

2021 Nebraska Legislative Changes

Nebraska Department of Revenue Property Assessment Division

October 8, 2021

Property Tax Levies/Requests/Refunds

LB 2 – Operative Date: January 1, 2022

LB 2 amends [Neb. Rev. Stat. § 77-202](#) to provide that all agricultural and horticultural land, including agricultural and horticultural land that receives special valuation, is to be valued at 50% of actual value for the purposes of taxes levied by school districts to pay the principal and interest on bonds approved after January 1, 2022. For statewide equalization purposes, [Neb. Rev. Stat. § 77-5023](#) is amended to change the acceptable range of level of value for agricultural land and horticultural land, including agricultural and horticultural land receiving special valuation, for purposes of taxes levied by school districts to pay the principal and interest on bonds at 44% to 50%.

LB 644 – Operative Date: January 1, 2022

LB 644 creates the Property Tax Request Act ([Neb. Rev. Stat. §§ 77-1631 through 77-1634](#)) and requires any county, city, school district, or community college which seeks to increase its property tax request by more than the allowable growth percentage to participate in a joint public hearing where only the subdivision(s) intent to increase its request may be discussed and each subdivision must give a brief presentation which includes all information required by the Act.

Notice of the joint public hearing must be provided by:

1. Sending a postcard to all affected property taxpayers, to the name and address which the property tax statement is mailed;
2. By posting on the county's homepage; and
3. By publishing in the newspaper.

Each political subdivision must provide the county clerk with the required information (below) by September 5. The county clerk must transmit the required information to the county assessor by September 10. The county assessor must mail the postcards at least seven days before the joint public hearing. The cost of creating and mailing the postcards is to be covered by the political subdivisions participating in the joint public hearing.

The postcard is to include all of the following information:

1. The date, time, and location for the joint public hearing;
2. A listing of and telephone number for each political subdivision that will be participating in the joint public hearing;
3. The amount of each participating political subdivision's property tax request;
4. The following words in capitalized type at the top of the postcard: NOTICE OF PROPOSED TAX INCREASE;
5. The name of the county that will hold the joint public hearing, which appears directly underneath the capitalized words above;

6. The following statement: “The following political subdivisions are proposing a revenue increase as a result of property taxes in (insert current tax year). This notice contains estimates of the tax on your property and the proposed tax increase on your property as a result of this revenue increase. These estimates are calculated on the basis of the proposed (insert current tax year) data. The actual tax on your property and tax increase on your property may vary from these estimates;”
7. The parcel number for the property;
8. The name of the property owner and the address of the property;
9. The property’s assessed value in the previous tax year;
10. The amount of property taxes due in the previous tax year for each participating political subdivision;
11. The property’s assessed value for the current tax year;
12. The amount of property taxes due for the current tax year for each participating political subdivision;
13. The change in the amount of property taxes due for each participating political subdivision from the previous tax year to the current tax year; and
14. The following statement: To obtain more information regarding the tax increase, citizens may contact the political subdivision at the telephone number provided in this notice.

After the joint public hearing, the governing board of each participating political subdivision must pass an ordinance or resolution to set the property tax request. The ordinance or resolution setting the property tax request must include all information required by the Act.

LB 644 also amended [Neb. Rev. Stat. § 77-1736.06](#) to require property tax refunds be paid no more than 30 days after a final action finding that a refund is due, or any unpaid balance will be subject to nine percent interest. Within 30 days after an action requiring a refund of property taxes paid, the county assessor is to determine the amount of refund that is due and certify the amount to the person entitled to the refund. The county treasurer must notify each impacted political subdivision of its respective share of the refund and must pay the refund from the funds in their possession. If there are not enough funds available, the county treasurer must register the refund (or unpaid portion) as a claim against the political subdivision and must provide the taxpayer a receipt for the registration of the claim. Interest is to accrue on the unpaid balance at nine percent beginning 30 days after certification of the amount of the refund to the taxpayer by the county assessor. If mutually agreed to by the political subdivision and the taxpayer holding the receipt, the refund may be applied to satisfy any tax levied or assessed by that political subdivision which becomes due until the claim is satisfied in full.

Annexation and Special Valuation

LB 9 – Operative Date: May 6, 2021

LB 9 amends [Neb. Rev. Stat. § 16-118](#) to allow for the annexation of land, lots, tracts, streets, and highways that are adjacent to or contiguous with property owned by the federal government in counties with at least three cities of the first class. LB 9 also amends [Neb. Rev. Stat. § 77-1344](#) to make agricultural or horticultural land within the corporate boundaries of

a city or village and that is within a flood plain or that is subject to air installation compatible use zone regulations eligible for special valuation.

Tax Increment Financing and Division of Taxes

LB 25 – Effective Date: March 18, 2021

LB 25 amends [Neb. Rev. Stat. §§ 18-2101.02](#) and [18-2147](#) to allow Tax Increment Financing projects in which more than 50% of the property has been declared an extremely blighted area to divide the property taxes for a period not to exceed 20 years instead of 15 years.

Property Tax Exemptions

LB 63 – Effective Date: August 28, 2021

LB 63 amends [Neb. Rev. Stat. §§ 77-202.01](#) and [77-202.09](#) to change the date from February 1 to March 1 by which county assessors must make a recommendation to the county board of equalization regarding whether property for which an Exemption Application, Form 451 has been received is taxable or exempt.

LB 521 – Effective Date: August 28, 2021

LB 521 amends [Neb. Rev. Stat. §§ 77-202.01](#) and [77-202.09](#) to require the Exemption Application, Form 451 to include an estimated valuation for the property for which exemption is sought and to mandate the denial of exemption for applications that lack an estimated property valuation or any other required information.

Property Tax Protests

LB 291 – Operative Date: January 1, 2022

LB 291 amends [Neb. Rev. Stat. § 77-1502](#) to require property tax protests to be made on a form prescribed by the Tax Commissioner or on a form created by a county. All property tax protests must include a requested property valuation. If any required information is not included by the taxpayer on the protest form, the county board of equalization must dismiss the protest. Prior to June 30 each year, counties are allowed to contact protestors who have filed a timely protest but have not provided all required information or have not used the required form.

Homestead Exemption

LB 313 – Effective Date: August 28, 2021

LB 313 amends [Neb. Rev. Stat. § 77-3512](#) to allow an owner to file a late homestead exemption application on or before June 30 of the year in which the property taxes become delinquent because of the death of a spouse during the year for which exemption is requested if a copy of the death certificate of the spouse is included with the application. LB 313 also amends [Neb. Rev. Stat. § 77-3514.01](#) to allow a late application to be filed until June 30 of the year in which the property taxes become delinquent due to a medical condition which impairs the claimant's ability to apply in a timely manner. In the case of a late application approved by the Tax Commissioner after real estate taxes have become delinquent, [Neb. Rev. Stat. § 77-3517](#) is amended to require that any such delinquency and interest must be removed from the tax rolls within 30 days after the county receives notice of the approved exemption.