

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1362

Introduced by McDonnell, 5.

Read first time January 17, 2024

Committee:

- 1 A BILL FOR AN ACT relating to property taxes; to amend section 77-201,
- 2 Revised Statutes Cumulative Supplement, 2022; to change provisions
- 3 relating to the valuation of residential property; to provide for
- 4 applicability; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-201, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

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

7 (2) Agricultural land and horticultural land as defined in section
8 77-1359 shall constitute a separate and distinct class of property for
9 purposes of property taxation, shall be subject to taxation, unless
10 expressly exempt from taxation, and shall be valued at seventy-five
11 percent of its actual value, except that for school district taxes levied
12 to pay the principal and interest on bonds that are approved by a vote of
13 the people on or after January 1, 2022, such land shall be valued at
14 fifty percent of its actual value.

15 (3) Agricultural land and horticultural land actively devoted to
16 agricultural or horticultural purposes which has value for purposes other
17 than agricultural or horticultural uses and which meets the
18 qualifications for special valuation under section 77-1344 shall
19 constitute a separate and distinct class of property for purposes of
20 property taxation, shall be subject to taxation, and shall be valued for
21 taxation at seventy-five percent of its special valuation as defined in
22 section 77-1343, except that for school district taxes levied to pay the
23 principal and interest on bonds that are approved by a vote of the people
24 on or after January 1, 2022, such land shall be valued at fifty percent
25 of its special valuation as defined in section 77-1343.

26 (4) Historically significant real property which meets the
27 qualifications for historic rehabilitation valuation under sections
28 77-1385 to 77-1394 shall be valued for taxation as provided in such
29 sections.

30 (5)(a) Residential property shall be valued for taxation at its
31 actual value, except that the valuations for such property shall not

1 increase by more than five percent per year.

2 (b) Since the effectiveness of this subsection is dependent upon the
3 adoption of an amendment to the Constitution of Nebraska, this subsection
4 shall not be in force or take effect until the date on which the Governor
5 proclaims such a constitutional amendment, at which time this subsection
6 shall be in full force and effect.

7 (6) (5) Tangible personal property, not including motor vehicles,
8 trailers, and semitrailers registered for operation on the highways of
9 this state, shall constitute a separate and distinct class of property
10 for purposes of property taxation, shall be subject to taxation, unless
11 expressly exempt from taxation, and shall be valued at its net book
12 value. Tangible personal property transferred as a gift or devise or as
13 part of a transaction which is not a purchase shall be subject to
14 taxation based upon the date the property was acquired by the previous
15 owner and at the previous owner's Nebraska adjusted basis. Tangible
16 personal property acquired as replacement property for converted property
17 shall be subject to taxation based upon the date the converted property
18 was acquired and at the Nebraska adjusted basis of the converted property
19 unless insurance proceeds are payable by reason of the conversion. For
20 purposes of this subsection, (a) converted property means tangible
21 personal property which is compulsorily or involuntarily converted as a
22 result of its destruction in whole or in part, theft, seizure,
23 requisition, or condemnation, or the threat or imminence thereof, and no
24 gain or loss is recognized for federal or state income tax purposes by
25 the holder of the property as a result of the conversion and (b)
26 replacement property means tangible personal property acquired within two
27 years after the close of the calendar year in which tangible personal
28 property was converted and which is, except for date of construction or
29 manufacture, substantially the same as the converted property.

30 Sec. 2. Original section 77-201, Revised Statutes Cumulative
31 Supplement, 2022, is repealed.