

LEGISLATIVE BILL 945

Passed over the Governor's veto May 26, 1971

Introduced by Terry Carpenter, 48th District

AN ACT to amend sections 77-112, 77-202, and 77-203, Revised Statutes Supplement, 1969, relating to taxation; to change a formula; to provide a different exemption; to change a due date; to provide for equalization for classes and subclasses of property; to provide for apportionment for any taxing district which lies in two or more counties; to provide when certain sections shall become operative; to provide application; to repeal the original sections; and to declare an emergency.

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

Section 1. That section 77-112, Revised Statutes Supplement, 1969, be amended to read as follows:

77-112. Actual value of property for taxation shall mean and include the value of property for taxation that is ascertained by using the following formula where applicable: (1) Earning capacity of the property; (2) relative location; (3) desirability and functional use; (4) reproduction cost less regular annual depreciation; (5) comparison with other properties of known or recognized value; (6) market value in the ordinary course of trade; and (7) existing zoning of the property.

Sec. 2. That section 77-202, Revised Statutes Supplement, 1969, be amended to read as follows:

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

(a) The property of the state and its governmental subdivisions;

(b) Property owned by and used exclusively for agricultural and horticultural societies;

(c) Property owned and used exclusively for educational, religious, charitable, or cemetery purposes, when such property is not owned or used for financial gain or profit to either the owner or user; and

(d) Household goods, including major appliances either attached or detached to real property, and personal effects when such property is not owned or used for financial gain or profit to either the owner or user.

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

(3) The premiums received by any insurance company authorized to do business in this state on pension, profit-sharing and other employee benefit plans which are described in section 805 (d) (1) of the Internal Revenue Code of 1954, as amended as of January 1, 1965 shall be exempt from taxes.

(4) Life insurance and life insurance annuity contracts and any payment connected therewith and any right to pension or retirement payments shall be exempt from the intangible tax.

Sec. 3. That section 77-203, Revised Statutes Supplement, 1969, be amended to read as follows:

77-203. All general real property taxes levied for any county, city, village or other political subdivision therein, shall be due and payable on January December 4 31 next following the date of levy thereof, and commencing on that date shall be a first lien on the real estate taxed until paid or extinguished as provided by law.

Sec. 4. For purposes of sections 4 to 6 of this act, classes of property shall mean all lands and improvements, and all locally assessed personal property: personal property valued by the State Board of Equalization and Assessment or the Tax Commissioner shall not be considered classes of property subject to equalization by the county board of equalization under the provisions of sections 4 to 6 of this act.

Sec. 5. Upon completion of equalization of assessments of individual parcels of lands and improvements and of assessments of personal property of individuals, pursuant to sections 77-1503 to 77-1507 and 77-1506.01, the county board of equalization shall have authority to raise or lower by percentage the valuation of all of a class or all of a subclass, as defined by the Tax Commissioner by rule and regulation, of property within the county; Provided, public notice shall be

given by publication in a newspaper of general circulation within the county stating the intention of the board. Such notice shall be given ten days before final action is taken by the board in regard to such matters. Nonresidents of the county in which such real estate is situated shall be notified by mail of increases in valuation if such nonresident owners shall have an address of record on file with the county assessor as of January 1, annually.

Sec. 6. Any person aggrieved by such action of the board under the provisions of section 5 of this act may appeal as provided in section 77-1510.

Sec. 7. When a taxing district lies in two or more counties, the total amount of taxes levied by such district shall be apportioned to each respective county on the basis of equalized valuations for the current assessment year, as determined by application of the respective county assessment ratio developed by the Tax Commissioner, in the proportion that the equalized valuation of that part of such district lying in each county bears to the equalized valuation of the whole district.

Sec. 8. It shall be the duty of the county board of equalization which has the responsibility for fixing the mill levy for such overlapping district to determine the average ratio of assessment of real estate developed by the Tax Commissioner for each of the respective counties into which such taxing district extends or includes.

Sec. 9. When the county board of equalization finds that the average assessment ratio for any of the respective counties varies not more than five percentage points from those ratios for other counties into which such district extends, apportionment as provided in section 8 of this act shall not be deemed necessary. When the county board of equalization finds that the average assessment ratio for any of the respective counties varies more than five percentage points from those ratios for other counties into which such district extends, apportionment of the tax levied, as provided in section 8 of this act, shall be made as provided.

Sec. 10. When apportionment of the total taxes levied by any district lying in two or more counties has been accomplished as provided in sections 7 to 9 of this act, the county board of equalization shall fix separate and distinct mill levies for those parts of such districts lying in each county into which it extends.

Such mill levy shall be fixed at a rate which, when applied to the assessed valuations of property within such part of a district in each respective county, will raise the amount of taxes apportioned pursuant to section 8 of this act.

Sec. 11. The provisions of sections 7 to 10 of this act shall not be applicable when the mill levy adopted by the levying authority of any governmental subdivision is five mills or less.

Sec. 12. The provisions of sections 7 to 11 of this act shall become operative for taxes levied for 1971.

Sec. 13. The provisions of this act shall apply to any pending litigation.

Sec. 14. If any section in this act or any part of any section shall be declared invalid or unconstitutional, such declaration of invalidity shall not affect the validity of the remaining portions thereof.

Sec. 15. That original sections 77-112, 77-202, and 77-203, Revised Statutes Supplement, 1969, are repealed.

Sec. 16. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.