

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 874**

FINAL READING

Introduced by Bostar, 29; Ibach, 44.

Read first time January 03, 2024

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to child care licensing and child care  
2 facilities; to amend sections 71-1911 and 71-1911.03, Reissue  
3 Revised Statutes of Nebraska, and sections 28-713, 71-1908, 71-1912,  
4 and 77-202, Revised Statutes Cumulative Supplement, 2022; to change  
5 requirements for child care licensing, liability insurance for child  
6 care license applicants, background checks for child care employees,  
7 and use of blankets in child care facilities; to provide reporting  
8 requirements to the Legislature for the Department of Health and  
9 Human Services, the State Fire Marshal, and municipalities; to  
10 provide a property tax exemption; to harmonize provisions; and to  
11 repeal the original sections.  
12 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 28-713, Revised Statutes Cumulative Supplement,  
2 2022, is amended to read:

3 28-713 (1) Unless a report is assigned to alternative response, upon  
4 the receipt of a call reporting child abuse and neglect as required by  
5 section 28-711, it is the duty of the law enforcement agency to  
6 investigate the report, to take immediate steps to protect the child, and  
7 to institute legal proceedings consistent with section 43-247 if the  
8 child is seriously endangered in the child's surroundings and immediate  
9 removal is necessary for the protection of the child. The law enforcement  
10 agency may request assistance from the department during the  
11 investigation and shall, by the next working day, notify either the  
12 hotline established under section 28-711 or the department of receipt of  
13 the report, including whether or not an investigation is being undertaken  
14 by the law enforcement agency. A copy of all reports, whether or not an  
15 investigation is being undertaken, shall be provided to the department.

16 (2)(a) When a report is assigned for traditional response, the  
17 department shall utilize an evidence-informed and validated tool to  
18 assess the safety of the child at the time of the assessment, the risk of  
19 future child abuse or neglect, the need for services to protect and  
20 assist the child and to preserve the family, and whether the case shall  
21 be entered into the central registry pursuant to section 28-720. As part  
22 of such investigation, the department may request assistance from the  
23 appropriate law enforcement agency or refer the matter to the county  
24 attorney to initiate legal proceedings.

25 (b) If in the course of an investigation the department finds a  
26 child is seriously endangered in the child's surroundings and immediate  
27 removal is necessary for the protection of the child, the department  
28 shall make an immediate request for the county attorney to institute  
29 legal proceedings consistent with section 43-247.

30 (3) When a report contains an allegation of out-of-home child abuse  
31 or neglect, a law enforcement agency or the department shall immediately

1 notify each person having custody of each child who has allegedly been  
2 abused or neglected that such report has been made unless the person to  
3 be notified is the subject of such report. The department or the law  
4 enforcement agency shall provide such person with information about the  
5 nature of the alleged child abuse or neglect and any other necessary  
6 information. The department shall also provide such social services as  
7 are necessary and appropriate under the circumstances to protect and  
8 assist the child and to preserve the family.

9 (4)(a) In situations of alleged out-of-home child abuse or neglect,  
10 if the subject of the report of child abuse or neglect is a school  
11 employee and the child is a student in the school to which such school  
12 employee is assigned for work, the department shall immediately notify  
13 the Commissioner of Education of receipt of the report, including whether  
14 or not an investigation is being undertaken by the law enforcement agency  
15 or the department.

16 (b) In situations of alleged out-of-home child abuse or neglect, if  
17 the subject of the report of child abuse or neglect is a child care  
18 provider or a child care staff member as defined by subdivision (5)(k)  
19 ~~(5)(h)~~ of section 71-1912, the Division of Children and Family Services  
20 of the Department of Health and Human Services shall immediately notify  
21 the Division of Public Health of the Department of Health and Human  
22 Services of receipt of the report, including whether or not an  
23 investigation is being undertaken by the law enforcement agency or the  
24 department.

25 (5) The department shall, by the next working day after receiving a  
26 report of child abuse or neglect under this section, make a written  
27 report or a summary on forms provided by the department to the proper law  
28 enforcement agency in the county and enter in the tracking system of  
29 child protection cases maintained pursuant to section 28-715 all reports  
30 of child abuse or neglect opened for investigation and any action taken.

31 (6) The department shall, upon request, make available to the

1 appropriate investigating law enforcement agency and the county attorney  
2 a copy of all reports relative to a case of suspected child abuse or  
3 neglect.

4 (7)(a) In addition to the responsibilities under subsections (1)  
5 through (6) of this section, upon the receipt of any report that a child  
6 is a reported or suspected victim of sex trafficking of a minor or labor  
7 trafficking of a minor as defined in section 28-830 and without regard to  
8 the subject of the report, the department shall:

9 (i) Assign the case to staff for an in-person investigation. The  
10 department shall assign a report for investigation regardless of whether  
11 or not the subject of the report is a member of the child's household or  
12 family or whether the subject is known or unknown, including cases of  
13 out-of-home child abuse and neglect;

14 (ii) Conduct an in-person investigation and appropriately coordinate  
15 with law enforcement agencies, the local child advocacy center, and the  
16 child abuse and neglect investigation team under section 28-729;

17 (iii) Use specialized screening and assessment instruments to  
18 identify whether the child is a victim of sex trafficking of a minor or  
19 labor trafficking of a minor or at high risk of becoming such a victim  
20 and determine the needs of the child and family to prevent or respond to  
21 abuse, neglect, and exploitation. On or before December 1, 2019, the  
22 department shall develop and adopt these instruments in consultation with  
23 knowledgeable organizations and individuals, including representatives of  
24 child advocacy centers, behavioral health providers, child welfare and  
25 juvenile justice service providers, law enforcement representatives, and  
26 prosecutors; and

27 (iv) Provide for or refer and connect the child and family to  
28 services deemed appropriate by the department in the least restrictive  
29 environment, or provide for safe and appropriate placement, medical  
30 services, mental health care, or other needs as determined by the  
31 department based upon the department's assessment of the safety, risk,

1 and needs of the child and family to respond to or prevent abuse,  
2 neglect, and exploitation.

3 (b) On or before July 1, 2020, the department shall adopt rules and  
4 regulations on the process of investigation, screening, and assessment of  
5 reports of child abuse or neglect and the criteria for opening an ongoing  
6 case upon allegations of sex trafficking of a minor or labor trafficking  
7 of a minor.

8 (8) When a preponderance of the evidence indicates that a child is a  
9 victim of abuse or neglect as a result of being a trafficking victim as  
10 defined in section 28-830, the department shall identify the child as a  
11 victim of trafficking, regardless of whether the subject of the report is  
12 a member of the child's household or family or whether the subject is  
13 known or unknown. The child shall be included in the department's data  
14 and reporting on the numbers of child victims of abuse, neglect, and  
15 trafficking.

16 Sec. 2. Section 71-1908, Revised Statutes Cumulative Supplement,  
17 2022, is amended to read:

18 71-1908 (1) Sections 71-1908 to 71-1923 and sections 6 to 9 of this  
19 act shall be known and may be cited as the Child Care Licensing Act.

20 (2) The Legislature finds that there is a present and growing need  
21 for quality child care programs and facilities. There is a need to  
22 establish and maintain licensure of persons providing such programs to  
23 ensure that such persons are competent and are using safe and adequate  
24 facilities. The Legislature further finds and declares that the  
25 development and supervision of programs are a matter of statewide concern  
26 and should be dealt with uniformly on the state and local levels. There  
27 is a need for cooperation among the various state and local agencies  
28 which impose standards on licensees, and there should be one agency which  
29 coordinates the enforcement of such standards and informs the Legislature  
30 about cooperation among the various agencies.

31 Sec. 3. Section 71-1911, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2       71-1911 (1) A person may operate child care for three or fewer  
3 children without having a license issued by the department. A person who  
4 is not required to be licensed may choose to apply for a license and,  
5 upon obtaining a license, shall be subject to the Child Care Licensing  
6 Act. A person who has had a license issued pursuant to this section and  
7 has had such license suspended or revoked other than for nonpayment of  
8 fees shall not operate or offer to operate a program for or provide care  
9 to any number of children until the person is licensed pursuant to this  
10 section.

11       (2) No person shall operate or offer to operate a program for four  
12 or more children under his or her direct supervision, care, and control  
13 at any one time from families other than that of such person without  
14 having in full force and effect a written license issued by the  
15 department upon such terms as may be prescribed by the rules and  
16 regulations adopted and promulgated by the department. The license may be  
17 a provisional license or an operating license. A city, village, or county  
18 which has rules, regulations, or ordinances in effect on July 10, 1984,  
19 which apply to programs operating for two or three children from  
20 different families may continue to license persons providing such  
21 programs. If the license of a person is suspended or revoked other than  
22 for nonpayment of fees, such person shall not be licensed by any city,  
23 village, or county rules, regulations, or ordinances until the person is  
24 licensed pursuant to this section.

25       (3) A provisional license shall be issued to all applicants  
26 following the completion of preservice orientation training approved or  
27 delivered by the department for the first year of operation. At the end  
28 of one year of operation, the department shall either issue an operating  
29 license, extend the provisional license, or deny the operating license.  
30 The provisional license may be extended once for a period of no more than  
31 six months. The decision regarding extension of the provisional license

1 is not appealable. The provisional license may be extended if:

2 (a) A licensee is unable to comply with all licensure requirements  
3 and standards, is making a good faith effort to comply, and is capable of  
4 compliance within the next six months;

5 (b) The effect of the current inability to comply with a rule or  
6 regulation does not present an unreasonable risk to the health, safety,  
7 or well-being of children or staff; and

8 (c) The licensee has a written plan of correction that has been  
9 approved by the department which is to be completed within the renewal  
10 period.

11 (4) The department may place a provisional or operating license on  
12 corrective action status. Corrective action status is voluntary and may  
13 be in effect for up to six months. The decision regarding placement on  
14 corrective action status is not a disciplinary action and is not  
15 appealable. If the written plan of correction is not approved by the  
16 department, the department may discipline the license. A probationary  
17 license may be issued for the licensee to operate under corrective action  
18 status if the department determines that:

19 (a) The licensee is unable to comply with all licensure requirements  
20 and standards or has had a history of noncompliance;

21 (b) The effect of noncompliance with any rule or regulation does not  
22 present an unreasonable risk to the health, safety, or well-being of  
23 children or staff; and

24 (c) The licensee has a written plan of correction that has been  
25 approved by the department.

26 (5) No child care licensee shall be prohibited from obtaining a dual  
27 license for the purpose of complying with attendance requirements.

28 (6) (5) Operating licenses issued under the Child Care Licensing Act  
29 shall remain in full force and effect subject to annual inspections and  
30 fees. The department may amend a license upon change of ownership or  
31 location. Amending a license requires a site inspection by the department

1 at the time of amendment. When a program is to be permanently closed, the  
2 licensee shall return the license to the department within one week after  
3 the closing.

4 (7) ~~(6)~~ The license, including any applicable status or amendment,  
5 shall be displayed by the licensee in a prominent place so that it is  
6 clearly visible to parents and others. License record information and  
7 inspection reports shall be made available by the licensee for public  
8 inspection upon request.

9 Sec. 4. Section 71-1911.03, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 71-1911.03 An applicant for a license under the Child Care Licensing  
12 Act shall provide to the department written proof of liability insurance  
13 coverage for the hours such applicant is operating and a child is in the  
14 applicant's care of at least one hundred thousand dollars per occurrence  
15 prior to issuance of the license. A licensee subject to the Child Care  
16 Licensing Act on July 1, 2014, shall obtain such liability insurance  
17 coverage and provide written proof to the department within thirty days  
18 after July 1, 2014. Failure by a licensee to maintain the required level  
19 of liability insurance coverage shall be deemed noncompliance with the  
20 Child Care Licensing Act. If the licensee is the State of Nebraska or a  
21 political subdivision, the licensee may utilize a risk retention group or  
22 a risk management pool for purposes of providing such liability insurance  
23 coverage or may self-insure all or part of such coverage.

24 Sec. 5. Section 71-1912, Revised Statutes Cumulative Supplement,  
25 2022, is amended to read:

26 71-1912 (1) Before issuance of a license, the department shall  
27 investigate or cause an investigation to be made, when it deems  
28 necessary, to determine if the applicant or person in charge of the  
29 program meets or is capable of meeting the physical well-being, safety,  
30 and protection standards and the other rules and regulations of the  
31 department adopted and promulgated under the Child Care Licensing Act.



1 The department may investigate the character of applicants and licensees,  
2 any member of the applicant's or licensee's household, and the staff and  
3 employees of programs. The department may at any time inspect or cause an  
4 inspection to be made of any place where a program is operating to  
5 determine if such program is being properly conducted.

6 (2) All inspections by the department shall be unannounced except  
7 for initial licensure visits and consultation visits. Initial licensure  
8 visits are announced visits necessary for a provisional license to be  
9 issued to a family child care home I, family child care home II, child  
10 care center, or school-age-only or preschool program. Consultation visits  
11 are announced visits made at the request of a licensee for the purpose of  
12 consulting with a department specialist on ways of improving the program.

13 (3) An unannounced inspection of any place where a program is  
14 operating shall be conducted by the department or the city, village, or  
15 county pursuant to subsection (2) of section 71-1914 at least annually  
16 for a program licensed to provide child care for fewer than thirty  
17 children and at least twice every year for a program licensed to provide  
18 child care for thirty or more children.

19 (4) Whenever an inspection is made, the findings shall be recorded  
20 in a report designated by the department. The public shall have access to  
21 the results of these inspections upon a written or oral request to the  
22 department. The request must include the name and address of the program.  
23 Additional unannounced inspections shall be performed as often as is  
24 necessary for the efficient and effective enforcement of the Child Care  
25 Licensing Act.

26 (5)(a) A person applying for a license as a child care provider or a  
27 licensed child care provider under the Child Care Licensing Act shall  
28 submit a request for a national criminal history record information check  
29 for each child care staff member, including a prospective child care  
30 staff member of the child care provider, at the applicant's or licensee's  
31 expense, as set forth in this section.

1           ~~(b) A Beginning on October 1, 2019, a prospective child care staff~~  
2 member shall submit to a national criminal history record information  
3 check (i) prior to employment, except as otherwise permitted under 45  
4 C.F.R. 98.43, as such regulation existed on January 1, 2019, or (ii)  
5 prior to residing in a family child care home. ~~A child care staff member~~  
6 ~~who was employed by a child care provider prior to October 1, 2019, or~~  
7 ~~who resided in a family child care home prior to October 1, 2019, shall~~  
8 ~~submit to a national criminal history record information check by October~~  
9 ~~1, 2021, unless the child care staff member ceases to be a child care~~  
10 ~~staff member prior to such date.~~

11           (c) The department shall provide documentation of national criminal  
12 history record information checks which proves eligibility for  
13 employment. Such documentation shall be made available to each child care  
14 staff member or prospective child care staff member by the applicant or  
15 licensee for at least one hundred eighty days after the last day of  
16 employment or date the documentation was provided by the department,  
17 whichever is later.

18           (d) (b) A child care staff member shall be required to undergo a  
19 national criminal history record information check not less than once  
20 during each five-year period. A child care staff member shall submit a  
21 complete set of his or her fingerprints to the Nebraska State Patrol. The  
22 Nebraska State Patrol shall transmit a copy of the child care staff  
23 member's fingerprints to the Federal Bureau of Investigation for a  
24 national criminal history record information check. The national criminal  
25 history record information check shall include information concerning  
26 child care staff members from federal repositories of such information  
27 and repositories of such information in other states, if authorized by  
28 federal law for use by the Nebraska State Patrol. The Nebraska State  
29 Patrol shall issue a report to the department that includes the  
30 information collected from the national criminal history record  
31 information check concerning child care staff members. The department

1 shall seek federal funds, if available, to assist child care providers  
2 and child care staff members with the costs of the fingerprinting and  
3 national criminal history record information check. If the department  
4 does not receive sufficient federal funds to assist child care providers  
5 and staff members with such costs, then the child care staff member being  
6 screened, applicant for a license, or licensee shall pay the actual cost  
7 of the fingerprinting and national criminal history record information  
8 check, except that the department may pay all or part of the cost if  
9 funding becomes available. The department and the Nebraska State Patrol  
10 may adopt and promulgate rules and regulations concerning the costs  
11 associated with the fingerprinting and the national criminal history  
12 record information check. The department may adopt and promulgate rules  
13 and regulations implementing national criminal history record information  
14 check requirements for child care providers and child care staff members.

15 (e) ~~(e)~~ A child care staff member shall also submit to the following  
16 background checks at his or her expense not less than once during each  
17 five-year period:

18 (i) A search of the National Crime Information Center's National Sex  
19 Offender Registry; and

20 (ii) A search of the following registries, repositories, or  
21 databases in the state where the child care provider is located or where  
22 the child care staff member resides and each state where the child care  
23 provider was located or where the child care staff member resided during  
24 the preceding five years:

25 (A) State criminal registries or repositories;

26 (B) State sex offender registries or repositories; and

27 (C) State-based child abuse and neglect registries and databases.

28 (f) Background checks shall be portable between child care  
29 providers.

30 (g) ~~(d)~~ Any individual shall be ineligible for employment by a child  
31 care provider if such individual:

1 (i) Refuses to consent to the national criminal history record  
2 information check or a background check described in this subsection;

3 (ii) Knowingly makes a materially false statement in connection with  
4 the national criminal history record information check or a background  
5 check described in this subsection;

6 (iii) Is registered, or required to be registered, on a state sex  
7 offender registry or repository or the National Sex Offender Registry; or

8 (iv) Has been convicted of a crime of violence, a crime of moral  
9 turpitude, or a crime of dishonesty.

10 (h) ~~(e)~~ The department may adopt and promulgate rules and  
11 regulations for purposes of this section.

12 (i) ~~(f)~~ A child care provider shall be ineligible for a license  
13 under the Child Care Licensing Act and shall be ineligible to participate  
14 in the child care subsidy program if the provider employs a child care  
15 staff member who is ineligible for employment under subdivisions (g) or  
16 (h) ~~(d)~~ or ~~(e)~~ of this subsection.

17 (j) ~~(g)~~ National criminal history record information and information  
18 from background checks described in this subsection subject to state or  
19 federal confidentiality requirements may only be used for purposes of  
20 granting a child care license or approving a child care provider for  
21 participation in the child care subsidy program.

22 (k) ~~(h)~~ For purposes of this subsection:

23 (i) Child care provider means a child care program required to be  
24 licensed under the Child Care Licensing Act; and

25 (ii) Child care staff member means an individual who is not related  
26 to all of the children for whom child care services are provided and:

27 (A) Who is employed by a child care provider for compensation,  
28 including contract employees or self-employed individuals;

29 (B) Whose activities involve the care or supervision of children for  
30 a child care provider or unsupervised access to children who are cared  
31 for or supervised by a child care provider; or

1 (C) who is residing in a family child care home and who is eighteen  
2 years of age or older.

3 Sec. 6. Blankets shall not be used in cribs in any child care  
4 facility.

5 Sec. 7. The Department of Health and Human Services shall submit to  
6 the Health and Human Services Committee of the Legislature all licensing  
7 rules and regulations relating to child care for review once every five  
8 years.

9 Sec. 8. The State Fire Marshal shall submit to the Government,  
10 Military and Veterans Affairs Committee of the Legislature all fire code  
11 enforcement and regulations relating to child care facilities for review  
12 once every five years.

13 Sec. 9. Each municipality shall submit to the Urban Affairs  
14 Committee of the Legislature all fire and building safety codes, fire and  
15 building safety permits, and health department and sanitation ordinances,  
16 zoning, and regulations relating to child care facilities for review once  
17 every five years.

18 Sec. 10. Section 77-202, Revised Statutes Cumulative Supplement,  
19 2022, is amended to read:

20 77-202 (1) The following property shall be exempt from property  
21 taxes:

22 (a) Property of the state and its governmental subdivisions to the  
23 extent used or being developed for use by the state or governmental  
24 subdivision for a public purpose. For purposes of this subdivision:

25 (i) Property of the state and its governmental subdivisions means  
26 (A) property held in fee title by the state or a governmental subdivision  
27 or (B) property beneficially owned by the state or a governmental  
28 subdivision in that it is used for a public purpose and is being acquired  
29 under a lease-purchase agreement, financing lease, or other instrument  
30 which provides for transfer of legal title to the property to the state  
31 or a governmental subdivision upon payment of all amounts due thereunder.

1 If the property to be beneficially owned by a governmental subdivision  
2 has a total acquisition cost that exceeds the threshold amount or will be  
3 used as the site of a public building with a total estimated construction  
4 cost that exceeds the threshold amount, then such property shall qualify  
5 for an exemption under this section only if the question of acquiring  
6 such property or constructing such public building has been submitted at  
7 a primary, general, or special election held within the governmental  
8 subdivision and has been approved by the voters of the governmental  
9 subdivision. For purposes of this subdivision, threshold amount means the  
10 greater of fifty thousand dollars or six-tenths of one percent of the  
11 total actual value of real and personal property of the governmental  
12 subdivision that will beneficially own the property as of the end of the  
13 governmental subdivision's prior fiscal year; and

14 (ii) Public purpose means use of the property (A) to provide public  
15 services with or without cost to the recipient, including the general  
16 operation of government, public education, public safety, transportation,  
17 public works, civil and criminal justice, public health and welfare,  
18 developments by a public housing authority, parks, culture, recreation,  
19 community development, and cemetery purposes, or (B) to carry out the  
20 duties and responsibilities conferred by law with or without  
21 consideration. Public purpose does not include leasing of property to a  
22 private party unless the lease of the property is at fair market value  
23 for a public purpose. Leases of property by a public housing authority to  
24 low-income individuals as a place of residence are for the authority's  
25 public purpose;

26 (b) Unleased property of the state or its governmental subdivisions  
27 which is not being used or developed for use for a public purpose but  
28 upon which a payment in lieu of taxes is paid for public safety, rescue,  
29 and emergency services and road or street construction or maintenance  
30 services to all governmental units providing such services to the  
31 property. Except as provided in Article VIII, section 11, of the

1 Constitution of Nebraska, the payment in lieu of taxes shall be based on  
2 the proportionate share of the cost of providing public safety, rescue,  
3 or emergency services and road or street construction or maintenance  
4 services unless a general policy is adopted by the governing body of the  
5 governmental subdivision providing such services which provides for a  
6 different method of determining the amount of the payment in lieu of  
7 taxes. The governing body may adopt a general policy by ordinance or  
8 resolution for determining the amount of payment in lieu of taxes by  
9 majority vote after a hearing on the ordinance or resolution. Such  
10 ordinance or resolution shall nevertheless result in an equitable  
11 contribution for the cost of providing such services to the exempt  
12 property;

13 (c) Property owned by and used exclusively for agricultural and  
14 horticultural societies;

15 (d) Property owned by educational, religious, charitable, or  
16 cemetery organizations, or any organization for the exclusive benefit of  
17 any such educational, religious, charitable, or cemetery organization,  
18 and used exclusively for educational, religious, charitable, or cemetery  
19 purposes, when such property is not (i) owned or used for financial gain  
20 or profit to either the owner or user, (ii) used for the sale of  
21 alcoholic liquors for more than twenty hours per week, or (iii) owned or  
22 used by an organization which discriminates in membership or employment  
23 based on race, color, or national origin. For purposes of this  
24 subdivision, educational organization means (A) an institution operated  
25 exclusively for the purpose of offering regular courses with systematic  
26 instruction in academic, vocational, or technical subjects or assisting  
27 students through services relating to the origination, processing, or  
28 guarantying of federally reinsured student loans for higher education, ~~or~~  
29 (B) a museum or historical society operated exclusively for the benefit  
30 and education of the public, or (C) a nonprofit organization that owns or  
31 operates a child care facility. For purposes of this subdivision,

1 charitable organization includes an organization operated exclusively for  
2 the purpose of the mental, social, or physical benefit of the public or  
3 an indefinite number of persons and a fraternal benefit society organized  
4 and licensed under sections 44-1072 to 44-10,109; and

5 (e) Household goods and personal effects not owned or used for  
6 financial gain or profit to either the owner or user.

7 (2) The increased value of land by reason of shade and ornamental  
8 trees planted along the highway shall not be taken into account in the  
9 valuation of land.

10 (3) Tangible personal property which is not depreciable tangible  
11 personal property as defined in section 77-119 shall be exempt from  
12 property tax.

13 (4) Motor vehicles, trailers, and semitrailers required to be  
14 registered for operation on the highways of this state shall be exempt  
15 from payment of property taxes.

16 (5) Business and agricultural inventory shall be exempt from the  
17 personal property tax. For purposes of this subsection, business  
18 inventory includes personal property owned for purposes of leasing or  
19 renting such property to others for financial gain only if the personal  
20 property is of a type which in the ordinary course of business is leased  
21 or rented thirty days or less and may be returned at the option of the  
22 lessee or renter at any time and the personal property is of a type which  
23 would be considered household goods or personal effects if owned by an  
24 individual. All other personal property owned for purposes of leasing or  
25 renting such property to others for financial gain shall not be  
26 considered business inventory.

27 (6) Any personal property exempt pursuant to subsection (2) of  
28 section 77-4105 or section 77-5209.02 shall be exempt from the personal  
29 property tax.

30 (7) Livestock shall be exempt from the personal property tax.

31 (8) Any personal property exempt pursuant to the Nebraska Advantage



1 Act or the Imagine Nebraska Act shall be exempt from the personal  
2 property tax.

3 (9) Any depreciable tangible personal property used directly in the  
4 generation of electricity using wind as the fuel source shall be exempt  
5 from the property tax levied on depreciable tangible personal property.  
6 Any depreciable tangible personal property used directly in the  
7 generation of electricity using solar, biomass, or landfill gas as the  
8 fuel source shall be exempt from the property tax levied on depreciable  
9 tangible personal property if such depreciable tangible personal property  
10 was installed on or after January 1, 2016, and has a nameplate capacity  
11 of one hundred kilowatts or more. Depreciable tangible personal property  
12 used directly in the generation of electricity using wind, solar,  
13 biomass, or landfill gas as the fuel source includes, but is not limited  
14 to, wind turbines, rotors and blades, towers, solar panels, trackers,  
15 generating equipment, transmission components, substations, supporting  
16 structures or racks, inverters, and other system components such as  
17 wiring, control systems, switchgears, and generator step-up transformers.

18 (10) Any tangible personal property that is acquired by a person  
19 operating a data center located in this state, that is assembled,  
20 engineered, processed, fabricated, manufactured into, attached to, or  
21 incorporated into other tangible personal property, both in component  
22 form or that of an assembled product, for the purpose of subsequent use  
23 at a physical location outside this state by the person operating a data  
24 center shall be exempt from the personal property tax. Such exemption  
25 extends to keeping, retaining, or exercising any right or power over  
26 tangible personal property in this state for the purpose of subsequently  
27 transporting it outside this state for use thereafter outside this state.  
28 For purposes of this subsection, data center means computers, supporting  
29 equipment, and other organized assembly of hardware or software that are  
30 designed to centralize the storage, management, or dissemination of data  
31 and information, environmentally controlled structures or facilities or

1 interrelated structures or facilities that provide the infrastructure for  
2 housing the equipment, such as raised flooring, electricity supply,  
3 communication and data lines, Internet access, cooling, security, and  
4 fire suppression, and any building housing the foregoing.

5 (11) For tax years prior to tax year 2020, each person who owns  
6 property required to be reported to the county assessor under section  
7 77-1201 shall be allowed an exemption amount as provided in the Personal  
8 Property Tax Relief Act. For tax years prior to tax year 2020, each  
9 person who owns property required to be valued by the state as provided  
10 in section 77-601, 77-682, 77-801, or 77-1248 shall be allowed a  
11 compensating exemption factor as provided in the Personal Property Tax  
12 Relief Act.

13 Sec. 11. Original sections 71-1911 and 71-1911.03, Reissue Revised  
14 Statutes of Nebraska, and sections 28-713, 71-1908, 71-1912, and 77-202,  
15 Revised Statutes Cumulative Supplement, 2022, are repealed.