

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 2

Introduced by Briese, 41.

Read first time January 07, 2021

Committee: Revenue

- 1 A BILL FOR AN ACT relating to property taxes; to amend sections 77-201
- 2 and 77-5023, Reissue Revised Statutes of Nebraska; to change the
- 3 valuation of agricultural land and horticultural land for purposes
- 4 of certain school district taxes; to harmonize provisions; to
- 5 provide an operative date; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-201, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-201 (1) Except as provided in subsections (2) through (4) of this
4 section, all real property in this state, not expressly exempt therefrom,
5 shall be subject to taxation and shall be valued at its actual value.

6 (2) Agricultural land and horticultural land as defined in section
7 77-1359 shall constitute a separate and distinct class of property for
8 purposes of property taxation, shall be subject to taxation, unless
9 expressly exempt from taxation, and shall be valued at seventy-five
10 percent of its actual value, except that for school district taxes levied
11 to pay the principal and interest on bonds that are issued on or after
12 the operative date of this act, such land shall be valued at thirty
13 percent of its actual value.

14 (3) Agricultural land and horticultural land actively devoted to
15 agricultural or horticultural purposes which has value for purposes other
16 than agricultural or horticultural uses and which meets the
17 qualifications for special valuation under section 77-1344 shall
18 constitute a separate and distinct class of property for purposes of
19 property taxation, shall be subject to taxation, and shall be valued for
20 taxation at seventy-five percent of its special valuation value as
21 defined in section 77-1343, except that for school district taxes levied
22 to pay the principal and interest on bonds that are issued on or after
23 the operative date of this act, such land shall be valued at thirty
24 percent of its special valuation as defined in section 77-1343.

25 (4) Historically significant real property which meets the
26 qualifications for historic rehabilitation valuation under sections
27 77-1385 to 77-1394 shall be valued for taxation as provided in such
28 sections.

29 (5) Tangible personal property, not including motor vehicles,
30 trailers, and semitrailers registered for operation on the highways of
31 this state, shall constitute a separate and distinct class of property

1 for purposes of property taxation, shall be subject to taxation, unless
2 expressly exempt from taxation, and shall be valued at its net book
3 value. Tangible personal property transferred as a gift or devise or as
4 part of a transaction which is not a purchase shall be subject to
5 taxation based upon the date the property was acquired by the previous
6 owner and at the previous owner's Nebraska adjusted basis. Tangible
7 personal property acquired as replacement property for converted property
8 shall be subject to taxation based upon the date the converted property
9 was acquired and at the Nebraska adjusted basis of the converted property
10 unless insurance proceeds are payable by reason of the conversion. For
11 purposes of this subsection, (a) converted property means tangible
12 personal property which is compulsorily or involuntarily converted as a
13 result of its destruction in whole or in part, theft, seizure,
14 requisition, or condemnation, or the threat or imminence thereof, and no
15 gain or loss is recognized for federal or state income tax purposes by
16 the holder of the property as a result of the conversion and (b)
17 replacement property means tangible personal property acquired within two
18 years after the close of the calendar year in which tangible personal
19 property was converted and which is, except for date of construction or
20 manufacture, substantially the same as the converted property.

21 Sec. 2. Section 77-5023, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 77-5023 (1) Pursuant to section 77-5022, the commission shall have
24 the power to increase or decrease the value of a class or subclass of
25 real property in any county or taxing authority or of real property
26 valued by the state so that all classes or subclasses of real property in
27 all counties fall within an acceptable range.

28 (2) An acceptable range is the percentage of variation from a
29 standard for valuation as measured by an established indicator of central
30 tendency of assessment. Acceptable ranges are: (a) For agricultural land
31 and horticultural land as defined in section 77-1359, sixty-nine to

1 seventy-five percent of actual value, except that for school district
2 taxes levied to pay the principal and interest on bonds that are issued
3 on or after the operative date of this act, the acceptable range is
4 twenty-four to thirty percent of actual value; (b) for lands receiving
5 special valuation, sixty-nine to seventy-five percent of special
6 valuation as defined in section 77-1343, except that for school district
7 taxes levied to pay the principal and interest on bonds that are issued
8 on or after the operative date of this act, the acceptable range is
9 twenty-four to thirty percent of special valuation as defined in section
10 77-1343; and (c) for all other real property, ninety-two to one hundred
11 percent of actual value.

12 (3) Any increase or decrease shall cause the level of value
13 determined by the commission to be at the midpoint of the applicable
14 acceptable range.

15 (4) Any decrease or increase to a subclass of property shall also
16 cause the level of value determined by the commission for the class from
17 which the subclass is drawn to be within the applicable acceptable range.

18 (5) Whether or not the level of value determined by the commission
19 falls within an acceptable range or at the midpoint of an acceptable
20 range may be determined to a reasonable degree of certainty relying upon
21 generally accepted mass appraisal techniques.

22 Sec. 3. This act becomes operative on January 1, 2022.

23 Sec. 4. Original sections 77-201 and 77-5023, Reissue Revised
24 Statutes of Nebraska, are repealed.