

AMENDMENTS TO LR12CA

Introduced by Andersen, 49.

1           1. Strike original sections 1 and 2 and insert the following new  
2 sections:

3           **Section 1.** At the general election in November 2026, the following  
4 proposed amendment to the Constitution of Nebraska shall be submitted to  
5 the electors of the State of Nebraska for approval or rejection:

6           To amend Article VIII, section 1, and add a new section 14 to  
7 Article VIII:

8           **VIII-1** The necessary revenue of the state and its governmental  
9 subdivisions shall be raised by taxation in such manner as the  
10 Legislature may direct. Notwithstanding Article I, section 16, Article  
11 III, section 18, or Article VIII, section 4, of this Constitution or any  
12 other provision of this Constitution to the contrary: (1) Real property  
13 shall all be taxed in accordance with Article VIII, section 14, of this  
14 Constitution ~~Taxes shall be levied by valuation uniformly and~~  
15 ~~proportionately upon all real property and franchises as defined by the~~  
16 ~~Legislature~~ except as otherwise provided in or permitted by this  
17 Constitution; (2) tangible personal property, as defined by the  
18 Legislature, not exempted by this Constitution or by legislation, shall  
19 all be taxed at depreciated cost using the same depreciation method with  
20 reasonable class lives, as determined by the Legislature, or shall all be  
21 taxed by valuation uniformly and proportionately; (3) the Legislature may  
22 provide for a different method of taxing motor vehicles and may also  
23 establish a separate class of motor vehicles consisting of those owned  
24 and held for resale by motor vehicle dealers which shall be taxed in the  
25 manner and to the extent provided by the Legislature and may also  
26 establish a separate class for trucks, trailers, semitrailers, truck-  
27 tractors, or combinations thereof, consisting of those owned by residents

1 and nonresidents of this state, and operating in interstate commerce, and  
2 may provide reciprocal and proportionate taxation of such vehicles. The  
3 tax proceeds from motor vehicles taxed in each county shall be allocated  
4 to the county and the cities, villages, and school districts of such  
5 county; ~~(4) the Legislature may provide that agricultural land and~~  
6 ~~horticultural land, as defined by the Legislature, shall constitute a~~  
7 ~~separate and distinct class of property for purposes of taxation and may~~  
8 ~~provide for a different method of taxing agricultural land and~~  
9 ~~horticultural land which results in values that are not uniform and~~  
10 ~~proportionate with all other real property and franchises but which~~  
11 ~~results in values that are uniform and proportionate upon all property~~  
12 ~~within the class of agricultural land and horticultural land;~~ (5) the  
13 Legislature may enact laws to provide that the value of land actively  
14 devoted to agricultural or horticultural use shall for property tax  
15 purposes be that value which such land has for agricultural or  
16 horticultural use without regard to any value which such land might have  
17 for other purposes or uses; ~~(5) (6) the Legislature may prescribe~~  
18 ~~standards and methods for the determination of the value of real property~~  
19 ~~at uniform and proportionate values;~~ (7) in furtherance of the purposes  
20 for which such a law of the United States has been adopted, whenever  
21 there exists a law of the United States which is intended to protect a  
22 specifically designated type, use, user, or owner of property or  
23 franchise from discriminatory state or local taxation, such property or  
24 franchise shall constitute a separate class of property or franchise  
25 under the laws of the State of Nebraska, and such property or franchise  
26 may not be taken into consideration in determining whether taxes are  
27 levied by valuation uniformly or proportionately upon any property or  
28 franchise, and the Legislature may enact laws which statutorily recognize  
29 such class and which tax or exempt from taxation such class of property  
30 or franchise in such manner as it determines; and ~~(6) (8) the Legislature~~  
31 may provide that livestock shall constitute a separate and distinct class

1 of property for purposes of taxation and may further provide for  
2 reciprocal and proportionate taxation of livestock located in this state  
3 for only part of a year. Each actual property tax rate levied for a  
4 governmental subdivision shall be the same for all classes of taxed  
5 property and franchises. Taxes uniform as to class of property or the  
6 ownership or use thereof may be levied by valuation or otherwise upon  
7 classes of intangible property as the Legislature may determine, and such  
8 intangible property held in trust or otherwise for the purpose of funding  
9 pension, profit-sharing, or other employee benefit plans as defined by  
10 the Legislature may be declared exempt from taxation. Taxes other than  
11 property taxes may be authorized by law. Existing revenue laws shall  
12 continue in effect until changed by the Legislature.

13 VIII-14 (1) Beginning January 1, 2027:

14 (a) Real property shall be divided into two separate classes for  
15 property taxation. The two classes shall be:

16 (i) Agricultural land; and

17 (ii) Nonagricultural land;

18 (b) Real property shall be valued, for property tax purposes, at its  
19 full taxable value unless such property is exempt from tax pursuant to  
20 this Constitution; and

21 (c) The property taxes levied on any parcel of real property shall  
22 not increase, from one year to the next, by more than the allowable  
23 growth percentage, except in those cases when the full taxable value is  
24 adjusted pursuant to subdivision (2)(e) of this section.

25 (2) For purposes of this section:

26 (a) Agricultural land means real property that is primarily used for  
27 agricultural or horticultural purposes;

28 (b) Agricultural or horticultural purposes means used for the  
29 commercial production of any plant or animal product in a raw or  
30 unprocessed state that is derived from the science and art of  
31 agriculture, aquaculture, or horticulture;

1       (c) Nonagricultural land means any real property other than  
2 agricultural land;

3       (d) Allowable growth percentage means the lesser of:

4       (i) Three percent; or

5       (ii) The percentage change in the Consumer Price Index for All Urban  
6 Consumers, or its successor index, as published by the United States  
7 Department of Labor, Bureau of Labor Statistics, for the twelve-month  
8 period ending on June 30 of the year in which the relevant property taxes  
9 are determined; and

10       (e) Full taxable value means the assessed value of the real property  
11 for 2025, except that a property's full taxable value shall be adjusted  
12 when purchased, when newly constructed, or when a change of ownership has  
13 occurred after the 2025 assessment. In such case, the full taxable value  
14 shall be adjusted as follows:

15       (i) For nonagricultural land, the full taxable value shall be  
16 adjusted to one hundred percent of the property's fair market value; or

17       (ii) For agricultural land, the full taxable value shall be adjusted  
18 to seventy-five percent of the property's fair market value, except that  
19 for property taxes levied by a school district to pay the principal and  
20 interest on bonds that are approved by a vote of the people on or after  
21 January 1, 2022, the full taxable value shall be adjusted to fifty  
22 percent of the property's fair market value.

23       (3) For purposes of subdivision (2)(e) of this section, the term  
24 "newly constructed" does not include the construction, installation,  
25 removal, or modification of any portion or structural component of an  
26 existing building or structure.

27       (4) For purposes of subdivision (2)(e) of this section, the terms  
28 "purchased" and "change of ownership" do not include the purchase or  
29 transfer of real property between spouses since January 1, 2027,  
30 including, but not limited to, all of the following:

31       (a) Transfers to a trustee for the beneficial use of a spouse, or

1 the surviving spouse of a deceased transferor, or by a trustee of such a  
2 trust to the spouse of the trustor;

3 (b) Transfers to a spouse that take effect upon the death of a  
4 spouse;

5 (c) Transfers to a spouse or former spouse in connection with a  
6 property settlement agreement or decree of dissolution of a marriage or  
7 legal separation;

8 (d) The creation, transfer, or termination, solely between spouses,  
9 of any co-owner's interest; or

10 (e) The distribution of a legal entity's property to a spouse or  
11 former spouse in exchange for the interest of the spouse in the legal  
12 entity in connection with a property settlement agreement or a decree of  
13 dissolution of a marriage or legal separation.

14 **Sec. 2.** The proposed amendment shall be submitted to the electors  
15 in the manner prescribed by the Constitution of Nebraska, Article XVI,  
16 section 1, with the following ballot language:

17 A constitutional amendment to provide a new method of valuing real  
18 property for property tax purposes, provide a limit on property tax  
19 increases, provide certain exceptions, and eliminate conflicting  
20 constitutional provisions.

21 For

22 Against.