

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB644

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 10, 2021

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB644 to adopt the Property Tax Request Act for the purpose of increased transparency for impacted political subdivisions to raise their property tax levies.

LB644 recommends public notifications and hearings for the public whenever the need for justification is necessary to raise the property tax over the pervious years.

LB644 requires a postcard be mailed to all constituents in relation to the political subdivisions request for higher levy rates than cannot exceed the previous years request.

Principal Introducer: _____

Senator Ben Hansen

Property Tax Request Act

(LB 644 — Operative Date: January 1, 2022)

- Neb. Rev. Stat. § 77-1631 through 77-1634
 - Any county, city, school district, or community college which seeks to increase its property tax request by more than the allowable growth percentage must 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 include information provided for by law.
 - Notice of the joint public hearing must be provided by:
 - Sending a postcard to all affected property taxpayers, to the name and address which the property tax statement is mailed
 - By posting on the county's homepage
 - By publishing in the newspaper

Property Tax Request Act

(LB 644 — Operative Date: January 1, 2022)

- **Postcard Requirements (see Neb. Rev. Stat. § 77-1633)**
 - 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 7 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
 - Information required on the postcard:
 - the date, time, and location for the joint public hearing
 - a listing of and telephone number for each political subdivision that will be participating in the joint public hearing,
 - the amount of each participating political subdivision's property tax request;
 - And....

Property Tax Request Act

LB 644 — *Operative Date: January 1, 2022*

- Postcard requirements (continued)
 - The following words in capitalized type at the top of the postcard: NOTICE OF PROPOSED TAX INCREASE;
 - The name of the county that will hold the joint public hearing, which shall appear directly underneath the capitalized words above;
 - 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.
 - The parcel number for the property;
 - The name of the property owner and the address of the property;
 - The property's assessed value in the previous tax year;

Property Tax Request Act

(LB 644 — Operative Date: January 1, 2022)

- Postcard requirements (continued)
 - The amount of property taxes due in the previous tax year for each participating political subdivision;
 - The property's assessed value for the current tax year;
 - The amount of property taxes due for the current tax year for each participating political subdivision;
 - 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
 - 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.
 - Ordinance or resolution must include the information specified in Neb. Rev. Stat. § 77-1632.

Property Tax Request Act

(LB 644 — Operative Date: January 1, 2022)

- Neb. Rev. Stat. § 77-1736.01
 - Within 30 days from when 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 not enough funds are available the treasurer must register the refund (or unpaid portion) as a claim against the political subdivision and must provide the taxpayer entitled to the refund a receipt for the registration of the claim.
 - Interest is to accrue on the unpaid balance at 9% beginning 30 days after certification of the amount of the refund by the county assessor.
 - The political subdivision and the holder of the receipt can agree to have the refund apply to future taxes levied by the political subdivision until the claim is satisfied.

LB927 - Orig LB1250

27 Sec. 10. Section 77-1633, Revised Statutes Supplement, 2021, is
28 amended to read:

29 77-1633 (1) For purposes of this section, political subdivision
30 means any county, city, school district, or community college. **NOT VILLAGES**

31 (2) If any political subdivision seeks to increase its property tax

1 request by more than the allowable growth percentage, such political
2 subdivision may do so if:

3 (a) A public hearing is held and notice of such hearing is provided
4 in compliance with subsection (3) of this section; and

5 (b) The governing body of such political subdivision passes a
6 resolution or an ordinance that complies with subsection (4) of this
7 section.

8 (3)(a) Each political subdivision within a county that seeks to
9 increase its property tax request by more than the allowable growth
10 percentage shall participate in a joint public hearing. Each such
11 political subdivision shall designate one representative to attend the
12 joint public hearing on behalf of the political subdivision. If a
13 political subdivision includes area in more than one county, the
14 political subdivision shall be deemed to be within the county in which
15 the political subdivision's principal headquarters are located. At such
16 hearing, there shall be no items on the agenda other than discussion on
17 each political subdivision's intent to increase its property tax request
18 by more than the allowable growth percentage.

19 (b) The joint public hearing shall be held on or after September 17
20 and prior to September 29 and before any of the participating political
21 subdivisions file their adopted budget statement pursuant to section
22 13-508.

23 (c) The joint public hearing shall be held after 6 p.m. local time
24 on the relevant date.

25 (d) The joint public hearing shall be organized by the county clerk
26 or his or her designee. At the joint public hearing, the representative
27 of each political subdivision shall give a brief presentation on the
28 political subdivision's intent to increase its property tax request by
29 more than the allowable growth percentage and the effect of such request
30 on the political subdivision's budget. The presentation shall include:

31 (i) The name of the political subdivision;

1 (ii) The amount of the property tax request; and

2 (iii) The following statements:

3 (A) The total assessed value of property differs from last year's
4 total assessed value by percent;

5 (B) The tax rate which would levy the same amount of property taxes
6 as last year, when multiplied by the new total assessed value of
7 property, would be \$..... per \$100 of assessed value;

8 (C) The (name of political subdivision) proposes to adopt a property
9 tax request that will cause its tax rate to be \$..... per \$100 of
10 assessed value;

11 (D) Based on the proposed property tax request and changes in other
12 revenue, the total operating budget of (name of political subdivision)
13 will exceed last year's by percent; and

14 (E) To obtain more information regarding the increase in the
15 property tax request, citizens may contact the (name of political
16 subdivision) at (telephone number and email address of political
17 subdivision).

18 (e) Any member of the public shall be allowed to speak at the joint
19 public hearing and shall be given a reasonable amount of time to do so.

20 (f) Notice of the joint public hearing shall be provided:

21 (i) By sending a postcard to all affected property taxpayers. The
22 postcard shall be sent to the name and address to which the property tax
23 statement is mailed;

24 (ii) By posting notice of the hearing on the home page of the
25 relevant county's website, except that this requirement shall only apply
26 if the county has a population of more than twenty-five thousand
27 inhabitants; and

28 (iii) By publishing notice of the hearing in a legal newspaper in or
29 of general circulation in the relevant county.

30 (g) Each political subdivision that participates in the joint public
31 hearing shall send the information prescribed in subdivision (3)(h) of

1 this section to the county clerk by September 5. The county clerk shall
2 transmit the information to the county assessor no later than September
3 10. The county clerk shall notify each participating political
4 subdivision of the date, time, and location of the joint public hearing.
5 The county assessor shall send the information required to be included on
6 the postcards pursuant to subdivision (3)(h) of this section to a
7 printing service designated by the county board. The initial cost for
8 printing the postcards shall be paid from the county general fund ~~mail~~
9 ~~the postcards required in this subsection.~~ Such postcards shall be mailed
10 at least seven calendar days before the joint public hearing. The cost of
11 creating and mailing the postcards, including staff time, materials, and
12 postage, shall be charged proportionately to ~~divided among~~ the political
13 subdivisions participating in the joint public hearing based on the total
14 number of parcels in each participating political subdivision.

15 (h) The postcard sent under this subsection and the notice posted on
16 the county's website, if required under subdivision (3)(f)(ii) of this
17 section, and published in the newspaper shall include the date, time, and
18 location for the joint public hearing, a listing of and telephone number
19 for each political subdivision that will be participating in the joint
20 public hearing, and the amount of each participating political
21 subdivision's property tax request. The postcard shall also contain the
22 following information:

23 (i) The following words in capitalized type at the top of the
24 postcard: NOTICE OF PROPOSED TAX INCREASE;

25 (ii) The name of the county that will hold the joint public hearing,
26 which shall appear directly underneath the capitalized words described in
27 subdivision (3)(h)(i) of this section;

28 (iii) The following statement: The following political subdivisions
29 are proposing a revenue increase which would result in an overall
30 increase in as a result of property taxes in (insert current tax year).
31 THE ACTUAL TAX ON YOUR PROPERTY MAY INCREASE OR DECREASE. This notice

1 contains estimates of the tax on your property ~~and the proposed tax~~
2 ~~increase on your property~~ as a result of this revenue increase. These
3 estimates are calculated on the basis of the proposed (insert current tax
4 year) data. The actual tax on your property ~~and tax increase on your~~
5 ~~property~~ may vary from these estimates.

6 (iv) The parcel number for the property;

7 (v) The name of the property owner and the address of the property;

8 (vi) The property's assessed value in the previous tax year;

9 (vii) The amount of property taxes due in the previous tax year for
10 each participating political subdivision;

11 (viii) The property's assessed value for the current tax year;

12 (ix) The amount of property taxes due for the current tax year for
13 each participating political subdivision;

14 (x) The change in the amount of property taxes due for each
15 participating political subdivision from the previous tax year to the
16 current tax year; and

17 (xi) The following statement: To obtain more information regarding
18 the tax increase, citizens may contact the political subdivision at the
19 telephone number provided in this notice.

20 (4) After the joint public hearing required in subsection (3) of
21 this section, the governing body of each participating political
22 subdivision shall pass an ordinance or resolution to set such political
23 subdivision's property tax request. If the political subdivision is
24 increasing its property tax request over the amount from the prior year,
25 including any increase in excess of the allowable growth percentage, then
26 such ordinance or resolution shall include, but not be limited to, the
27 following information:

28 (a) The name of the political subdivision;

29 (b) The amount of the property tax request;

30 (c) The following statements:

31 (i) The total assessed value of property differs from last year's

1 total assessed value by percent;

2 (ii) The tax rate which would levy the same amount of property taxes
3 as last year, when multiplied by the new total assessed value of
4 property, would be \$..... per \$100 of assessed value;

5 (iii) The (name of political subdivision) proposes to adopt a
6 property tax request that will cause its tax rate to be \$..... per \$100
7 of assessed value; and

8 (iv) Based on the proposed property tax request and changes in other
9 revenue, the total operating budget of (name of political subdivision)
10 will exceed last year's by percent; and

11 (d) The record vote of the governing body in passing such resolution
12 or ordinance.

13 (5) Any resolution or ordinance setting a property tax request under
14 this section shall be certified and forwarded to the county clerk on or
15 before October 15 of the year for which the tax request is to apply.

16 (6) The county clerk, or his or her designee, shall prepare a report
17 which shall include (a) the names of the representatives of the political
18 subdivisions participating in the joint public hearing and (b) the name
19 and address of each individual who spoke at the joint public hearing,
20 unless the address requirement is waived to protect the security of the
21 individual, and the name of any organization represented by each such
22 individual. Such report shall be delivered to the political subdivisions
23 participating in the joint public hearing within ten days after such
24 hearing.

25 Sec. 11. Section 77-1634, Revised Statutes Supplement, 2021, is
26 amended to read:

27 77-1634 (1) Except as provided in subsection (2) of this section,
28 any levy which is not in compliance with the Property Tax Request Act and
29 section 77-1601 shall be construed as an unauthorized levy under section
30 77-1606.

31 (2) An inadvertent failure to comply with the Property Tax Request

1 Act shall not invalidate a political subdivision's property tax request
2 or constitute an unauthorized levy under section 77-1606. A political
3 subdivision that has complied with the Property Tax Request Act shall not
4 have its property tax request invalidated due to any other political
5 subdivision's failure to comply with the Property Tax Request Act. The
6 failure of a taxpayer to receive a postcard as required under the act
7 shall not invalidate a political subdivision's property tax request or
8 constitute an unauthorized levy under section 77-1606.

9 Sec. 12. Original section 13-2706, Reissue Revised Statutes of
10 Nebraska, sections 13-2603, 13-2604, and 13-2705, Revised Statutes
11 Cumulative Supplement, 2020, and sections 13-2610, 13-3102, 13-3103,
12 13-3104, 13-3108, 77-1633, and 77-1634, Revised Statutes Supplement,
13 2021, are repealed.