed uniformly and proportionately. The county board of equalization may consider and correct the assessment of any property by raising, after due notice has been given to the owner or agent at his or her last-known address, or by lowering the assessment of such property. No action shall be taken by the county board of equalization pursuant to this section before April 1 nor after May 31 of each year, except that for 1992 for tangible personal property, no action shall be taken after June 15 agricultural land and horticultural land, no action shall be taken before March 15 or after May 1 other than to initiate appeals pursuant to section 7 of this act.

For agricultural land or horticultural land as defined in section 77-1359, the county board of equalization may make the following corrections:

- (1) Descriptions of ownership;
- (2) Land-use categorization;
- (3) Conversion of soil classification into land valuation groups

only if such conversion is at variance with the most current conversion legend issued by the Tax Commissioner; and

(4) Such other adjustments as are provided for in the agricultural land valuation manual developed under section 77-1362 without the approval of the Tax Commissioner.

For purposes of equalization of the valuation of any protested real property, the county board of equalization shall make its adjustment so that the value of the protested property compares to the aggregate level of value of the class or subclass of property in which the protested property is categorized.

Sec. 23. That section 77-1506.02, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1506.02. Upon the completion of the equalization of individual assessments of real property pursuant to sections 77-1502 and 77-1504, the county board of equalization may increase or decrease by a percentage the value of all of a class or subclass of real property as defined by the Tax Commissioner, except that the county board of equalization may increase or decrease by a percentage the value of a subclass of agricultural land or horticultural land but may not increase or decrease the value of the class of agricultural land or horticultural land. Any adjustment made pursuant to this section shall be made to achieve the uniform and proportionate values of the classes or subclasses within the county.

Notice shall be given by publication in a newspaper of general circulation within the county at least ten days before the final action of the county board of equalization is taken. Nonresident owners of real property the value of which is adjusted by the action of the county board of equalization pursuant to this section shall be notified by mail of any changes in the value if the nonresident owner has an address of record on file with the county assessor as of January 1 of each year. The notice shall be mailed within ten days from the date on which the county board of equalization took action to adjust the value pursuant to this section.

No action shall be taken by the county board of equalization pursuant to this section after June 15 of each year, except that for agricultural land and horticultural land, no action shall be taken after May 15 other than initiating an appeal pursuant to section 7 of this act.

When making percentage adjustments to classes or subclasses of property pursuant to this section, the county board of equalization shall make such adjustments so that the value of the classes or subclasses is adjusted to the aggregate level of values of all taxable property in the county, except that any adjustment to a subclass of agricultural land or horticultural land shall be to the aggregate level of value of all agricultural land or horticultural land in the county.

Sec. 24. That section 77-1514, Revised Statutes Supplement, 1992, be amended to read as follows:

77-1514. The county assessor shall prepare an abstract of the assessment rolls of his or her county on forms to be furnished by the Tax Commissioner, showing the values as equalized and corrected by the county board of equalization and the agricultural and horticultural land valuation board, and shall forward it to the State Board of Equalization and Assessment on or before July 1, except that in 1992 the county assessor shall forward an abstract of real property on or before July 1 and an abstract of tangible personal property on or before August 1. The abstract shall show the taxable property in the county as required by the Tax Commissioner.

Sec. 25. That section 77-3501, Reissue Revised Statutes of

Nebraska, 1943, be amended to read as follows:
 77-3501. For purposes of sections 77-3501 to 77-3524 and sections 27 to 32 of this act, unless the context otherwise requires, the definitions found in sections 77-3502 to 77-3505 and sections 27 to 31 of this act shall be used.

Sec. 26. That section 77-3504, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3504. Household income shall mean the total federal adjusted gross income, as defined in the Internal Revenue Code of the United States, plus any (1) any Nebraska adjustments increasing the total federal adjusted gross income, (2) any interest or dividends received by the owner regarding obligations of the State of Nebraska or any political subdivision, authority, commission, or instrumentality thereof to the extent excluded in the computation of gross income for federal income tax purposes, and (3) any social security or railroad retirement benefit to the extent excluded in the computation of gross income for federal income tax purposes, of the claimant and spouse, and any additional owners who are natural persons and who occupy the homestead, for the taxable year of the claimant immediately prior to the year for which the claim for exemption is made.

Sec. 27. (1) For purposes of section 77-3507, exempt amount shall mean the lesser of (a) the taxable value of the homestead or (b) eighty percent of the average assessed value of single-family residential property in the claimant's county of residence as determined in section 32 of this act or forty thousand dollars, whichever is greater.

(2) For purposes of sections 77-3508 and 77-3509, exempt amount shall mean the lesser of (a) the taxable value of the homestead or (b) one hundred percent of the average assessed value of single-family residential property in the claimant's county of residence as determined in section 32 of this act or fifty thousand dollars, whichever is greater.

Sec. 28. Married shall mean a person who would file a federal individual income tax return as married filing jointly or separately if required to file a return.

Sec. 29. Maximum value shall mean one hundred fifty percent of the average assessed value of single-family residential property in the claimant's county of residence as determined in section 32 of this act or one hundred thousand dollars, whichever is greater.

Sec. 30. Single shall mean a person who would file a federal individual income tax return as single or head of household if required to file a return.

Sec. 31. Single-family residential property shall mean all real property with dwellings designed for occupancy by one family or duplexes designed for occupancy by two families.

Sec. 32. By June 1, 1994, and by January 1 each year thereafter, the county assessor shall determine the average assessed value of single-family residential property in the county for the preceding year for purposes of sections 77-3507 to 77-3509.

Sec. 33. That section 77-3507, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3507. (1) All homesteads in this state shall be assessed for taxation the same as other property, except that there shall be exempt from taxation on homesteads valued for purposes of real property taxation at the maximum value or less of qualified claimants a percentage of the first thirty-five thousand dollars of the actual value of the homestead of qualified claimants the exempt amount. The percentage of the exempt amount shall be determined based on the household income of a claimant pursuant to subsection (2) subsections (2), (3), and (4) of this section.

(2) For 1994, for a qualified married or single claimant whose household income is \$10,400 or less, the percentage of the exempt amount for which the claimant shall be eligible shall be one hundred percent.

(3) For 1995 and each year thereafter, for a qualified married claimant, the percentage of the exemption exempt amount for which the claimant shall be eligible shall be the percentage in Column B which corresponds with the claimant's income in Column A in the table found in this subsection.

Column A	Column B
Household Income	Percentage
In Dollars	Of Relief
0 through 10,400	100
Column A	Column B
Household Income	Percentage
In Dollars	Of Relief
0 through 18,000	100
18,001 through 19,000	85

19,001 through 20,000	70
20,001 through 21,000	55
21,001 through 22,000	40
22,001 through 23,000	25
23,001 and over	0

(4) For 1995 and each year thereafter, for a qualified single claimant, the percentage of the exempt amount for which the claimant shall be eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

Column A Household Income In Dollars	Column B Percentage Of Relief
0 through 15,500	100
15,501 through 16,300	85
16,301 through 17,100	70
17,101 through 17,900	55
17,901 through 18,700	40
18,701 through 19,500	25
19,501 and over	0

Sec. 34. That section 77-3508, Revised Statutes Supplement, 1992, be amended to read as follows:

77-3508. (1) All homesteads in this state shall be assessed for taxation the same as other property, except that there shall be exempt from taxation, on a percentage of the first thirty-five thousand dollars of the actual value of any homestead valued for purposes of real property taxation at the maximum value or less of (a) veterans, as defined in section 80-401.017 who are totally disabled by a non-service-connected accident or illness, (b) individuals who are paralyzed in both legs such as to preclude locomotion without the regular aid of braces, crutches, canes, or wheelchairs, (c) individuals who have undergone amputation of both lower extremities such as to preclude locomotion without the regular aid of braces, crutches, canes, wheelchairs, or artificial limbs, (d) individuals with progressive neuromuscular or neurological disease such as to preclude locomotion without the regular aid of braces, crutches, canes, wheelchairs, or artificial limbs or who have permanently lost the use or control of both arms, and (e) individuals who have undergone amputation of both arms above the elbow, a percentage of the exempt amount. The exemption shall be based on the household income of a claimant pursuant to subsection (2) subsections (2), (3), and (4) of this section. Application for such exemption shall include certification from a qualified medical physician for subdivisions (1)(a) through (1)(e) of this section or certification from the United States Department of Veterans Affairs affirming that the homeowner is totally disabled due to non-service-connected accident or illness for subdivision (1)(a) of this section. Such certification from a qualified medical physician shall be made on forms prescribed by the Department of Revenue.

(2) For 1994, for a married or single claimant as described in subsection (1) of this section whose household income is \$10,400 or less, the percentage of the exempt amount for which the claimant is eligible shall be one hundred percent.

(3) For 1995 and each year thereafter, for a married claimant as described in subsection (1) of this section, the percentage of the exempt amount for which the claimant is eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

Column A Household Income In Dollars	Column B Percentage Of Relief
0 through 10,400	100

Column A Household Income In Dollars	Column B Percentage Of Relief
0 through 20,000	100
20,001 through 21,000	85
21,001 through 22,000	70
22,001 through 23,000	55
23,001 through 24,000	40
24,001 through 25,000	25
25,001 and over	0

(4) For 1995 and each year thereafter, for a single claimant as described in subsection (1) of this section, the percentage of the exempt amount for which the claimant is eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the

table found in this subsection.

Column A Household Income In Dollars	Column B Percentage Of Relief
0 through 17,500	100
17,501 through 18,300	85
18,301 through 19,100	70
19,101 through 19,900	55
19,901 through 20,700	40
20,701 through 21,500	25
21,501 and over	0

Sec. 35. That section 77-3509, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3509. (1) All homesteads in this state shall be assessed for taxation the same as other property, except that there shall be exempt from taxation on a percentage of the first thirty-five thousand dollars of the actual value of any homestead valued for purposes of real property taxation at the maximum value or less of the following: (a) Any any veteran as defined in section 80-401.01 drawing compensation from the United States Department of Veterans Affairs because of one hundred percent disability and not eligible for total exemption under sections 77-3526 to 77-3528 or the unmarried widow or widower of such veteran, ~~and~~ (b) ~~The~~ the unmarried widow or widower of any veteran, including those not listed in section 80-401.01, who died because of a service-connected disability, ~~and~~ (c) ~~The~~ the unmarried widow or widower of a serviceman or servicewoman who died while on active duty during the dates described in section 80-401.01, ~~and~~ (d) ~~The~~ the unmarried widow or widower of a serviceman or servicewoman, including those not listed in section 80-401.01, whose death while on active duty was service-connected, a percentage of the exempt amount.

The exemption shall be based on the household income of a claimant pursuant to ~~subsection (2)~~ subsections (2), (3), and (4) of this section. Application for exemption under this section shall include certification of the status set forth in this section from the United States Department of Veterans Affairs.

(2) For 1994, for a married or single claimant as described in subsection (1) of this section, the percentage of the exempt amount for which the claimant is eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

Column A Household Income In Dollars	Column B Percentage Of Relief
0 through 15,000	100
15,001 through 16,000	80
16,001 through 17,000	60
17,001 through 18,000	40
18,001 through 19,000	20

(3) For 1995 and each year thereafter, for a married claimant as described in subsection (1) of this section, the percentage of the exempt amount for which the claimant is eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

Column A Household Income In Dollars	Column B Percentage Of Relief
0 through 15,000	100
15,001 through 16,000	80
16,001 through 17,000	60
17,001 through 18,000	40
18,001 through 19,000	20

Column A Household Income In Dollars	Column B Percentage Of Relief
0 through 20,000	100
20,001 through 21,000	85
21,001 through 22,000	70
22,001 through 23,000	55
23,001 through 24,000	40
24,001 through 25,000	25
25,001 and over	0

(4) For 1995 and each year thereafter, for a single claimant as described in subsection (1) of this section, the percentage of the exempt

amount for which the claimant is eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

Column A Household Income In Dollars	Column B Percentage Of Relief
0 through 17,500	100
17,501 through 18,300	85
18,301 through 19,100	70
19,101 through 19,900	55
19,901 through 20,700	40
20,701 through 21,500	25
21,501 and over	0

Sec. 36. That section 77-3510, Revised Statutes Supplement, 1992, be amended to read as follows:

77-3510. On or before January 1 of each year, the Tax Commissioner shall prescribe suitable blank forms to be used by all claimants for homestead exemption or for transfer of homestead exemption. Such forms shall contain provisions for the showing of all information which the Tax Commissioner may deem necessary to (1) enable the proper county officials and the Tax Commissioner to determine whether each claim for exemption under sections 77-3507 to 77-3509 should be allowed and (2) enable the county assessor to determine whether each claim for transfer of homestead exemption pursuant to section 77-3509.01 should be allowed. It shall be the duty of the county assessor of each county in this state to furnish such forms, upon request, to each person desiring to make application for homestead exemption or for transfer of homestead exemption on property located within that county. The forms so prescribed shall be used uniformly throughout the state, and no application for exemption or for transfer of homestead exemption shall be allowed unless the applicant uses the regularly prescribed form in making an application. The forms shall require the attachment of the applicant's federal individual income tax return for the previous year or a full accounting of the amounts required to be added to federal adjusted gross income by section 77-3504 for the previous year.

Sec. 37. That section 77-3511, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3511. The application for homestead exemption or for transfer of homestead exemption shall be signed by the owner of the property who qualifies for exemption under sections 77-3501 to 77-3529 and sections 27 to 32 of this act unless the owner is an incompetent or unable to make such application, in which case it shall be signed by the guardian. If an owner who in all respects qualifies for a homestead exemption under such sections dies after January 1 and before the last day for filing an application for a homestead exemption and before applying for a homestead exemption, his or her personal representative may file the application for exemption on or before the last day for filing an application for a homestead exemption of that year if the surviving spouse of such owner continues to occupy the homestead. Any exemption granted as a result of such application signed by a personal representative shall be in effect for only the year in which the owner died.

Sec. 38. That section 77-3513, Revised Statutes Supplement, 1992, be amended to read as follows:

77-3513. (1) Except for tax year 1995, all persons who apply for a homestead exemption provided in sections 77-3507 to 77-3509 shall file an application pursuant to section 77-3512. For tax year 1996 and subsequent tax years, except as required by section 77-3514, if an owner is granted a homestead exemption as provided in section 77-3507 or 77-3509 or subdivision (1)(b), (c), (d), or (e) of section 77-3508, no reapplication need be filed for succeeding years, in which case the county assessor and Tax Commissioner shall determine whether the claimant qualifies for the homestead exemption in such succeeding years as otherwise provided in sections 77-3501 to 77-3529 and sections 27 to 32 of this act as though a claim were made.

(2) It shall be the duty of each claimant who wants the homestead exemption provided in subdivision (1)(a) of section 77-3508 to file an application therefor with the county assessor on or before April 1 of each year. Failure to do so shall constitute a waiver of the exemption for such year, except that the county board of the county in which the homestead is located may, by majority vote, extend the deadline to on or before April 20. An extension shall not be granted to an applicant who received an extension in the immediately preceding year.

Sec. 39. That section 77-3514, Revised Statutes Supplement, 1992, be amended to read as follows:

77-3514. In tax year 1996 and subsequent tax years, a claimant

who is the owner of a homestead which has been granted an exemption under sections 77-3507 to 77-3509, except subdivision (1)(a) of section 77-3508, shall certify to the county assessor on or before April 1 of each year that a change in the homestead exemption status has occurred or that no change in the homestead exemption status has occurred. The county board of the county in which the homestead is located may, by majority vote, extend the deadline to on or before April 20. An extension shall not be granted to an applicant who received an extension in the immediately preceding year. For purposes of this section, change in the homestead exemption status shall include any change in the name of the owner, ownership, residence, occupancy, marital status, veteran status, or rating by the United States Department of Veterans Affairs or any other change that would affect the qualification for or type of exemption granted, except income checked by the Tax Commissioner under section 77-3517. In addition, a claimant who is the owner of a homestead which has been granted an exemption under sections 77-3507 to 77-3509 may notify the county assessor by August 15 of each year of any change in the homestead exemption status occurring in the preceding portion of the calendar year as a result of a transfer of the homestead exemption pursuant to sections 77-3509.01 and 77-3509.02. If by his or her failure to give such notice any property owner permits the allowance of the homestead exemption for any year, or in the year of application in the case of transfers pursuant to sections 77-3509.01 and 77-3509.02, after the homestead exemption status of such property has changed, an amount equal to the amount of the taxes lawfully due but not paid by reason of such unlawful and improper allowance of homestead exemption, together with penalty and interest on such total sum as provided by statute on delinquent ad valorem taxes, shall be due and shall upon entry of the amount thereof on the books of the county treasurer be a lien on such property while unpaid. Such lien may be enforced in the manner provided for liens for other delinquent taxes. Any person who has permitted the improper and unlawful allowance of such homestead exemption on his or her property shall, as an additional penalty, also forfeit his or her right to a homestead exemption on any property in this state for the two succeeding years.

Sec. 40. That section 77-3521, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3521. It shall be the duty of the Tax Commissioner to adopt and promulgate rules and regulations for the information and guidance of the county assessors and county boards of equalization, not inconsistent with sections 77-3501 to 77-3529 and sections 27 to 32 of this act, affecting the application, hearing, assessment, or equalization of property which is claimed to be entitled to the exemption granted by such sections.

Sec. 41. That section 77-3522, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3522. (1) Any person who makes any false or fraudulent claim for exemption or any false statement or false representation of a material fact in support of such claim or any person who assists another in the preparation of any such false or fraudulent claim or enters into any collusion with another by the execution of a fictitious deed or other instrument for the purpose of obtaining unlawful exemption under sections 77-3501 to 77-3529 and sections 27 to 32 of this act shall be guilty of a Class II misdemeanor and shall be subject to a forfeiture of any such exemption for a period of two years from the date of conviction. Any person who shall make an oath or affirmation to any false or fraudulent application for homestead exemption knowing the same to be false or fraudulent shall be guilty of a Class I misdemeanor.

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

Sec. 42. That section 77-3523, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3523. The county treasurer shall, on or before November 30 of each year, certify to the Tax Commissioner: (1) For tax year 1986, ninety percent of the 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 1997 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 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 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. 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 year 1986, ninety percent of the years 1987 through 1994, the full amount so lost by such agency; and (b) for tax year ~~1987~~ 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 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 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. 43. That section 77-3529, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3529. If any application for exemption pursuant to sections 77-3501 to 77-3529 and sections 27 to 32 of this act is denied and the applicant would be qualified for any other exemption under such sections, then such denied application shall be treated as an application for the highest exemption for which qualified. Any additional documentation necessary for such other exemption shall be submitted to the county assessor within a reasonable time after receipt of the notice of denial.

Sec. 44. Sections 1 to 12, 14 to 17, 21 to 24, 26, 36, 39, 42, and 45 of this act shall become operative on January 1, 1995. Sections 13, 18, 19, 20, and 46 of this act shall become operative three calendar months after the adjournment of this legislative session. The other sections of this act shall become operative on their effective date.

Sec. 45. That original sections 77-3504 and 77-3523, Reissue Revised Statutes of Nebraska, 1943, sections 77-1315, 77-1338, 77-1502, 77-1504, 77-1506.02, 77-1514, 77-3510, and 77-3514, Revised Statutes Supplement, 1992, and sections 13-509 and 77-507.01, Revised Statutes Supplement, 1993, are repealed.

Sec. 46. That original sections 76-214, 77-1362, and 77-1364, Reissue Revised Statutes of Nebraska, 1943, and section 77-1363, Revised Statutes Supplement, 1992, are repealed.

Sec. 47. That original sections 77-3501, 77-3507, 77-3509, 77-3511, 77-3521, 77-3522, and 77-3529, Reissue Revised Statutes of Nebraska, 1943, and sections 77-3508 and 77-3513, Revised Statutes Supplement, 1992, are repealed.

Sec. 48. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.