

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 564

Introduced by Brandt, 32.

Read first time January 22, 2025

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the School District Property Tax Relief
- 2 Act; to amend sections 77-7304 and 77-7305, Revised Statutes
- 3 Cumulative Supplement, 2024; to change provisions relating to fund
- 4 transfers to the School District Property Tax Relief Credit Fund and
- 5 the amount of tax relief granted; to repeal the original sections;
- 6 and to declare an emergency.
- 7 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 77-7304, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 77-7304 (1) The School District Property Tax Relief Credit Fund is
4 created. The fund shall only be used pursuant to the School District
5 Property Tax Relief Act. Any money in the fund available for investment
6 shall be invested by the state investment officer pursuant to the
7 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
8 Act.

9 (2)(a) The State Treasurer shall transfer seven hundred fifty
10 million dollars from the General Fund to the School District Property Tax
11 Relief Credit Fund in fiscal year 2024-25, on such dates and in such
12 amounts as directed by the budget administrator of the budget division of
13 the Department of Administrative Services.

14 ~~(b) It is the intent of the Legislature that seven hundred eighty~~
15 ~~million dollars be transferred from the General Fund to the School~~
16 ~~District Property Tax Relief Credit Fund in fiscal year 2025-26.~~

17 ~~(c) It is the intent of the Legislature that eight hundred eight~~
18 ~~million dollars be transferred from the General Fund to the School~~
19 ~~District Property Tax Relief Credit Fund in fiscal year 2026-27.~~

20 ~~(d) It is the intent of the Legislature that eight hundred thirty-~~
21 ~~eight million dollars be transferred from the General Fund to the School~~
22 ~~District Property Tax Relief Credit Fund in fiscal year 2027-28.~~

23 ~~(e) It is the intent of the Legislature that eight hundred seventy~~
24 ~~million dollars be transferred from the General Fund to the School~~
25 ~~District Property Tax Relief Credit Fund in fiscal year 2028-29.~~

26 ~~(f) It is the intent of the Legislature that nine hundred two~~
27 ~~million dollars be transferred from the General Fund to the School~~
28 ~~District Property Tax Relief Credit Fund in fiscal year 2029-30.~~

29 **(b)** ~~(g)~~ It is the intent of the Legislature that the amount
30 transferred from the General Fund to the School District Property Tax
31 Relief Credit Fund in fiscal year 2025-26 ~~2030-31~~ and each fiscal year

1 thereafter be equal to the total amount transferred in the preceding
2 fiscal year increased by one hundred fifty million dollars ~~three percent~~.

3 **Sec. 2.** Section 77-7305, Revised Statutes Cumulative Supplement,
4 2024, is amended to read:

5 77-7305 (1) The School District Property Tax Relief Act shall apply
6 to tax year 2024 and each tax year thereafter. For tax year 2024, the
7 total amount of relief granted under the act shall be seven hundred fifty
8 million dollars. ~~For tax year 2025, the total amount of relief granted~~
9 ~~under the act shall be seven hundred eighty million dollars. For tax year~~
10 ~~2026, the total amount of relief granted under the act shall be eight~~
11 ~~hundred eight million dollars. For tax year 2027, the total amount of~~
12 ~~relief granted under the act shall be eight hundred thirty-eight million~~
13 ~~dollars. For tax year 2028, the total amount of relief granted under the~~
14 ~~act shall be eight hundred seventy million dollars. For tax year 2029,~~
15 ~~the total amount of relief granted under the act shall be nine hundred~~
16 ~~two million dollars. For tax year 2025 ~~2030~~ and each tax year thereafter,~~
17 the total amount of relief granted under the act shall be the total
18 amount of relief from the prior year increased by one hundred fifty
19 million dollars ~~three percent~~. The relief shall be in the form of
20 property tax credits which appear on property tax statements. Property
21 tax credits granted under the act shall be credited against the amount of
22 property taxes owed to school districts.

23 (2) To determine the amount of the property tax credit for each
24 parcel, the county treasurer shall multiply the amount disbursed to the
25 county under subsection (4) of this section by the ratio of the school
26 district taxes levied in the prior year on the parcel to the school
27 district taxes levied in the prior year on all real property in the
28 county. The amount so determined shall be the property tax credit for
29 that parcel.

30 (3) If the real property owner qualifies for a homestead exemption
31 under sections 77-3501 to 77-3529, the owner shall also be qualified for

1 the property tax credit provided in this section to the extent of any
2 remaining liability after calculation of the homestead exemption. If the
3 property tax credit provided in this section results in a property tax
4 liability on the homestead that is less than zero, the amount of the
5 credit which cannot be used by the taxpayer shall be returned to the
6 Property Tax Administrator by July 1 of the year the amount disbursed to
7 the county was disbursed. The Property Tax Administrator shall
8 immediately credit any funds returned under this subsection to the School
9 District Property Tax Relief Credit Fund. Upon the return of any funds
10 under this subsection, the county treasurer shall electronically file a
11 report with the Property Tax Administrator, on a form prescribed by the
12 Tax Commissioner, indicating the amount of funds distributed to each
13 school district in the county in the year the funds were returned and the
14 amount of unused credits returned.

15 (4) The amount disbursed to each county under this section shall be
16 equal to the amount available for disbursement under subsection (1) of
17 this section multiplied by the ratio of the school district taxes levied
18 in the prior year on all real property in the county to the school
19 district taxes levied in the prior year on all real property in the
20 state. By September 15, 2024, and by September 15 of each year
21 thereafter, the Property Tax Administrator shall determine the amount to
22 be disbursed under this subsection to each county and shall certify such
23 amounts to the State Treasurer and to each county. The disbursements to
24 the counties shall occur in two equal payments, the first on or before
25 January 31 and the second on or before April 1.

26 (5) The county treasurer shall disburse amounts received under
27 subsection (4) of this section, which are credited against the amount of
28 property taxes owed to school districts, in the same manner as if such
29 funds had been received in the form of property tax payments for property
30 taxes owed to school districts, meaning any amounts attributable to
31 divided taxes pursuant to section 18-2147 of the Community Development

1 Law shall be remitted to the applicable authority for which such taxes
2 were divided.

3 (6) The School District Property Tax Relief Credit Fund shall be
4 used for purposes of making the disbursements to counties required under
5 subsection (4) of this section.

6 **Sec. 3.** Original sections 77-7304 and 77-7305, Revised Statutes
7 Cumulative Supplement, 2024, are repealed.

8 **Sec. 4.** Since an emergency exists, this act takes effect when
9 passed and approved according to law.