

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 699**

Introduced by Murman, 38.

Read first time January 18, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to property taxes; to amend sections 77-201,
- 2 77-5023, and 79-1036, Revised Statutes Cumulative Supplement, 2022;
- 3 to change the valuation of certain real property for purposes of
- 4 taxes levied by school districts; 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, Revised Statutes Cumulative Supplement,  
2 2022, is amended to read:

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

7 (2) Agricultural land and horticultural land as defined in section  
8 77-1359 shall constitute a separate and distinct class of property for  
9 purposes of property taxation, shall be subject to taxation, unless  
10 expressly exempt from taxation, and shall be valued at seventy-five  
11 percent of its actual value, except that for purposes of taxes levied by  
12 a school district taxes levied to pay the principal and interest on bonds  
13 ~~that are approved by a vote of the people on or after January 1, 2022,~~  
14 such land shall be valued at zero ~~fifty percent of its actual value.~~

15 (3) Agricultural land and horticultural land actively devoted to  
16 agricultural or horticultural purposes which has value for purposes other  
17 than agricultural or horticultural uses and which meets the  
18 qualifications for special valuation under section 77-1344 shall  
19 constitute a separate and distinct class of property for purposes of  
20 property taxation, shall be subject to taxation, and shall be valued for  
21 taxation at seventy-five percent of its special valuation as defined in  
22 section 77-1343, except that for purposes of taxes levied by a school  
23 ~~district taxes levied to pay the principal and interest on bonds that are~~  
24 ~~approved by a vote of the people on or after January 1, 2022,~~ such land  
25 shall be valued at zero ~~fifty percent of its special valuation as defined~~  
26 ~~in section 77-1343.~~

27 (4) Historically significant real property which meets the  
28 qualifications for historic rehabilitation valuation under sections  
29 77-1385 to 77-1394 shall be valued for taxation as provided in such  
30 sections.

31 (5) For purposes of taxes levied by a school district, commercial

1 real property shall be valued at zero.

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

25       Sec. 2. Section 77-5023, Revised Statutes Cumulative Supplement,  
26 2022, is amended to read:

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

1           (2) An acceptable range is the percentage of variation from a  
2 standard for valuation as measured by an established indicator of central  
3 tendency of assessment. Acceptable ranges are: (a) For agricultural land  
4 and horticultural land as defined in section 77-1359, sixty-nine to  
5 seventy-five percent of actual value, ~~except that for school district~~  
6 ~~taxes levied to pay the principal and interest on bonds that are approved~~  
7 ~~by a vote of the people on or after January 1, 2022, the acceptable range~~  
8 ~~is forty-four to fifty percent of actual value;~~ (b) for lands receiving  
9 special valuation, sixty-nine to seventy-five percent of special  
10 valuation as defined in section 77-1343, ~~except that for school district~~  
11 ~~taxes levied to pay the principal and interest on bonds that are approved~~  
12 ~~by a vote of the people on or after January 1, 2022, the acceptable range~~  
13 ~~is forty-four to fifty percent of special valuation as defined in section~~  
14 ~~77-1343;~~ and (c) for all other real property, ninety-two to one hundred  
15 percent of actual value.

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

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

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

26           Sec. 3. Section 79-1036, Revised Statutes Cumulative Supplement,  
27 2022, is amended to read:

28           79-1036 (1) In making the apportionment under section 79-1035, the  
29 Commissioner of Education shall distribute from the school fund for  
30 school purposes to (a) for school fiscal years prior to school fiscal  
31 year 2017-18, any and all learning communities and school districts which

1 are not members of a learning community, and (b) for school fiscal year  
2 2017-18 and each school fiscal year thereafter, all school districts in  
3 which there are situated school lands which have not been sold and  
4 transferred by deed or saline lands owned by the state, which lands are  
5 being used for a public purpose, an amount in lieu of tax money that  
6 would be raised by school district levies if such lands were taxable, to  
7 be ascertained in accordance with subsection (2) of this section.

8 (2) The county assessor shall certify to the Commissioner of  
9 Education the tax levies of each school district and, for levies  
10 certified prior to January 1, 2017, learning community in which school  
11 land or saline land is located and the last appraised value of such  
12 school land. Seventy-five percent of the appraised value shall be used ~~7~~  
13 ~~which value shall be the same percentage of the appraised value as the~~  
14 ~~percentage of the assessed value is of market value in subsection (2) of~~  
15 ~~section 77-201~~ for the purpose of applying the applicable tax levies for  
16 each district and, for levies certified prior to January 1, 2017,  
17 learning community in determining the distribution to the districts of  
18 such amounts. The school board of any school district and, for levies  
19 certified prior to January 1, 2017, the learning community coordinating  
20 council of any learning community in which there is located any leased or  
21 undeeded school land or saline land subject to this section may appeal to  
22 the Board of Educational Lands and Funds for a reappraisalment of such  
23 school land if such school board or learning community coordinating  
24 council deems the land not appraised in proportion to the value of  
25 adjoining land of the same or similar value. The Board of Educational  
26 Lands and Funds shall proceed to investigate the facts involved in such  
27 appeal and, if the contention of the school board or learning community  
28 coordinating council is correct, make the proper reappraisalment. The  
29 value calculation in this subsection shall be used by the Commissioner of  
30 Education for making distributions in each school fiscal year.

31 Sec. 4. This act becomes operative on January 1, 2024.

1           Sec. 5.   Original sections 77-201, 77-5023, and 79-1036, Revised  
2 Statutes Cumulative Supplement, 2022, are repealed.