

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1089

Introduced by Smith, 14.

Read first time January 18, 2018

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-3505.02 and 77-3514.01, Reissue Revised Statutes of Nebraska,
3 sections 77-376, 77-2791, 77-3501.01, 77-3506, 77-3506.02,
4 77-3506.03, 77-3509.01, 77-3509.02, 77-3509.03, 77-3512, 77-3513,
5 77-3514, 77-3516, 77-3522, and 77-3523, Revised Statutes Cumulative
6 Supplement, 2016, and section 77-3510, Revised Statutes Supplement,
7 2017; to provide that certain information of the Department of
8 Revenue is confidential; to provide for reassessment of property
9 affected by major calamities; to change provisions relating to the
10 treatment of refundable income tax credits; to change and eliminate
11 provisions relating to homestead exemptions; to harmonize
12 provisions; to provide operative dates; to repeal the original
13 sections; to outright repeal section 77-3509, Revised Statutes
14 Cumulative Supplement, 2016; and to declare an emergency.
15 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-376, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 77-376 (1) The Tax Commissioner may examine or cause to be examined
4 in his or her behalf, and make memoranda from, any of the financial
5 records of state and local subdivisions, persons, and corporations
6 subject to the tax laws of this state. No information shall be released
7 that is not so authorized by existing statutes. Unless otherwise
8 prohibited by law, the Tax Commissioner may share the information
9 examined with the taxing or law enforcement authorities of this state,
10 other states, and the federal government.

11 (2) Notwithstanding any other provision of law, the audit and
12 examination selection criteria and standards, the discovery techniques,
13 the design of technological systems to detect fraud and inconsistencies,
14 and all other techniques utilized by the Department of Revenue to
15 discover fraud, misstatements, inconsistencies, underreporting, and tax
16 avoidance shall be considered confidential information. The department
17 may disclose this information to certain persons to further its
18 enforcement activities, but such limited disclosure shall not change the
19 confidential nature of the information.

20 Sec. 2. (1) Notwithstanding any other provision of law, if property
21 is destroyed or damaged by a major calamity between the property's
22 assessment date and July 15, the owner of the property may petition the
23 county assessor, on a form prescribed by the Tax Commissioner, for a
24 reassessment of the property's value for that year. The county assessor
25 may also file such a petition on behalf of a property owner. If any such
26 petition is filed, the county assessor shall file a report of the
27 destroyed or damaged property, together with the reassessed value of such
28 property, with the county board of equalization on or before July 20. The
29 county board of equalization shall approve or deny the report on or
30 before July 25. Upon approval of the report, the county assessor shall
31 immediately forward the report to the Property Tax Administrator.

1 (2) The county clerk shall mail to the property owner written notice
2 of the county board of equalization's decision within seven days after
3 the decision. If the county board of equalization denies the report under
4 subsection (1) of this section, the affected property owner may appeal
5 the county board of equalization's decision to the Tax Equalization and
6 Review Commission within thirty days after the decision.

7 (3) For purposes of this section:

8 (a) Major calamity means an event causing significant property
9 damage, including, but not limited to, fire, earthquake, flood, tornado,
10 or any event which affects an area to such an extent that the Governor
11 declares such area to be in a state of emergency. A major calamity does
12 not include an event causing significant property damage if the event was
13 intentionally caused by the property owner; and

14 (b) Significant property damage means damages exceeding ten thousand
15 dollars or ten percent of the property's assessed value in the prior tax
16 year, as determined by a professional appraisal, whichever is less.

17 Sec. 3. Section 77-2791, Revised Statutes Cumulative Supplement,
18 2016, is amended to read:

19 77-2791 (1) The Tax Commissioner, within the applicable period of
20 limitations, may credit an overpayment of income tax and interest on such
21 overpayment against any liability in respect of any tax imposed by the
22 tax laws of this state on the person who made the overpayment, and the
23 balance shall be refunded by the State Treasurer out of the General Fund.

24 (2) If the amount allowable as a credit for income tax withheld from
25 the taxpayer exceeds his or her tax to which the credit relates, the
26 excess shall be considered an overpayment.

27 (3) If the amount allowable as a A refundable income tax credit
28 exceeds the tax liability of the taxpayer, the excess is considered an
29 overpayment even if the taxpayer has no income tax liability prior to
30 applying the refundable credit.

31 (4) If there has been an overpayment of tax required to be deducted

1 and withheld under section 77-2753, refund shall be made to the employer
2 or the payor only to the extent that the amount of the overpayment was
3 not deducted and withheld by the employer or the payor.

4 (5) The Tax Commissioner may adopt and promulgate rules and
5 regulations providing for the crediting against the estimated income tax
6 for any taxable year of the amount determined to be an overpayment of the
7 income tax for a preceding taxable year.

8 (6) If any amount of income tax is assessed or collected after the
9 expiration of the period of limitations properly applicable thereto, such
10 amount shall be considered an overpayment.

11 Sec. 4. Section 77-3501.01, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 77-3501.01 (1) For purposes of section 77-3507, exempt amount shall
14 mean the lesser of (a) the taxable value of the homestead or (b) one
15 hundred percent of the average assessed value of single-family
16 residential property in the claimant's county of residence as determined
17 in section 77-3506.02 or forty thousand dollars, whichever is greater.

18 (2) For purposes of section ~~sections~~ 77-3508 ~~and 77-3509~~, exempt
19 amount shall mean the lesser of (a) the taxable value of the homestead or
20 (b) one hundred twenty percent of the average assessed value of single-
21 family residential property in the claimant's county of residence as
22 determined in section 77-3506.02 or fifty thousand dollars, whichever is
23 greater.

24 (3) For purposes of section 77-3506, exempt amount shall mean the
25 taxable value of the homestead.

26 Sec. 5. Section 77-3505.02, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 77-3505.02 Maximum value shall mean:

29 (1) For applicants eligible under section 77-3507, two hundred
30 percent of the average assessed value of single-family residential
31 property in the claimant's county of residence as determined in section

1 77-3506.02 or ninety-five thousand dollars, whichever is greater; and

2 (2) For applicants eligible under section ~~sections~~ 77-3508—and
3 ~~77-3509~~, two hundred twenty-five percent of the average assessed value of
4 single-family residential property in the claimant's county of residence
5 as determined in section 77-3506.02 or one hundred ten thousand dollars,
6 whichever is greater.

7 Sec. 6. Section 77-3506, Revised Statutes Cumulative Supplement,
8 2016, is amended to read:

9 77-3506 (1) All homesteads in this state shall be assessed for
10 taxation the same as other property, except that there shall be exempt
11 from taxation, on any homestead described in subsection (2) of this
12 section, one hundred percent of the exempt amount.

13 (2) The exemption described in subsection (1) of this section shall
14 apply to homesteads of:

15 (a) A veteran who was discharged or otherwise separated with a
16 characterization of honorable or general (under honorable conditions),
17 who is drawing compensation from the United States Department of Veterans
18 Affairs because of one hundred percent service-connected disability, and
19 who is not eligible for total exemption under sections 77-3526 to
20 77-3528, an unremarried surviving spouse of such a veteran, or a
21 surviving spouse of such a veteran who remarries after attaining the age
22 of fifty-seven years;

23 (b) An unremarried surviving spouse of any veteran, including a
24 veteran other than a veteran described in section 80-401.01, who was
25 discharged or otherwise separated with a characterization of honorable or
26 general (under honorable conditions) and who died because of a service-
27 connected disability or a surviving spouse of such a veteran who
28 remarries after attaining the age of fifty-seven years;—and

29 (c) An unremarried surviving spouse of a serviceman or servicewoman,
30 including a veteran other than a veteran described in section 80-401.01,
31 whose death while on active duty was service-connected or a surviving

1 spouse of such a serviceman or servicewoman who remarries after attaining
2 the age of fifty-seven years; and ~~and~~

3 (d) An unremarried surviving spouse of a serviceman or servicewoman
4 who died while on active duty during the periods described in section
5 80-401.01 or a surviving spouse of such a serviceman or servicewoman who
6 remarries after attaining the age of fifty-seven years.

7 (3) Application for exemption under this section shall include
8 certification of the status set forth in subsection (2) of this section
9 from the United States Department of Veterans Affairs.

10 Sec. 7. Section 77-3506.02, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 77-3506.02 After county board of equalization action pursuant to
13 sections 77-1502 to 77-1504.01 and on or before September 1 each year,
14 the county assessor shall certify to the Department of Revenue the
15 average assessed value of single-family residential property in the
16 county for the current year for purposes of sections 77-3507 and ~~and~~
17 77-3508, ~~and 77-3509.~~

18 The county assessor shall determine the current average assessed
19 value of single-family residential property from all real property
20 records containing dwellings, mobile homes, and duplexes all of which are
21 designed for occupancy as single-family residential property and any
22 associated land not to exceed one acre.

23 The county assessor shall also report to the Department of Revenue
24 the computed exempt amounts pursuant to section 77-3501.01.

25 Sec. 8. Section 77-3506.03, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 77-3506.03 For homesteads valued at or above the maximum value, the
28 exempt amount for any exemption under section 77-3507 or ~~or~~ 77-3508, ~~or~~
29 ~~77-3509~~ shall be reduced by ten percent for each two thousand five
30 hundred dollars of value by which the homestead exceeds the maximum value
31 and any homestead which exceeds the maximum value by twenty thousand

1 dollars or more is not eligible for any exemption under section 77-3507
2 ~~or 77-3508, or 77-3509~~. This section shall not apply to any exemption
3 under section 77-3506.

4 Sec. 9. Section 77-3509.01, Revised Statutes Cumulative Supplement,
5 2016, is amended to read:

6 77-3509.01 ~~If an~~ The owner of a homestead applies for ~~which has~~
7 ~~been granted an exemption under section provided in sections 77-3506, and~~
8 ~~77-3507, or 77-3508 for any year and such owner subsequently to 77-3509,~~
9 ~~who~~ becomes the owner of another homestead prior to August 15 of such
10 ~~during the year, the owner for which the exemption was granted,~~ may file
11 an application with the county assessor of the county where the new
12 homestead is located, ~~on or before August 15 of such year,~~ for a transfer
13 of the exemption to the new homestead. The owner shall file the
14 application for transfer with the county assessor on or before August 15
15 of such year or within thirty days after receiving a notice of rejection
16 on the owner's application for exemption for the original homestead. The
17 county assessor shall examine each application for transfer and determine
18 whether or not the new homestead, except for the January 1 through August
19 15 ownership and occupancy requirement and the income requirements, is
20 eligible for exemption under section sections 77-3506, and 77-3507, or
21 77-3508 to 77-3509. If the application for transfer is approved by the
22 county assessor, he or she shall make a deduction upon the assessment
23 rolls using the same criteria as previously applied to the original
24 homestead. The county assessor may allow the application for transfer to
25 also be considered an application for a homestead exemption for the
26 subsequent year.

27 Sec. 10. Section 77-3509.02, Revised Statutes Cumulative Supplement,
28 2016, is amended to read:

29 77-3509.02 If the owner of a any homestead files an application for
30 transfer of the homestead exemption granted an exemption under sections
31 ~~77-3506 and 77-3507 to 77-3509~~ becomes the owner of another homestead on

1 ~~or before August 15 of any year~~ pursuant to section 77-3509.01 and ~~makes~~
2 ~~the application for transfer of the homestead exemption~~ and such
3 application for transfer is approved, the owner's application for
4 exemption for the original homestead shall be rejected ~~disallowed~~ for
5 such year as ~~applied to the original homestead~~ if the application
6 ~~exemption~~ was granted based on the status of such owner. If the transfer
7 involves property in more than one county, the county assessor of the
8 county where the new homestead is located shall notify the other county
9 assessor and the Department of Revenue of the application for transfer
10 within ten days after receipt of such ~~the~~ application.

11 Sec. 11. Section 77-3509.03, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 77-3509.03 All property tax statements for homesteads granted an
14 exemption in sections 77-3506, ~~and 77-3507, and 77-3508~~ ~~to 77-3509~~ shall
15 show the amount of the exemption, the tax that would otherwise be due,
16 and a statement that the tax loss shall be reimbursed by the state as a
17 homestead exemption.

18 Sec. 12. Section 77-3510, Revised Statutes Supplement, 2017, is
19 amended to read:

20 77-3510 On or before February 1 of each year, the Tax Commissioner
21 shall prescribe forms to be used by all claimants for homestead exemption
22 or for transfer of homestead exemption. Such forms shall contain
23 provisions for the showing of all information which the Tax Commissioner
24 may deem necessary to (1) enable the county officials and the Tax
25 Commissioner to determine whether each claim for exemption under sections
26 77-3506, ~~and 77-3507, and 77-3508~~ ~~to 77-3509~~ should be allowed and (2)
27 enable the county assessor to determine whether each claim for transfer
28 of homestead exemption pursuant to section 77-3509.01 should be allowed.
29 It shall be the duty of the county assessor of each county in this state
30 to furnish such forms, upon request, to each person desiring to make
31 application for homestead exemption or for transfer of homestead

1 exemption. The forms so prescribed shall be used uniformly throughout the
2 state, and no application for exemption or for transfer of homestead
3 exemption shall be allowed unless the applicant uses the prescribed form
4 in making an application. The forms shall require the attachment of an
5 income statement for any applicant seeking an exemption under section
6 77-3507 or ~~77-3508, or 77-3509~~ as prescribed by the Tax Commissioner
7 fully accounting for all household income. The Tax Commissioner shall
8 provide to each county assessor claim forms and address lists of
9 applicants from the prior year in the manner approved by the Tax
10 Commissioner. The application and information contained on any
11 attachments to the application shall be confidential and available to tax
12 officials only.

13 Sec. 13. Section 77-3512, Revised Statutes Cumulative Supplement,
14 2016, is amended to read:

15 77-3512 It shall be the duty of each owner who wants a ~~applies for~~
16 the homestead exemption under section ~~provided in sections 77-3506, and~~
17 77-3507, or 77-3508 to 77-3509 to file an application therefor with the
18 county assessor of the county in which the homestead is located after
19 February 1 and on or before June 30 of each year. Failure to do so shall
20 constitute a waiver of the exemption for that year, except that:

21 (1) The county board of the county in which the homestead is located
22 may, by majority vote, extend the deadline for an applicant to on or
23 before July 20. An extension shall not be granted to an applicant who
24 received an extension in the immediately preceding year; and

25 (2) An owner may file a late application pursuant to section
26 77-3514.01 if he or she includes documentation of a medical condition
27 which impaired the owner's ability to file the application in a timely
28 manner.

29 Sec. 14. Section 77-3513, Revised Statutes Cumulative Supplement,
30 2016, is amended to read:

31 77-3513 ~~(1) Except as required by section 77-3514, if an owner is~~

1 ~~granted a homestead exemption as provided in section 77-3506, 77-3507, or~~
2 ~~77-3509 or subdivision (1)(b)(ii), (iii), or (iv) of section 77-3508, no~~
3 ~~reapplication need be filed for succeeding years, in which case the~~
4 ~~county assessor and Tax Commissioner shall determine whether the claimant~~
5 ~~qualifies for the homestead exemption in such succeeding years as~~
6 ~~otherwise provided in sections 77-3501 to 77-3529 as though a claim were~~
7 ~~made.~~

8 ~~(2) It shall be the duty of each claimant who wants the homestead~~
9 ~~exemption provided in subdivision (1)(b)(i) of section 77-3508 to file an~~
10 ~~application therefor with the county assessor on or before June 30 of~~
11 ~~each year. Failure to do so shall constitute a waiver of the exemption~~
12 ~~for such year, except that:~~

13 ~~(a) The county board of the county in which the homestead is located~~
14 ~~may, by majority vote, extend the deadline for an applicant to on or~~
15 ~~before July 20. An extension shall not be granted to an applicant who~~
16 ~~received an extension in the immediately preceding year; and~~

17 ~~(b) A claimant may file a late application pursuant to section~~
18 ~~77-3514.01 if he or she includes documentation of a medical condition~~
19 ~~which impaired the claimant's ability to file the application in a timely~~
20 ~~manner.~~

21 ~~(3) The county assessor shall mail a notice on or before April 1 to~~
22 ~~claimants who are the owners of a homestead which was granted an~~
23 ~~exemption under subdivision (1)(b)(i) of section 77-3506, 77-3507, or~~
24 ~~77-3508 in the preceding year unless the claimant has already filed the~~
25 ~~application for the current year or the county assessor has reason to~~
26 ~~believe there has been a change of circumstances so that the claimant no~~
27 ~~longer qualifies. The notice shall include the claimant's name, the~~
28 ~~application deadlines for the current year, a list of documents that must~~
29 ~~be filed with the application, and the county assessor's office address~~
30 ~~and telephone number.~~

31 Sec. 15. Section 77-3514, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 ~~77-3514 A claimant who is the owner of a homestead which has been~~
3 ~~granted an exemption under sections 77-3506 and 77-3507 to 77-3509,~~
4 ~~except subdivision (1)(b)(i) of section 77-3508, shall certify to the~~
5 ~~county assessor on or before June 30 of each year that a change in the~~
6 ~~homestead exemption status has occurred or that no change in the~~
7 ~~homestead exemption status has occurred. The county board of the county~~
8 ~~in which the homestead is located may, by majority vote, extend the~~
9 ~~deadline for certification by a claimant to on or before July 20. An~~
10 ~~extension shall not be granted to an applicant who received an extension~~
11 ~~in the immediately preceding year. In addition, a claimant may make such~~
12 ~~certification late pursuant to section 77-3514.01 if he or she includes~~
13 ~~documentation of a medical condition which impaired the claimant's~~
14 ~~ability to certify in a timely manner. The county assessor shall mail a~~
15 ~~notice on or before April 1 to claimants who are the owners of a~~
16 ~~homestead which has been granted an exemption under sections 77-3506 and~~
17 ~~77-3507 to 77-3509, except subdivision (1)(b)(i) of section 77-3508, in~~
18 ~~the preceding year unless the claimant has already filed the~~
19 ~~certification for the current year or the county assessor has reason to~~
20 ~~believe there has been a change of circumstances so that the claimant no~~
21 ~~longer qualifies. The notice shall include the claimant's name, the~~
22 ~~certification deadlines for the current year, a list of documents that~~
23 ~~must be filed with the certification, and the county assessor's office~~
24 ~~address and telephone number.~~

25 ~~A For purposes of this section, change in the homestead exemption~~
26 ~~status shall include any change in the name of the owner, ownership,~~
27 ~~residence, occupancy, marital status, veteran status, or rating by the~~
28 ~~United States Department of Veterans Affairs or any other change that~~
29 ~~would affect the qualification for or type of exemption granted, except~~
30 ~~income checked by the Tax Commissioner under section 77-3517. The~~
31 ~~certificate shall require the attachment of an income statement for~~

1 ~~exemptions under sections 77-3507, 77-3508, and 77-3509 as prescribed by~~
2 ~~the Tax Commissioner fully accounting for all household income. The~~
3 ~~certification and the information contained on any attachments to the~~
4 ~~certification shall be confidential and available to tax officials only.~~
5 ~~In addition,~~ a claimant who is the owner of a homestead which has been
6 granted an exemption under section ~~sections~~ 77-3506, ~~and~~ 77-3507, ~~or~~
7 77-3508 ~~to 77-3509~~ may notify the county assessor by August 15 of each
8 year of any change in the homestead exemption status occurring in the
9 preceding portion of the calendar year as a result of a transfer of the
10 homestead exemption pursuant to sections 77-3509.01 and 77-3509.02. If by
11 his or her failure to give such notice any property owner permits the
12 allowance of the homestead exemption for any year, ~~or in the year of~~
13 ~~application in the case of transfers pursuant to sections 77-3509.01 and~~
14 ~~77-3509.02,~~ after the homestead exemption status of such property has
15 changed, an amount equal to the amount of the taxes lawfully due but not
16 paid by reason of such unlawful and improper allowance of homestead
17 exemption, together with penalty and interest on such total sum as
18 provided by statute on delinquent ad valorem taxes, shall be due and
19 shall upon entry of the amount thereof on the books of the county
20 treasurer be a lien on such property while unpaid. Such lien may be
21 enforced in the manner provided for liens for other delinquent taxes. Any
22 person who has permitted the improper and unlawful allowance of such
23 homestead exemption on his or her property shall, as an additional
24 penalty, also forfeit his or her right to a homestead exemption on any
25 property in this state for the two succeeding years.

26 Sec. 16. Section 77-3514.01, Reissue Revised Statutes of Nebraska,
27 is amended to read:

28 77-3514.01 (1) A late application ~~or certification~~ filed pursuant to
29 section 77-3512, ~~77-3513, or 77-3514~~ because of a medical condition which
30 impaired the claimant's ability to apply ~~or certify~~ in a timely manner
31 shall only be for the current tax year. The late application ~~or~~

1 ~~certification~~ shall be filed with the county assessor on or before the
2 date on which the first half of the real estate taxes levied on the
3 property for the current year become delinquent.

4 (2) The application ~~or certification~~ shall include certification of
5 the medical condition affecting the filing from a physician, physician
6 assistant, or advanced practice registered nurse. The medical
7 certification shall be made on forms prescribed by the Tax Commissioner.

8 (3) The county assessor shall approve or reject the late filing
9 within thirty days of receipt of the late filing. If approved, the county
10 assessor shall mark it approved and sign the application—~~or~~
11 ~~certification~~. In case he or she finds that the exemption should not be
12 allowed by reason of not being in conformity to law, the county assessor
13 shall mark the application ~~or certification~~ as rejected and state the
14 reason for rejection and sign the application—~~or certification~~. In any
15 case when the county assessor rejects an exemption, he or she shall
16 notify the applicant of such action by mailing written notice to the
17 applicant at the address shown in the application—~~or certification~~. The
18 notice shall be on forms prescribed by the Tax Commissioner. In any case
19 when the county assessor rejects an exemption, such applicant may obtain
20 a hearing before the county board of equalization in the manner described
21 by section 77-3519.

22 Sec. 17. Section 77-3516, Revised Statutes Cumulative Supplement,
23 2016, is amended to read:

24 77-3516 The county assessor shall examine each application for
25 homestead exemption filed with him or her for an exemption pursuant to
26 section sections 77-3506, and 77-3507, or 77-3508 ~~to 77-3509~~ and shall
27 determine, except for the income requirements, whether or not such
28 application should be approved or rejected. If the application is
29 approved, the county assessor shall mark the same approved and sign the
30 application. In case he or she finds that the exemption should not be
31 allowed by reason of not being in conformity to law, the county assessor

1 shall mark the application rejected, ~~and~~ state thereon the reason for
2 such rejection, ~~and~~ sign the application. In any case when the county
3 assessor rejects an application for exemption, he or she shall notify the
4 applicant of such action by mailing written notice to the applicant at
5 the address shown in the application within ten days after the
6 application is rejected , ~~which notice shall be mailed not later than~~
7 ~~July 31 of each year, except that in cases of a change in ownership or~~
8 ~~occupancy from January 1 through August 15 or a late application~~
9 ~~authorized by the county board or permitted because of a medical~~
10 ~~condition which impaired the applicant's ability to file in a timely~~
11 ~~manner, the notice shall be sent within a reasonable time.~~ The notice
12 shall be on forms prescribed by the Tax Commissioner.

13 Sec. 18. Section 77-3522, Revised Statutes Cumulative Supplement,
14 2016, is amended to read:

15 77-3522 (1) Any person who makes any false or fraudulent claim for
16 exemption or any false statement or false representation of a material
17 fact in support of such claim or any person who assists another in the
18 preparation of any such false or fraudulent claim or enters into any
19 collusion with another by the execution of a fictitious deed or other
20 instrument for the purpose of obtaining unlawful exemption under sections
21 77-3501 to 77-3529 shall be guilty of a Class II misdemeanor and shall be
22 subject to a forfeiture of any such exemption for a period of two years
23 from the date of conviction. Any person who shall make an oath or
24 affirmation to any false or fraudulent application for homestead
25 exemption knowing the same to be false or fraudulent shall be guilty of a
26 Class I misdemeanor.

27 (2) In addition to the penalty provided in subsection (1) of this
28 section, if any person files a claim for exemption as provided in section
29 77-3506, 77-3507, or 77-3508, ~~or 77-3509~~ which is excessive due to
30 misstatements by the owner filing such claim, the claim may be disallowed
31 in full and, if the claim has been allowed, an amount equal to the amount

1 of taxes lawfully due but not paid by reason of such unlawful and
2 improper allowance of homestead exemption shall be due and shall upon
3 entry of the amount thereof on the books of the county treasurer be a
4 lien on such property until paid and a penalty equal to the amount of
5 taxes lawfully due but claimed for exemption shall be assessed.

6 Sec. 19. Section 77-3523, Revised Statutes Cumulative Supplement,
7 2016, is amended to read:

8 77-3523 The county treasurer and county assessor shall, on or before
9 November 30 of each year, certify to the Tax Commissioner the total tax
10 revenue that will be lost to all taxing agencies within the ~~his or her~~
11 county from taxes levied and assessed in that year because of exemptions
12 allowed under sections 77-3501 to 77-3529. The county treasurer and
13 county assessor may amend the certification to show any change or
14 correction in the total tax that will be lost until May 30 of the next
15 succeeding year. If a homestead exemption is approved, denied, or
16 corrected by the Tax Commissioner under subsection (2) of section 77-3517
17 after May 1 of the next year, the county treasurer and county assessor
18 shall prepare and submit amended reports to the Tax Commissioner and the
19 political subdivisions covering any affected year and shall adjust the
20 reimbursement to the county and the other political subdivisions by
21 adjusting the reimbursement due under this section in later years. The
22 Tax Commissioner shall, on or before January 1 next following such
23 certification or within thirty days of any amendment to the
24 certification, notify the Director of Administrative Services of the
25 amount so certified to be reimbursed by the state. Reimbursement of the
26 funds lost shall be made to each county according to the certification
27 and shall be distributed in six as nearly as possible equal monthly
28 payments on the last business day of each month beginning in January. The
29 State Treasurer shall, on the business day preceding the last business
30 day of each month, notify the Director of Administrative Services of the
31 amount of funds available in the General Fund for payment purposes. The

1 Director of Administrative Services shall, on the last business day of
2 each month, draw warrants against funds appropriated. Out of the amount
3 so received the county treasurer shall distribute to each of the taxing
4 agencies within his or her county the full amount so lost by such agency,
5 except that one percent of such amount shall be deposited in the county
6 general fund and that the amount due a Class V school district shall be
7 paid to the district and the county shall be compensated pursuant to
8 section 14-554. Each taxing agency shall, in preparing its annual or
9 biennial budget, take into account the amount to be received under this
10 section.

11 Sec. 20. Sections 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16,
12 17, 18, 22, and 23 of this act become operative on January 1, 2019. The
13 other sections of this act become operative on their effective date.

14 Sec. 21. Original sections 77-376, 77-2791, and 77-3523, Revised
15 Statutes Cumulative Supplement, 2016, are repealed.

16 Sec. 22. Original sections 77-3505.02 and 77-3514.01, Reissue
17 Revised Statutes of Nebraska, sections 77-3501.01, 77-3506, 77-3506.02,
18 77-3506.03, 77-3509.01, 77-3509.02, 77-3509.03, 77-3512, 77-3513,
19 77-3514, 77-3516, and 77-3522, Revised Statutes Cumulative Supplement,
20 2016, and section 77-3510, Revised Statutes Supplement, 2017, are
21 repealed.

22 Sec. 23. The following section is outright repealed: Section
23 77-3509, Revised Statutes Cumulative Supplement, 2016.

24 Sec. 24. Since an emergency exists, this act takes effect when
25 passed and approved according to law.