

LEGISLATIVE BILL 1258

Approved by the Governor April 17, 1986

Introduced by Speaker, Nichol, 48, for the Governor

AN ACT relating to homestead exemptions; to amend sections 77-3505 and 77-3517, Reissue Revised Statutes of Nebraska, 1943, sections 77-3508, 77-3509, 77-3511, 77-3522, 77-3523, and 77-3525, Revised Statutes Supplement, 1984, and sections 77-3510, 77-3513, and 77-3516, Revised Statutes Supplement, 1984, as amended by sections 3, 5, and 7, respectively, Legislative Bill 6, Eighty-ninth Legislature, Second Special Session, 1985; to redefine a term; to provide for exemptions based on income as prescribed; to provide duties; to change certain filing and other deadlines; to change provisions relating to reimbursement to counties; to harmonize provisions; to provide a penalty; to provide an operative date; 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 77-3505, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3505. A qualified claimant shall mean an owner of a homestead during the calendar year for which the claim is made, who was sixty-five years of age or older during on January 1 of such year, and who shall be entitled to relief pursuant to section 77-3507.

Sec. 2. That section 77-3508, Revised Statutes Supplement, 1984, be amended to read as follows:

77-3508. (1) All homesteads in this state shall be assessed for taxation the same as other property, except that there shall be exempt from taxation a percentage of the first thirty-five thousand dollars of the actual value of any homestead of (1) (a) veterans who are totally disabled by a nonmilitary accident or illness, (2) (b) individuals who are paralyzed in both legs such as to preclude locomotion without the aid of braces, crutches, canes, or wheelchairs, (3) (c) individuals who have undergone multiple amputation of both lower extremities such as to

preclude locomotion without the aid of braces, crutches, canes, wheelchairs, or artificial limbs, ~~(4)~~ (d) individuals with progressive neuromuscular or neurological disease such as to preclude locomotion without the aid of braces, crutches, canes, wheelchairs, or artificial limbs or who have permanently lost the use or control of both arms, and ~~(5)~~ (e) individuals who have undergone multiple amputation of both arms above the elbow. The exemption shall be based on the income of a claimant pursuant to subsection (2) of this section. Application for such exemption shall include certification from a qualified medical physician for subdivisions (1)(a) through ~~(5)~~ (1)(e) of this section or certification from the Veterans' Administration affirming that the homeowner is totally disabled due to nonmilitary accident or illness for subdivision (1)(a) of this section. Such certification from a qualified medical physician shall be made on forms prescribed by the Department of Revenue.

(2) For a claimant as described in subsection (1) of this section, the percentage of the exemption for which the claimant is eligible shall be the percentage in Column B which corresponds with the claimant's income in Column A in the table found in this subsection.

<u>Column A</u> <u>Household Income</u> <u>In Dollars</u>	<u>Column B</u> <u>Percentage</u> <u>Of Relief</u>
<u>0 through 8,400</u>	<u>100</u>
<u>8,401 through 8,900</u>	<u>80</u>
<u>8,901 through 9,400</u>	<u>60</u>
<u>9,401 through 9,900</u>	<u>40</u>
<u>9,901 through 10,400</u>	<u>20</u>

Sec. 3. That section 77-3509, Revised Statutes Supplement, 1984, be amended to read as follows:

77-3509. (1) All homesteads in this state shall be assessed for taxation the same as other property, except that there shall be exempt from taxation a percentage of the first ninety per cent thirty-five thousand dollars of the actual value of any homestead of any veteran, as defined in section 80-401.01, drawing compensation from the Veterans' Administration of the United States because of one hundred per cent disability and not eligible for total exemption under sections 77-3526 to 77-3528, or the unmarried widow or widower of any such veteran or of any veteran who died because of a service-connected disability, or the unmarried widow or widower of a serviceman or servicewoman who died while on active duty

during the dates described in section 80-401.01. The exemption shall be based on the income of a claimant pursuant to subsection (2) of this section. Application for exemption under this section shall include certification of the status set forth in this section from the Veterans' Administration.

(2) For a claimant as described in subsection (1) of this section, the percentage of the exemption for which the claimant is eligible shall be the percentage in Column B which corresponds with the claimant's income in Column A in the table found in this subsection.

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
<u>0 through 15,000</u>	<u>100</u>
<u>15,001 through 16,000</u>	<u>80</u>
<u>16,001 through 17,000</u>	<u>60</u>
<u>17,001 through 18,000</u>	<u>40</u>
<u>18,001 through 19,000</u>	<u>20</u>

Sec. 4. That section 77-3510, Revised Statutes Supplement, 1984, as amended by section 3, Legislative Bill 6, Eighty-ninth Legislature, Second Special Session, 1985, be amended to read as follows:

77-3510. On or before January 1 of each year, the Tax Commissioner shall prescribe suitable blank forms to be used by all claimants for homestead exemption or for transfer of homestead exemption. Such forms shall contain provisions for the showing of all information which the Tax Commissioner may deem necessary to (1) enable the proper county officials and the Tax Commissioner to determine whether each claim for exemption under sections ~~77-3507, 77-3508, and 77-3509~~ should be allowed; ~~(2) enable the Tax Commissioner to determine whether each claim for exemption under section 77-3507 should be allowed;~~ and ~~(3) (2)~~ enable the county assessor to determine whether each claim for transfer of homestead exemption pursuant to section 77-3509.01 should be allowed. It shall be the duty of the county assessor of each county in this state to furnish such forms, upon request, to each person desiring to make application for homestead exemption or for transfer of homestead exemption on property located within that county. The forms so prescribed shall be used uniformly throughout the state, and no application for exemption or for transfer of homestead exemption shall be allowed unless the applicant uses the regularly prescribed form in making an application.

Sec. 5. That section 77-3511, Revised Statutes Supplement, 1984, be amended to read as

follows:

77-3511. The application for homestead exemption or for transfer of homestead exemption shall be signed by the owner of the property who qualifies for exemption under ~~sections 77-3501 to 77-3529~~ Chapter 77, article 35, unless the owner is an incompetent or unable to make such application, in which case it shall be signed by the guardian. If an owner who in all respects qualifies for a homestead exemption under such sections dies after January 1 and before April 1 and before applying for a homestead exemption, his or her personal representative may file the application for exemption on or before April 1 of that year. For tax year 1986, if an owner who in all respects qualifies for a homestead exemption under such sections dies after January 1 and before June 16 and before applying for a homestead exemption, his or her personal representative may file the application for exemption on or before June 16, 1986. Any exemption granted as a result of such application signed by a personal representative shall be in effect for only the year in which the owner died.

Sec. 6. That section 77-3513, Revised Statutes Supplement, 1984, as amended by section 5, Legislative Bill 6, Eighty-ninth Legislature, Second Special Session, 1985, be amended to read as follows:

77-3513. (1) For the tax year 1986, it shall be the duty of each claimant who wants a homestead exemption provided in section 77-3509 or subdivision (1)(b), (c), (d), or (e) of section 77-3508 to file an application therefore with the county assessor on or before June 16, 1986, and failure to do so shall constitute a waiver of the exemption for such year.

(2) If an owner is granted a homestead exemption as provided in section ~~77-3507 or 77-3509~~ or subdivision ~~(2), (3), (4), or (5)~~ (1)(b), (c), (d), or (e) of section 77-3508, the homestead exemption as to such property shall remain in full force and effect for each succeeding year without reapplication if the same owner is in all respects entitled to the same exemption granted under the provisions of sections ~~77-3501 to 77-3529~~.

Once a qualified claimant has filed an application for homestead exemption and the exemption has been granted for that year, no reapplication need be filed for succeeding years, in which case the county assessor and Tax Commissioner shall determine whether the claimant shall qualify for the homestead exemption in such succeeding years as otherwise provided in sections 77-3501 to 77-3529 as though a claim were made.

(3) ~~(2)~~ It shall be the duty of each claimant

who wants the homestead exemption provided in subdivision (1)(a) of section 77-3508 to file an application therefor with the county assessor on or before April 1 of each year, and failure to do so shall constitute a waiver of the exemption for such year.

Sec. 7. That section 77-3516, Revised Statutes Supplement, 1984, as amended by section 7, Legislative Bill 6, Eighty-ninth Legislature, Second Special Session, 1985, be amended to read as follows:

77-3516. The county assessor shall examine each application for homestead exemption filed with him or her for an exemption pursuant to section 77-3507, 77-3508, or 77-3509 and shall determine, except for the income test, whether or not such application should be approved or rejected and, if approved, determine the amount of the exemption. If the application is approved, the county assessor shall mark the same approved and show thereon the amount of exemption allowed and make the proper deduction upon the assessment rolls. In case he or she finds that the exemption should not be allowed by reason of not being in conformity to law, the county assessor shall mark the application rejected and state thereon the reason for such rejection. In any case when the county assessor disallows or reduces an application for exemption, he or she shall notify the applicant of such action by mailing written notice to the applicant at the address shown in the application, which notice shall be mailed not later than the second Monday in July for 1986 and the fourth Monday in April of each other year and shall be on forms prescribed by the Tax Commissioner. All applications for exemption, showing thereon the action of the county assessor, shall be delivered to the county board of equalization on or before the second Monday in July for 1986 and the fourth Monday of April of each other year.

Sec. 8. That section 77-3517, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-3517. The county assessor shall examine all applications for an exemption pursuant to section 77-3507 to determine, except for the income test, if the application should be approved or rejected. On or before the first Monday in July, 1980, 1986 and on or before the third Monday in April of each year thereafter, the county assessor shall forward the application applications for homestead exemptions which have been examined pursuant to section 77-3516 to the Tax Commissioner who shall determine from the records of the Department of Revenue whether or not the applicant

meets the required income standards. The Tax Commissioner shall, on or before August 15, certify his or her determinations to the county assessor. If the county assessor's and Tax Commissioner's determination is that the application should be accepted, then the county assessor shall process the application in the same manner as an approved application under section 77-3516. If the Tax Commissioner's determination is that the application does not meet the required income test or if the county assessor finds that the exemption should not be allowed or should be reduced, the county assessor shall proceed as in the case of a rejected or reduced application under section 77-3516.

Sec. 9. That section 77-3522, Revised Statutes Supplement, 1984, be amended to read as follows:

77-3522. (1) Any person who makes any false or fraudulent claim for exemption or any false statement or false representation of a material fact in support of such claim or any person who assists another in the preparation of any such false or fraudulent claim or enters into any collusion with another by the execution of a fictitious deed or other instrument for the purpose of obtaining unlawful exemption under the provisions of ~~sections 77-3501 to 77-3523~~ Chapter 77, article 35, shall be guilty of a Class II misdemeanor and shall be subject to a forfeiture of any such exemption for a period of two years from the date of conviction. Any person who shall make oath to any false or fraudulent application for homestead exemption, knowing the same to be false or fraudulent, shall be guilty of a Class I misdemeanor.

(2) In addition to the penalty provided in subsection (1) of this section, if any person files a claim for exemption as provided in section 77-3507, 77-3508, or 77-3509 which is excessive due to misstatements by the owner filing such claim, the claim may be disallowed in full and, if the claim has been allowed, an amount equal to the amount of taxes lawfully due but not paid by reason of such unlawful and improper allowance of homestead exemption shall be due and shall upon entry of the amount thereof on the books of the county treasurer be a lien on such property until paid and a penalty equal to the amount of taxes lawfully due but claimed for exemption shall be assessed.

Sec. 10. That section 77-3523, Revised Statutes Supplement, 1984, be amended to read as follows:

77-3523. The county treasurer shall, on or

before November 30 of each year, certify to the Tax Commissioner: (1) For tax year 1986, ninety per cent of the total tax revenue that will be lost to all taxing agencies within his or her county from taxes levied and assessed in that year because of exemptions allowed under the provisions of Chapter 77, article 35; and (2) for tax year 1987 and each tax year thereafter, the total tax revenue that will be lost to all taxing agencies within his or her county from taxes levied and assessed in that year because of exemptions allowed under Chapter 77, article 35. The county treasurer may amend the certification to show any change or correction in the total tax that will be lost until May 30 of the next succeeding year. The Tax Commissioner shall, on or before January 1 next following such certification or within thirty days of any amendment to the certification, notify the Director of Administrative Services of the amount so certified. Each Reimbursement of the funds lost shall be made to each county certification according to the certification and shall be distributed in six as nearly as possible equal monthly payments between the fifth and twentieth day of each month beginning January 1977, and each January thereafter. The State Treasurer shall, between the fifth and twentieth day of each month, notify the Director of Administrative Services of the amount of funds available in the General Fund for payment purposes. The Director of Administrative Services shall, upon receipt of such notification, draw warrants against funds appropriated. Out of the amount so received the county treasurer shall distribute to each of the taxing agencies within his or her county: (a) For tax year 1986, ninety per cent of the amount so lost by such agency; and (b) for tax year 1987 and each tax year thereafter, the full amount so lost by such agency, except ~~{1}~~ that one per cent of such amount shall be deposited in the county general fund and ~~{2}~~ that the ~~full~~ amount due a Class V school district shall be paid to the district and the county shall be compensated pursuant to section 14-554. Each taxing agency shall, in preparing its annual budget, take into account the amount to be received under this section.

Sec. 11. That section 77-3525, Revised Statutes Supplement, 1984, be amended to read as follows:

77-3525. All For tax year 1986, ninety per cent of the revenue which shall be lost to taxing agencies as a result of the provisions of Chapter 77, article 35, shall be considered an express obligation of

the state for the purpose of setting the sales and income tax rates under section 77-2715.01. For fiscal year 1987-88 and each fiscal year thereafter, all revenue which shall be lost to taxing agencies as a result of the provisions of Chapter 77, article 35, shall be considered an express obligation of the state for the purpose of setting the sales and income tax rates under section 77-2715.01.

Sec. 12. This act shall be operative for all taxable years beginning on or after January 1, 1986.

Sec. 13. That original sections 77-3505 and 77-3517, Reissue Revised Statutes of Nebraska, 1943, sections 77-3508, 77-3509, 77-3511, 77-3522, 77-3523, and 77-3525, Revised Statutes Supplement, 1984, and sections 77-3510, 77-3513, and 77-3516, Revised Statutes Supplement, 1984, as amended by sections 3, 5, and 7, respectively, Legislative Bill 6, Eighty-ninth Legislature, Second Special Session, 1985, are repealed.

Sec. 14. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.