

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 183**

Introduced by Briese, 41.

Read first time January 11, 2019

Committee:

- 1 A BILL FOR AN ACT relating to taxation; to amend sections 77-201 and
- 2 77-5023, Reissue Revised Statutes of Nebraska; to change the
- 3 valuation of agricultural land and horticultural land for purposes
- 4 of certain school district taxes; to harmonize provisions; to
- 5 provide an operative date; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-201, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           77-201 (1) Except as provided in subsections (2) through (4) of this  
4 section, all real property in this state, not expressly exempt therefrom,  
5 shall be subject to taxation and shall be valued at its actual value.

6           (2) Agricultural land and horticultural land as defined in section  
7 77-1359 shall constitute a separate and distinct class of property for  
8 purposes of property taxation, shall be subject to taxation, unless  
9 expressly exempt from taxation, and shall be valued at seventy-five  
10 percent of its actual value, except that for school district taxes levied  
11 to pay the principal and interest on bonds, such land shall be valued at  
12 one percent of its actual value.

13           (3) Agricultural land and horticultural land actively devoted to  
14 agricultural or horticultural purposes which has value for purposes other  
15 than agricultural or horticultural uses and which meets the  
16 qualifications for special valuation under section 77-1344 shall  
17 constitute a separate and distinct class of property for purposes of  
18 property taxation, shall be subject to taxation, and shall be valued for  
19 taxation at seventy-five percent of its special valuation value as  
20 defined in section 77-1343, except that for school district taxes levied  
21 to pay the principal and interest on bonds, such land shall be valued at  
22 one percent of its special valuation as defined in section 77-1343.

23           (4) Historically significant real property which meets the  
24 qualifications for historic rehabilitation valuation under sections  
25 77-1385 to 77-1394 shall be valued for taxation as provided in such  
26 sections.

27           (5) Tangible personal property, not including motor vehicles,  
28 trailers, and semitrailers registered for operation on the highways of  
29 this state, shall constitute a separate and distinct class of property  
30 for purposes of property taxation, shall be subject to taxation, unless  
31 expressly exempt from taxation, and shall be valued at its net book

1 value. Tangible personal property transferred as a gift or devise or as  
2 part of a transaction which is not a purchase shall be subject to  
3 taxation based upon the date the property was acquired by the previous  
4 owner and at the previous owner's Nebraska adjusted basis. Tangible  
5 personal property acquired as replacement property for converted property  
6 shall be subject to taxation based upon the date the converted property  
7 was acquired and at the Nebraska adjusted basis of the converted property  
8 unless insurance proceeds are payable by reason of the conversion. For  
9 purposes of this subsection, (a) converted property means tangible  
10 personal property which is compulsorily or involuntarily converted as a  
11 result of its destruction in whole or in part, theft, seizure,  
12 requisition, or condemnation, or the threat or imminence thereof, and no  
13 gain or loss is recognized for federal or state income tax purposes by  
14 the holder of the property as a result of the conversion and (b)  
15 replacement property means tangible personal property acquired within two  
16 years after the close of the calendar year in which tangible personal  
17 property was converted and which is, except for date of construction or  
18 manufacture, substantially the same as the converted property.

19 Sec. 2. Section 77-5023, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 77-5023 (1) Pursuant to section 77-5022, the commission shall have  
22 the power to increase or decrease the value of a class or subclass of  
23 real property in any county or taxing authority or of real property  
24 valued by the state so that all classes or subclasses of real property in  
25 all counties fall within an acceptable range.

26 (2) An acceptable range is the percentage of variation from a  
27 standard for valuation as measured by an established indicator of central  
28 tendency of assessment. Acceptable ranges are: (a) For agricultural land  
29 and horticultural land as defined in section 77-1359, sixty-nine to  
30 seventy-five percent of actual value, except that for school district  
31 taxes levied to pay the principal and interest on bonds, the acceptable

1 range is seventy-five hundredths of one percent to one percent of actual  
2 value; (b) for lands receiving special valuation, sixty-nine to seventy-  
3 five percent of special valuation as defined in section 77-1343, except  
4 that for school district taxes levied to pay the principal and interest  
5 on bonds, the acceptable range is seventy-five hundredths of one percent  
6 to one percent of special valuation as defined in section 77-1343; and  
7 (c) for all other real property, ninety-two to one hundred percent of  
8 actual value.

9 (3) Any increase or decrease shall cause the level of value  
10 determined by the commission to be at the midpoint of the applicable  
11 acceptable range.

12 (4) Any decrease or increase to a subclass of property shall also  
13 cause the level of value determined by the commission for the class from  
14 which the subclass is drawn to be within the applicable acceptable range.

15 (5) Whether or not the level of value determined by the commission  
16 falls within an acceptable range or at the midpoint of an acceptable  
17 range may be determined to a reasonable degree of certainty relying upon  
18 generally accepted mass appraisal techniques.

19 Sec. 3. This act becomes operative on January 1, 2020.

20 Sec. 4. Original sections 77-201 and 77-5023, Reissue Revised  
21 Statutes of Nebraska, are repealed.