

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 444

Introduced by McDonnell, 5; Arch, 14; Blood, 3; Brewer, 43; Clements, 2;
Crawford, 45; La Grone, 49.

Read first time January 18, 2019

Committee:

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-3502, 77-3503, and 77-3506, Reissue Revised Statutes of Nebraska;
- 3 to redefine terms; to provide a homestead exemption for certain
- 4 dwelling complexes located on military installations as prescribed;
- 5 to redefine terms; to harmonize provisions; to provide an operative
- 6 date; and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3502, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-3502 Homestead shall mean ~~either~~ (1) a residence or mobile home,
4 and the land surrounding it, not exceeding one acre, in this state
5 actually occupied as such by a natural person who is the owner of record
6 thereof from January 1 through August 15 in each year, (2) a residence or
7 mobile home located on land leased by the owner of the residence or
8 mobile home, which is located within this state, and is actually occupied
9 by the person who is the owner of record from January 1 through August 15
10 in each year, or so occupied by the surviving spouse and minor children,
11 if any, of such owner of record during the year of the owner's death, or
12 so much thereof as shall be so occupied, ~~or~~ (3) a residential unit in a
13 dwelling complex, the record title owner of which is a not-for-profit
14 corporation, when the purchase for fair market value of a life tenancy in
15 a taxable unit of the dwelling complex entitles the purchaser to
16 exclusive occupancy of that unit for life, actually occupied by a natural
17 person who has a life tenancy therein from January 1 through August 15 in
18 each year, or (4) a dwelling complex and any related amenities located on
19 a United States Department of Defense military installation in this state
20 if (a) the owner of record of the land upon which such installation is
21 situated is the United States Government or any instrumentality thereof,
22 (b) such complex and amenities are developed pursuant to a federal
23 military housing privatization initiative, and (c) such complex and
24 amenities are provided primarily for use by military personnel of the
25 United States and, as applicable, their families. For purposes of this
26 section, mobile home shall include every transportable or relocatable
27 device of any description without motive power and designed for living
28 quarters, whether or not permanently attached to real estate, but shall
29 not include a cabin trailer registered for operation upon the highways of
30 this state.

31 Sec. 2. Section 77-3503, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-3503 (1) Owner shall mean:

3 (a) The ~~the~~ owner of record or surviving spouse, the vendee in
4 possession under a land contract or surviving spouse, one of the joint
5 tenants or tenants in common or surviving spouse, or the beneficiary of a
6 trust of which the trustee is the record title owner and the beneficiary-
7 occupant (i) ~~(1)~~ has a specific right to occupy the premises as stated in
8 the trust instrument, (ii) ~~(2)~~ has the right to amend or revoke the trust
9 to obtain such power of occupancy or of title, or (iii) ~~(3)~~ has the power
10 to withdraw the homestead premises from the trust and place the record
11 title in such occupant's name; ~~or~~

12 (b) A ~~Owner shall also mean~~ a resident of a dwelling complex, the
13 record title owner of which is a not-for-profit corporation, who has by
14 purchase for fair market value secured a life tenancy in a taxable unit
15 of the complex; ~~or~~

16 (c) A resident of a dwelling complex that constitutes a homestead as
17 defined in subdivision (4) of section 77-3502.

18 (2) In the case of an owner as defined in subdivision (1)(a) or (b)
19 of this section, ~~The~~ deed, trust instrument, contract, or memorandum
20 showing that the criteria of this section have been met shall be on file
21 on the appropriate public record as of January 1 of the year for which
22 exemption is sought, except that if such instrument is not on file as of
23 January 1, a copy of such instrument shall be attached to such
24 application before the homestead exemption shall be granted.

25 Sec. 3. Section 77-3506, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 77-3506 ~~(1)~~ All homesteads in this state shall be assessed for
28 taxation the same as other property, except that:

29 (1)(a) There ~~there~~ shall be exempt from taxation, on any homestead
30 described in subdivision (1)(b) ~~subsection (2)~~ of this section, one
31 hundred percent of the exempt amount.

1 **(b) (2)** The exemption described in subdivision (1)(a) ~~subsection (1)~~
2 of this section shall apply to homesteads of:

3 **(i) (a)** A veteran who was discharged or otherwise separated with a
4 characterization of honorable or general (under honorable conditions),
5 who is drawing compensation from the United States Department of Veterans
6 Affairs because of one hundred percent service-connected disability, and
7 who is not eligible for total exemption under sections 77-3526 to
8 77-3528, an unremarried surviving spouse of such a veteran, or a
9 surviving spouse of such a veteran who remarries after attaining the age
10 of fifty-seven years;

11 **(ii) (b)** An unremarried surviving spouse of any veteran, including a
12 veteran other than a veteran described in section 80-401.01, who was
13 discharged or otherwise separated with a characterization of honorable or
14 general (under honorable conditions) and who died because of a service-
15 connected disability or a surviving spouse of such a veteran who
16 remarries after attaining the age of fifty-seven years;

17 **(iii) (c)** An unremarried surviving spouse of a serviceman or
18 servicewoman, including a veteran other than a veteran described in
19 section 80-401.01, whose death while on active duty was service-connected
20 or a surviving spouse of such a serviceman or servicewoman who remarries
21 after attaining the age of fifty-seven years; and

22 **(iv) (d)** An unremarried surviving spouse of a serviceman or
23 servicewoman who died while on active duty during the periods described
24 in section 80-401.01 or a surviving spouse of such a serviceman or
25 servicewoman who remarries after attaining the age of fifty-seven years.

26 **(c) (3)** Application for exemption under subdivision (1) of this
27 section shall include certification of the status set forth in
28 subdivision (1)(b) ~~subsection (2)~~ of this section from the United States
29 Department of Veterans Affairs; and -

30 **(2)(a)** There shall be exempt from taxation, on any homestead as
31 defined in subdivision (4) of section 77-3502, one hundred percent of the

1 exempt amount, except that the amount exempted under this subdivision
2 shall be reduced by a percentage equal to the total number of residential
3 units within the applicable dwelling complex that are unoccupied or that
4 are not occupied by military personnel of the United States or their
5 families, divided by the total number of residential units within such
6 dwelling complex. The record title owner of the homestead shall calculate
7 such percentage as of January 1 of each year and shall provide the
8 percentage to the county assessor as part of the application filed
9 pursuant to section 77-3512.

10 (b) The record title owner of any homestead receiving an exemption
11 pursuant to subdivision (2)(a) of this section shall be required to:

12 (i) Make an annual payment in lieu of taxes in an amount equal to
13 the amount of property taxes that would be payable to school districts in
14 this state if the exemption provided in subdivision (2)(a) of this
15 section did not apply. Such payment shall be made to the county treasurer
16 of the county in which the relevant school district is located and
17 thereafter shall be distributed by the county treasurer to such school
18 district; and

19 (ii) Make an annual payment equal to the amount of property taxes
20 that would be payable to political subdivisions other than school
21 districts if the exemption provided in subdivision (2)(a) of this section
22 did not apply. Such payment shall be made into a restricted
23 infrastructure maintenance trust fund in a financial institution as
24 defined in section 8-101.03.

25 (c) The infrastructure maintenance trust fund must be used
26 exclusively for the payment of the cost of capital repairs, replacements,
27 maintenance, and improvements to infrastructure for a homestead as
28 defined in subdivision (4) of section 77-3502. The record title owner of
29 such homestead shall not commingle the assets maintained in the
30 infrastructure maintenance trust fund with any other assets of such
31 owner.

1 (d) The record title owner of any homestead receiving an exemption
2 pursuant to subdivision (2)(a) of this section shall by December 31 of
3 each year file with the Department of Revenue a certificate of compliance
4 with the infrastructure maintenance trust fund requirements of this
5 section for the immediately preceding calendar year. The certificate
6 shall contain the name of the party responsible for the infrastructure
7 maintenance trust fund and the name, address, and account number of the
8 financial institution with which the infrastructure maintenance trust
9 fund is maintained.

10 (e) If there is a failure to file an annual certificate of
11 compliance pursuant to subdivision (2)(d) of this section, the Department
12 of Revenue shall, within ninety days of such failure, provide notice of
13 such failure to the office of the Attorney General. Thereafter, the
14 office of the Attorney General may, after written notice to the record
15 title owner to comply, order an audit of the infrastructure maintenance
16 trust fund involved at the cost of the record title owner. If a record
17 title owner fails to correct any violation within sixty days after the
18 violation is discovered through the audit process, or otherwise fails to
19 comply with the requirements of subdivision (2) of this section, the
20 exemption provided in subdivision (2)(a) of this section shall be revoked
21 by the Department of Revenue and shall not be reinstated within two years
22 of the date of such revocation.

23 Sec. 4. This act becomes operative on January 1, 2020.

24 Sec. 5. Original sections 77-3502, 77-3503, and 77-3506, Reissue
25 Revised Statutes of Nebraska, are repealed.