

2024 Nebraska Legislative Changes

Nebraska Department of Revenue Property Assessment Division

October 11, 2024

LB 1317 Changes:

Property Held by Nonprofits: § 32 Operative Date: July 19, 2024

- **New Statute: [Neb. Rev. Stat. § 81-12,248](#)**

Certain covered nonprofit organizations, in high poverty areas, receiving property tax exemptions are subject to new requirements.

Covered nonprofit organization means any community development corporation, community development organization or economic development corporation. This term does not include any political subdivision of the state.

A high poverty area is an area consisting of one or more contiguous census tracts with a poverty rate of more than 30%.

The covered nonprofit must electronically submit a development plan for the property to the Department of Economic Development (DED) and others within 90 days after July 19, 2024, or acquiring the property, whichever is later.

The DED has several duties to ensure that the plan is timely submitted, that the property is developed within the requirements of law, and to ensure that the covered nonprofit organization does not sell the property for more **than 150%** of market value. DED has the authority to conduct administrative hearings and if warranted impose fines or revoke the property tax exemption for any violation of the law.

Exempt Property: §§ 73-75 Operative Date: July 19, 2024

- **Amended Statutes : [Neb. Rev. Stat. §§ 77-202; 77-202.01 & 77-202.03](#)**

Three new property tax exemptions are created, each of these exemptions must be applied for by December 31 of the year proceeding the year for which the exemption is sought.

Nursing Facilities: Creates a partial property tax exemption for property owned by for-profit skilled nursing facilities, nursing facilities, or assisted-living facilities that provide housing for Medicaid beneficiaries, based on the facility's average percentage of Medicaid-beneficiary occupied beds over the most recent 3-year period.

Student Housing: Creates a partial property tax exemption for common areas of buildings that are (1) owned by a charitable organization, (2) made available to students attending an educational institution, and (3) recognized as approved student housing by the educational institution. Common areas include common rooms and facilities for cooking and eating.

Broadband Equipment: Broadband equipment, as defined in [77-202\(1\)\(e\)\(12\)](#), is exempted if it is (1) deployed in an area funded in whole or part by the Broadband Equity, Access, and Deployment program; or (2) deployed in a qualified census tract located within corporate city limits of a city of the metropolitan class being used to provide end-users with at least one hundred megabits per second for both downloading and uploading.

Rent-restricted Housing: § 76 Operative Date: July 19, 2024

- **Amended Statute:** [Neb. Rev. Stat. § 77-1333](#)

Rent-restricted housing projects in their first year of operation are now allowed to submit estimated income and expenses, taken from their application for low-income housing tax credits. This change addressed the challenge of rent-restricted projects not having actual income and expenses in their first year.

The statutory method for valuing a rent-restricted project is changed. County assessors will continue to capitalize each project's income and expenses to arrive at a calculated amount for the current year. This calculated amount is then averaged with the calculated amounts from the prior two years to determine the valuation for the project. If only two calculated amounts are available, the county assessor must use the two-year average. If only one calculated amount is available, that one-year amount will be the valuation.

Sales-restricted Housing: § 77 Operative Date: July 19, 2024

- **New Statute:** [Neb. Rev. Stat. § 77-1395](#)

Qualified low-income persons owning a sales-restricted home may file an application with the county assessor in the county in which the sales-restricted house is located for property valuation determined by the county assessor using the lesser of (1) the house at its unrestricted appraised value or (2) the maximum sales price allowed for the home under the applicable restrictions.

Assessment of Agland: § 78 Operative Date: July 19, 2024

- **Amended Statute:** [Neb. Rev. Stat. § 77-1359](#)

The definition of agriculture and horticultural land is amended to specifically exclude land used for commercial purposes that are not agricultural or horticultural purposes, such as land used for a solar or wind farm.

Inheritance Tax Reporting: § 79 Operative Date: April 24, 2024

- **Amended Statute:** [Neb. Rev. Stat. § 77-2015](#)

This amendment revised the inheritance tax reporting process. In a proceeding to determine inheritance tax, a petitioner is required to submit a report regarding inheritance taxes paid to each county treasurer where inheritance tax is owed. Additionally, an amended report is required to be filed when further inheritance

tax is paid or a refund is paid. In case of noncompliance, the county treasurer or county attorney may complete the form in place of the petitioner.

Inheritance tax may not be paid or refunded before a report or amended report, if required, is submitted.

Tax Equalization and Review Commission (TERC): §§ 93-94 Operative Date: April 23 & 24, 2024

• **Amended Statutes: [Neb. Rev. Stat. §§ 77-5017 & 77-5018](#)**

Amendment specifies that interest does not begin to accrue until 30 days after the commission issues its order or the date the taxes became delinquent, whichever is later. In the case of a decision resulting in taxes in excess of the original amount, the interest will not begin until 30 days after the decision is certified to the county treasurer.

LB 810 Changes:

Exempt Property: § 10 Operative Date: July 19, 2024

• **Amended Statute: [Neb. Rev. Stat. § 77-202](#)**

Childcare Facilities: The definition of an educational organization is expanded to include nonprofit organizations that own or operate a childcare facility.

Other Changes:

Homestead Exemption: [LB 126 §§ 2 - 10](#) Operative Date: January 1, 2025

- **Amended Statutes:** [Neb. Rev. Stat. §§ 77-3501; 77-3506.03; 77-3511; 77-3517; 77-3521; 77-3522; 77-3523 & 77-3529](#) **New Statute:** [§ 77-3505.06](#)

The homestead exemption statutes are amended so that an applicant cannot be denied or have a reduction of their homestead exemption only because of an increase in the value of their homestead if three requirements are met: the homestead (1) received a homestead exemption in the prior year, (2) was valued below the county's maximum value in the prior year, and (3) faces reduction or denial solely because of its value. If these requirements are met, then the homestead exemption percentage will equal the homestead exemption percentage received for the year when the homestead property was last valued below the county's maximum value. This provision does not apply if the value of the homestead increased because of improvements made to it or if the applicant is a veteran or veteran's spouse under [Neb. Rev. Stat. § 77-3506](#).

Additionally, a new provision is created to define "occupy" as meaning to reside on the homestead property with the intention of maintaining it as the owner's primary residence. Residing away from the property for health reasons or legal obligations is acceptable so long as the owner intends to return to the property.

Improvements on Leased Lands (IOLL): [LB 146 § 1](#)

Operative Date: July 19, 2024

- **Amended Statutes:** [Neb. Rev. Stat. § 77-1376](#)

Deadline is changed from "Before March 1" to "on or before March 1" to request that the assessment of improvements on leased lands be sent to the lessee instead of the landowner.

Filing Requirements When Buying Land Near Military Bases: [LB 1120 § 1](#)

Operative Date: July 19, 2024

- **New Statutes:** [Neb. Rev. Stat. §§ 76-2,141](#) **Amended Statute:** [76-214](#)

Creates a requirement for purchasers of real estate counties identified in connection with certain military installations to file an affidavit certifying they are not affiliated with any foreign adversary. If the affidavit is required, the Register of Deeds cannot record any instrument reflecting the conveyance of such real estate until a signed affidavit is submitted. See the [Real Estate Transfer Statement, Form 521](#), instructions for affected counties.

**Small Estate Affidavits: [LB 1220](#) via [LB 1195 § 4](#)
Operative Date: July 19, 2024**

• **Amended Statute: [Neb. Rev. Stat. § 30-24,129](#)**

Increases the maximum value of real property that can be transferred through a small-estate affidavit from \$50,000 to \$100,000.

Housing Agencies: [LB 1326 § 1](#) Operative Date: July 19, 2024

• **Amended Statutes: [Neb. Rev. Stat. § 71-1590](#)**

Requires housing agencies and their controlled affiliates to provide notice of property tax exemptions to county assessors on or before December 31 of the year preceding the year for which the exemption is first sought. Removes the requirement for controlled affiliates to be wholly owned by the housing agency.

Special Valuation: [LB 877 § 1-2](#) Operative Date: April 3, 2024.

• **Amended Statutes: [Neb. Rev. Stat. §§ 77-1344 & 77-1347](#)**

Allows land to qualify for special valuation and to be assessed for only agricultural or horticultural purposes (1) if the land consists of five or more contiguous acres OR (2) if the land consists of less than five contiguous acres, the owner or lessee provides an IRS Schedule F or other suitable tax document reporting a profit or loss from farming for two out of the last three years for the land.

**Real Property Appraiser Act: [LB 989 § 1 – 13](#) and [LB 992 § 1-20](#)
Operative Date: March 13 & July 19, 2024**

• **Amended Statutes: [Neb. Rev. Stat. §§ 76-2201; 76-2203; 76-2207.30; 76-2218.02; 76-2219.02; 76-2221; 76-2228.01; 76-2228.02; 76-2230; 76-2231.01; 76-2232; 76-2233; 76-2233.01; 76-2233.02; 76-2236; 76-2241; 76-2249; 76-3202; 76-3203; 76-3203.02; 76-3206; 76-3207; 76-3216 & 76-3220](#)**

Updates the Real Property Appraiser Act to reflect changes to the uniform national standards and provides civil and criminal immunity to Real Property Appraiser Board members, employees and contractors while initiating or assisting during investigations.

Refund Notification: [LB 147 § 1](#) Operative Date: July 19, 2024

• **Amended Statute: [Neb. Rev. Stat. § 77-1736.06](#)**

Allows county treasurer to notify political subdivisions electronically when a portion of their tax collections will be withheld to pay for a refund to the property owner if the governing body of the political subdivision requests, in writing, electronic notification. The governing body of the political subdivision may waive notification of refunds less than one thousand dollars by notifying the county treasurer in writing.

Real Property Inspections: [LB 317 § 1](#) Operative Date: July 19, 2024

• **Amended Statute: [Neb. Rev. Stat. § 77-1311.03](#)**

This change clarifies that county assessors will direct the manner of real property inspections.

Special Session LB 34 Changes:

Property Tax Growth Limitation Act: §§ 1-8

Operative Date: August 21, 2024

- **New Statutes: [Neb. Rev. Stat. §§ 13-3401 to 13-3408](#)**

These statutes establish the Property Tax Growth Limitation Act. For fiscal years starting on or after July 1, 2025, cities, villages, and counties may not increase their property tax request more than what was levied in the prior fiscal year minus any listed exceptions, plus the political subdivision's growth percentage and the greater of zero or the inflation percentage. Listed exceptions include the amount of taxes budgeted for (1) approved bonds, (2) declared emergencies in the prior year, (3) services related to threats to public safety, (4) public safety services, and (5) county attorneys and public defenders. The request limitation may also be exceeded by the amount of a political subdivision's unused property tax request authority and by increases in the property tax authority approved by majority of legal voters.

School District Property Tax Relief Act: §§ 9-13 & 26

Operative Date: August 21, 2024

- **New Statute: [Neb. Rev. Stat. §§ 77-7301 to 77-7305 & 77-4602](#)**

Establishes the School District Property Tax Relief Act and Creates the School District Property Tax Relief Credit Fund for fiscal year 2024-25 and each year after. The total amount of relief granted is as follows:

- Fiscal year 2024-25: \$750 million
- Fiscal year 2025-26: \$780 million
- Fiscal year 2026-27: \$808 million
- Fiscal year 2027-28: \$838 million
- Fiscal year 2028-29: \$870 million
- Fiscal year 2029-30: \$902 million
- Fiscal year 2030-31 and each tax year after: The total amount of relief from the prior year increased by 3 percent.

Additional money will be transferred to the School District Property Tax Relief Credit fund if actual General Fund net receipts for the most recently completed fiscal year exceed 103% of the actual General Fund net receipts for the previous fiscal year. On or before September 15 each year, the Property Tax Administrator certifies the amount of credit that each county will receive. The county treasurer then distributes the county's share of the credit monies to each parcel. Distributions at both the state and county level are based on a proration of school taxes levied in the prior year.

Relief is in the form of credits appearing on property tax statements and are credited against the amount of taxes owed to a school district or multiple-district system, excluding the amount of taxes levied by a district for bonds or as a result of a property tax levy override approved by voters.

Real property owners qualified for a homestead exemption are also qualified for the relief credit to the extent of any remaining liability after calculation of the homestead exemption. Any remaining credit is returned to the Property Tax Administrator by July 1 of the year the amount disbursed to the county was disbursed and then returned to the relief fund.

Nebraska Property Tax Incentive Act: §§ 27-28 Operative Date: August 21, 2024

• **Amended Statutes: [Neb. Rev. Stat. §§ 77-6702 & 77-6703](#)**

Removes the definition of allowable growth percentage and sunsets the School District Property Tax Credit after tax year 2023.

Nebraska Transformational Project Fund: § 29 Operative Date: August 21, 2024

• **Amended Statutes: [Neb. Rev. Stat. § 81-12,193](#)**

Removes the requirement that the total amount of refundable income tax credits granted annually under the Nebraska Property Tax Incentive Act must reach three hundred seventy-five million dollars before a transfer can be completed.