

## LEGISLATIVE BILL 808

Approved by the Governor April 12, 2006

Introduced by Landis, 46

AN ACT relating to government; to amend sections 18-2148, 18-2149, 19-2428, 23-2517, 23-2519, 23-2520, 23-2522, 23-2524, 23-2525, 23-2526, 23-2527, 23-2531, 23-2533, 23-3209, 77-801.01, 77-1359, 77-1843, 77-5009, and 77-5029, Reissue Revised Statutes of Nebraska, sections 18-2117.01, 18-2147, 23-114.03, 23-2518, 23-3202, 77-422, 77-1343, 77-1345, 77-1348, 77-1363, 77-5022, and 77-5023, Revised Statutes Cumulative Supplement, 2004, and sections 77-201, 77-1344, 77-1345.01, 77-1347, 77-1355, 77-1502, 77-1504, 77-1507, 77-5019, and 79-1016, Revised Statutes Supplement, 2005; to define and redefine terms; to change and eliminate provisions relating to tax-increment financing, county zoning regulations, county civil service provisions, assessment and assessors, agricultural and horticultural land classification and valuation, and proceedings of county boards of equalization and the Tax Equalization and Review Commission; to eliminate a penalty relating to county assessors; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal sections 77-1360.01, 77-1361, 77-1362, 77-1515, and 77-1613.03, Reissue Revised Statutes of Nebraska; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 18-2117.01, Revised Statutes Cumulative Supplement, 2004, is amended to read:

18-2117.01 (1) On or before December 1 each year, each city which has approved one or more redevelopment plans which are financed in whole or in part through the use of tax-increment financing as provided in section 18-2147 shall provide a report to the Property Tax Administrator on each such redevelopment plan which includes the following information:

(a) A copy of the redevelopment plan and any amendments thereto if they have not been previously filed, including the date upon which the redevelopment plan was approved, the effective date for dividing the ad valorem tax as provided to the county assessor pursuant to subsection (3) of section 18-2147, and the location and boundaries of the property in the redevelopment project; and

~~(b) The total valuation of the property in the redevelopment project subject to allocation before the project began and in subsequent years;~~

~~(c) The total consolidated ad valorem tax levy on the property in the redevelopment project subject to allocation;~~

~~(d) The total amount of ad valorem taxes on property in the redevelopment project paid into the fund of the public bodies and the amount of such taxes paid into the fund provided for in subdivision (1)(b) of section 18-2147; and~~

~~(e) (b) A short narrative description of the type of development undertaken by the city or village with the financing and the type of business or commercial activity locating within the redevelopment project area as a result of the redevelopment project.~~

(2) The Property Tax Administrator shall compile ~~the data provided by the cities pursuant to subdivisions (1)(b) through (e) of this section along with relevant descriptive and identifying information regarding each project provided pursuant to subdivision (1)(a) of this section into a report which~~ a report for each active redevelopment project, based upon information provided by the cities pursuant to subsection (1) of this section and information reported by the county assessor or county clerk on the certificate of taxes levied pursuant to section 77-1613.01. Each report shall be transmitted to the Clerk of the Legislature not later than March 1 each year. The report may include any recommendations of the Property Tax Administrator as to what other information should be included in the report from the cities so as to facilitate analysis of the uses, purposes, and effectiveness of tax-increment financing and the process for its implementation or to streamline the reporting process provided for in this section to eliminate unnecessary paperwork.

Sec. 2. Section 18-2147, Revised Statutes Cumulative Supplement, 2004, is amended to read:

18-2147 (1) Any redevelopment plan as originally approved or as later modified pursuant to section 18-2117, may contain a provision that any ad valorem tax levied upon real property in a redevelopment project for the

benefit of any public body shall be divided, for a period not to exceed fifteen years after the effective date of such a provision by the governing body, as follows:

(a) That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body. When there is not a redevelopment project valuation on a parcel or parcels, the county assessor shall determine the redevelopment project valuation based upon the fair market valuation of the parcel or parcels as of January 1 of the year prior to the year that the ad valorem taxes are to be divided. The county assessor shall provide written notice of the redevelopment project valuation to the authority as defined in section 18-2103 and the owner. The authority or owner may protest the valuation to the county board of equalization within thirty days after the date of the valuation notice. All provisions of section 77-1502 except dates for filing of a protest, the period for hearing protests, and the date for mailing notice of the county board of equalization's decision are applicable to any protest filed pursuant to this section. The county board of equalization shall decide any protest filed pursuant to this section within thirty days after the filing of the protest. The county clerk shall mail a copy of the decision made by the county board of equalization on protests pursuant to this section to the authority or owner within seven days after the board's decision. Any decision of the county board of equalization may be appealed to the Tax Equalization and Review Commission, in accordance with section 77-5013, within thirty days after the date of the decision;

(b) That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies; and

(c) Any interest and penalties due for delinquent taxes shall be paid into the funds of each public body in the same proportion as are all other taxes collected by or for the public body.

(2) The governing body shall not implement any plan containing a provision dividing ad valorem taxes as provided in subsection (1) of this section until such time as the real property in the redevelopment project is within the corporate boundaries of the city.

(3) ~~Notice~~ Beginning August 1, 2006, all notices of the provision for dividing ad valorem taxes shall be sent in writing by the authority to the county assessor on forms prescribed by the Property Tax Administrator. The notice shall be sent to the county assessor on or before August 1 of the year of the effective date of the provision.

Sec. 3. Section 18-2148, Reissue Revised Statutes of Nebraska, is amended to read:

18-2148 Commencing on the effective date of the provision outlined in section 18-2147, the county assessor, or county clerk where he or she is ex officio county assessor, of the county in which the redevelopment project is located, shall transmit to an authority and the county treasurer, upon request of the authority, the redevelopment project valuation and shall annually certify, on or before August 20, to the authority and the county treasurer the current valuation for assessment of taxable real property in the redevelopment project. The county assessor shall undertake, upon request of an authority, an investigation, examination, and inspection of the taxable real property in the redevelopment project and shall reaffirm or revalue the current value for assessment of such property in accordance with the findings of such investigation, examination, and inspection.

Sec. 4. Section 18-2149, Reissue Revised Statutes of Nebraska, is amended to read:

18-2149 In each year after the determination of a redevelopment project valuation as outlined in section 18-2148, the county assessor and the county board of equalization shall include no more than the redevelopment project valuation of the taxable real property in the redevelopment project in the assessed valuation upon which is computed the ~~mill rates of all taxes~~ tax rates levied by any public body on such project. In each year for which

the current assessed valuation on taxable real property in the redevelopment project exceeds the redevelopment project valuation, the county treasurer shall remit to the authority, instead of to any public body, that proportion of all ad valorem taxes on real property paid that year on the redevelopment project which such excess valuation bears to the current assessed valuation.

If the current assessed valuation on taxable real property in the redevelopment project is less than the redevelopment project valuation, the current assessed valuation shall be the value assessable to the public bodies for the current year and there will be no excess valuation or tax proceeds available to the redevelopment project. The redevelopment project valuation shall be reinstated when the current assessed valuation on taxable real property in the redevelopment project is equal to or greater than the redevelopment project valuation.

Sec. 5. Section 19-2428, Reissue Revised Statutes of Nebraska, is amended to read:

19-2428 (1) Whenever the governing body of a city of the first or second class or village creates an improvement district as specified in section 19-2427 which includes land adjacent to such city or village and such adjacent land is within an agricultural use zone and is used exclusively for agricultural use, the owners of record title of such adjacent land may apply for a deferral from special assessments pursuant to sections 19-2428 to 19-2431.

(2) For purposes of sections 19-2428 to 19-2431: ~~the terms agricultural use and agricultural use zone shall have the meaning specified in section 77-1343.~~

(a) Agricultural use means the use of land as described in section 77-1359, so that incidental use of the land for nonagricultural or nonhorticultural purposes shall not disqualify the land; and

(b) Agricultural use zone means designation of any land predominantly for agricultural or horticultural use by any political subdivision pursuant to sections 19-924 to 19-933, Chapter 14, article 4, Chapter 15, article 9, Chapter 16, article 9, Chapter 17, article 10, or Chapter 23, article 1. The primary objective of the agricultural use zoning shall be to preserve and protect agricultural activities and the potential for the agricultural, horticultural, or open use of land. Uses to be allowed on such lands include primarily agricultural-related or horticultural-related uses, and nonagricultural or nonhorticultural industrial, commercial, or residential uses allowed on such lands shall be restricted so that they do not conflict with or detract from this objective.

Sec. 6. Section 23-114.03, Revised Statutes Cumulative Supplement, 2004, is amended to read:

23-114.03 Zoning regulations shall be adopted or amended by the county board only after the adoption of the county comprehensive development plan by the county board and the receipt of the planning commission's specific recommendations or by adopting temporary zoning as provided in sections 23-115 to 23-115.02. Such zoning regulations shall be consistent with an adopted comprehensive development plan and designed for the purpose of promoting the health, safety, morals, convenience, order, prosperity, and welfare of the present and future inhabitants of Nebraska, including, among others, such specific purposes as:

- (1) Developing both urban and nonurban areas;
- (2) Lessening congestion in the streets or roads;
- (3) Reducing the waste of excessive amounts of roads;
- (4) Securing safety from fire and other dangers;
- (5) Lessening or avoiding the hazards to persons and damage to property resulting from the accumulation or runoff of storm or flood waters;
- (6) Providing adequate light and air;
- (7) Preventing excessive concentration of population and excessive and wasteful scattering of population or settlement;
- (8) Promoting such distribution of population, such classification of land uses, and such distribution of land development as will assure adequate provisions for transportation, water flowage, water supply, drainage, sanitation, recreation, soil fertility, food supply, and other public requirements;
- (9) Protecting the tax base;
- (10) Protecting property against blight and depreciation;
- (11) Securing economy in governmental expenditures;
- (12) Fostering the state's agriculture, recreation, and other industries;
- (13) Encouraging the most appropriate use of land in the county; and
- (14) Preserving, protecting, and enhancing historic buildings, places, and districts.

Within the area of jurisdiction and powers established by section 23-114, the county board may divide the county into districts of such number, shape, and area as may be best suited to carry out the purposes of this section and regulate, restrict, or prohibit the erection, construction, reconstruction, alteration, or use of nonfarm buildings or structures and the use, conditions of use, or occupancy of land. All such regulations shall be uniform for each class or kind of land or buildings throughout each district, but the regulations in one district may differ from those in other districts. ~~Counties shall determine whether nonfarm buildings used as residences shall be subject to a county's respective zoning regulations and permit requirements.~~ An official map or maps indicating the districts and regulations shall be adopted, and within fifteen days after adoption of such regulations or maps, they shall be published in book or pamphlet form or once in a legal newspaper published in and of general circulation in the county or, if none is published in the county, in a legal newspaper of general circulation in the county. Such regulations shall also be spread in the minutes of the proceedings of the county board and such map or maps filed with the county clerk. The county board may decide whether buildings located on farmsteads used as residences shall be subject to such county's zoning regulations and permit requirements.

For purposes of this section and section 23-114.04, nonfarm buildings are all buildings except those buildings utilized for agricultural purposes on a farmstead of twenty acres or more which produces one thousand dollars or more of farm products each year.

Sec. 7. Section 23-2517, Reissue Revised Statutes of Nebraska, is amended to read:

23-2517 (1) Sections 23-2517 to 23-2533 and sections 9 to 12 of this act shall be known and may be cited as the County Civil Service Act.

(2) The general purpose of sections 23-2517 to 23-2533 the County Civil Service Act is to establish a system of personnel administration that meets the social, economic, and program needs of county offices. This system shall provide means to recruit, select, develop and maintain an effective and responsive work force, and shall include policies and procedures for employee hiring and advancement, training and career development, position classification, salary administration, fringe benefits, discharge and other related activities. All appointments and promotions under the provisions of sections 23-2517 to 23-2533 County Civil Service Act shall be made based on merit and fitness.

Sec. 8. Section 23-2518, Revised Statutes Cumulative Supplement, 2004, is amended to read:

23-2518 For purposes of ~~sections 23-2517 to 23-2533, unless the context otherwise requires~~ the County Civil Service Act:

(1) ~~Appointing authority shall mean~~ means elected officials and appointed department directors authorized to make appointments in the county service;

(2) ~~Board of county commissioners shall mean~~ means the board of commissioners of any county with a population of one hundred fifty thousand to three hundred thousand inhabitants;

(3) ~~Classified service shall mean~~ means the positions in the county service to which ~~sections 23-2517 to 23-2533 apply~~ the act applies;

(4) ~~County personnel officer shall mean~~ means the employee designated by the board of county commissioners to administer ~~sections 23-2517 to 23-2533 the act;~~

(5) ~~Department shall mean~~ a major means a functional unit of the county government headed by an elected official or established by the board of county commissioners;

(6) ~~Deputy shall mean~~ means an individual who serves as the first assistant to and at the pleasure of an elected official; ~~and~~

(7) ~~Elected official shall mean~~ means an officer elected by the popular vote of the people and known as the county attorney, public defender, county sheriff, county treasurer, clerk of the district court, register of deeds, county clerk, county assessor, and county surveyor; ~~-~~

(8) Internal Revenue Code means the Internal Revenue Code as defined in section 49-801.01;

(9) Political subdivision means a village, city of the second class, city of the first class, city of the primary class, city of the metropolitan class, county, school district, public power district, or any other unit of local government including entities created pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. Political subdivision does not include a contractor with the county;

(10) State means the State of Nebraska;

(11) Straight-time rate of pay means the rate of pay in effect on the date of transfer of employees stated in the resolution by the county board

requesting the transfer; and

(12) Transferred employee means an employee of the state or a political subdivision transferred to the county pursuant to a request for such transfer made by the county under section 9 of this act.

Sec. 9. (1) The board of county commissioners may, by resolution, request that a state or political subdivision transfer employees to the county (a) if the board of county commissioners finds that direct control over such employees will be of benefit to the county, (b) pursuant to a merger of services, or (c) due to the assumption of functions of the state or a political subdivision by the county. Such resolution shall state an effective date for the transfer of such employees. If the state or political subdivision determines that the transfer of its employees is necessary or desirable and approves the request of the board of county commissioners, the employees who are being transferred shall become county employees on the effective date of the transfer as stated in the resolution of the board of county commissioners requesting such transfer.

(2) No state employee subject to a transfer under subsection (1) of this section is required to become a county employee and may instead exercise all of his or her rights under any contract involving state employees and negotiated pursuant to the Industrial Relations Act and the State Employees Collective Bargaining Act.

Sec. 10. (1) For transfers involving a retirement system which maintains a defined benefit plan, the transfer value of the transferring employee's accrued benefit shall be calculated by one or both of the retirement systems involved as follows:

(a) If the retirement system of the state or political subdivision maintains a defined benefit plan, an initial benefit transfer value of the employee's accrued benefit shall be determined by calculating the present value of the employee's retirement benefit based on the employee's years of service as of the date of transfer and the other actuarial assumptions of the retirement system of the state or political subdivision so that the effect on the retirement system of the state or political subdivision will be actuarially neutral; and

(b) If the retirement system of the county maintains a defined benefit plan, the final benefit transfer value of the employee's accrued benefit shall be determined by calculating the present value of the employee's retirement benefit as if the employee were employed on the date of transfer and had completed the same amount of service with the same compensation as the employee actually completed at the state or political subdivision prior to transfer. The calculation shall then be based on the employee's assumed years of service as of the date of transfer and the other actuarial assumptions of the retirement system of the county so that the effect on the retirement system of the county will be actuarially neutral.

(2) An employee of the state or a political subdivision who transfers from a position in the state or a political subdivision to a position in the county, and whose customary employment with the state or a political subdivision was for more than twenty hours per week shall receive credit for his or her years of participation in the retirement system of the state or political subdivision for purposes of membership in the retirement system or the county.

(3) An employee referred to in subsection (2) of this section shall have his or her participation in the retirement system of the state or political subdivision transferred to the retirement system of the county through one of the following options:

(a) If the retirement system of the county maintains a defined contribution plan, the employee shall transfer all of his or her funds by paying to the retirement system of the county from funds held by the retirement system of the state or political subdivision an amount equal to one of the following: (i) If the retirement system of the state or political subdivision maintains a defined benefit plan, an amount not to exceed the initial benefit transfer value, leaving no funds attributable to the transferred employee within the retirement system of the state or political subdivision; or (ii) if the retirement system of the state or political subdivision maintains a defined contribution plan, an amount not to exceed the employee and employer accounts of the transferring employee plus earnings during the period of employment with the state or political subdivision. The employee shall receive vesting credit for his or her years of service in a governmental plan, as defined in section 414(d) of the Internal Revenue Code, maintained by the state or political subdivision. Payment shall be made within five years after employment begins with the receiving entity or prior to retirement whichever comes first, and may be made through direct payment, installment payments, or an irrevocable payroll

deduction authorization; or

(b) If the retirement system of the county maintains a defined benefit plan, the employee shall transfer all of his or her funds out of the retirement system of the state or political subdivision to purchase service credits that will generate a final benefit transfer value not to exceed the employee's initial benefit transfer value in the retirement system of the state or political subdivision. After such purchase, the employee shall receive vesting credit in the retirement system of the county for his or her years of service in a governmental plan, as defined in section 414(d) of the Internal Revenue Code, maintained by the state or political subdivision. The amount to be paid by the member for such service credit shall equal the actuarial cost to the retirement system of the county for allowing such additional service credit to the employee. If any funds remain in the retirement system of the state or political subdivision after the employee has purchased service credits in the retirement system of the county, such remaining funds shall be rolled over into another qualified trust under section 401(a) of the Internal Revenue Code, an individual retirement account, or an individual retirement annuity. Payment shall be made within five years after the transfer of services, but prior to retirement, and may be made through direct payment, installment payments, or an irrevocable payroll deduction authorization.

(4) The state or political subdivision, the county, and the employees who are being transferred may by binding agreement determine which parties will provide funds to pay any amount needed to purchase creditable service in the retirement system of the county sufficient to provide a final benefit transfer value not to exceed the employee's initial benefit transfer value, if the amount of a direct rollover from the retirement system of the state or political subdivision is not sufficient to provide a final benefit transfer value in the retirement system of the county.

(5) The retirement system of the county may accept cash rollover contributions from a member who is making payment pursuant to this section if the contributions do not exceed the amount of payment required for the service credits purchased by the member and the contributions represent (a) all or any portion of the balance of the member's interest in a qualified trust under section 401(a) of the Internal Revenue Code or (b) the interest of the member from an individual retirement account or an individual retirement annuity, all of which is attributable to a qualified total distribution, as defined in the Internal Revenue Code, from a qualified trust under section 401(a) of the code and qualified as a tax-free rollover amount. The member's interest under subdivision (a) or (b) of this subsection shall be transferred to the retirement system within sixty days after the date of the distribution from the qualified trust, individual retirement account, or individual retirement annuity.

(6) Cash transferred to the retirement system of the county as a rollover contribution shall be deposited as other contributions.

(7) The retirement system of the county may accept direct rollover distributions made from a qualified trust pursuant to section 401(a)(31) of the Internal Revenue Code. The direct rollover distribution shall be deposited as all other payments under this section.

(8) The county or its retirement system shall adopt provisions defining procedures for acceptance of rollovers which are consistent with sections 401(a)(31) and 402 of the Internal Revenue Code.

(9) If the county participates in the Retirement System for Nebraska Counties and the transferred employee participates in the State Employees Retirement System, the transferred employee shall immediately begin participation in the Retirement System for Nebraska Counties under the same benefit which had been elected pursuant to subsection (1) of section 84-1309.02.

Sec. 11. (1) The state or a political subdivision shall transfer all accrued sick leave of the transferred employee up to the maximum number of accumulated hours for sick leave allowed by the county personnel system. The state or political subdivision shall reimburse the county for twenty-five percent of the value of the accrued sick leave hours based on the straight-time rate of pay for the employee.

(2) The transferred employee may transfer the maximum amount of accrued annual leave earned as an employee of the state or a political subdivision allowed by the county personnel system. The state or a political subdivision shall reimburse the county for one hundred percent of the value of the hours of accrued annual leave transferred.

(3) No transferred employee shall lose any accrual rate value of his or her sick leave and vacation leave as a result of becoming a county employee, and a transferred employee may credit years of service with the

state or a political subdivision toward the accrual rate for sick leave and vacation leave plans. When accrued sick leave and vacation leave for a transferred employee are at a greater rate value than allowed by the county's sick leave and vacation leave plans, the state or political subdivision shall pay the county the difference between the value of the benefits allowed by the county and the state or political subdivision based on, at the time of the transfer, twenty-five percent of the employee's straight-time rate of pay for the sick leave and one hundred percent of the employee's straight-time rate of pay for vacation leave. A state or political subdivision shall reimburse the county not later than one year after the transfer is complete.

(4) The transferred employee shall not receive any additional accrual rate value for county benefits until the employee meets the qualifications for the increased accrual rates pursuant to the county's requirements.

(5) The transferred employee shall receive credit for time of service with the state or a political subdivision toward participation, coverage by insurance programs for the county, and the waiting period for medical insurance coverage provided by the county.

Sec. 12. (1) A transferred employee shall be credited for time of service with the state or a political subdivision toward the probationary period in the county:

(a) A transferred employee whose credited time of service with the state or a political subdivision does not satisfy the county's probationary period time requirement shall be a probationary employee of the county and afforded the same rights, benefits, and privileges as are afforded to a probationary employee under the county personnel system; and

(b) A transferred employee whose credited time of service with the state or a political subdivision does not satisfy the county's probationary period time requirement shall successfully complete the remainder of the county's probationary period time requirement before being given status with the county.

(2) Transferred employees shall retain seniority accumulated during service with the state or a political subdivision, and no transferred employee shall lose accumulated seniority as a result of becoming a county employee.

Sec. 13. Section 23-2519, Reissue Revised Statutes of Nebraska, is amended to read:

23-2519 The county service shall be divided into the classified service and the unclassified service. All officers and positions of the county shall be in the classified service unless specifically designated as being in the unclassified service established by ~~sections 23-2517 to 23-2533~~ the County Civil Service Act. All county employees who have permanent status under any other act prior to the passage of ~~sections 23-2517 to 23-2533~~ the County Civil Service Act shall have status under ~~such sections~~ the act without further qualification. Positions in the unclassified service shall not be governed by ~~such sections~~ the act and shall include the following:

(1) County officers elected by popular vote and persons appointed to fill vacancies in such elective offices;

(2) The county personnel officer and the administrative assistant to the board of county commissioners;

(3) Bailiffs;

(4) Department heads and one principal assistant or chief deputy for each county department. When more than one principal assistant or chief deputy is mandated by law, all such positions shall be in the unclassified service;

(5) Members of boards and commissions appointed by the board of county commissioners;

(6) Persons employed in a professional or scientific capacity to make or conduct a temporary and special investigation or examination on behalf of the board of county commissioners;

(7) Attorneys;

(8) Physicians;

(9) Employees of an emergency management organization; and

(10) Deputy sheriffs.

Nothing in ~~such sections~~ the act shall be construed as precluding the appointing authority from filling any positions in the unclassified service in the manner in which positions in the classified service are filled.

Sec. 14. Section 23-2520, Reissue Revised Statutes of Nebraska, is amended to read:

23-2520 There is hereby created a personnel office in the office of the board of county commissioners, the executive head of which shall be the county personnel officer. In such office there shall be a personnel policy board consisting of six members with powers and duties provided in ~~sections 23-2517 to 23-2533~~ the County Civil Service Act. The board of county

commissioners shall make appropriations from the general fund to meet the estimated costs of administering ~~sections 23-2517 to 23-2533~~ the act.

Sec. 15. Section 23-2522, Reissue Revised Statutes of Nebraska, is amended to read:

23-2522 The powers and duties of the personnel policy board shall be:

(1) To review and make recommendations to the board of county commissioners on the personnel rules and regulations and any amendments thereto prior to the approval by the commissioners;

(2) To advise and assist the personnel officer on matters of personnel policy, administration, and practice;

(3) To cooperate with and advise the personnel officer in fostering interest and cooperation of institutions of learning and civic, professional, and employee organizations in the improvement of personnel standards and the development of high public regard for the county as an employer and for careers in the county service;

(4) To require the personnel officer to make or to make on its own initiative any investigation which it may consider necessary concerning the management of personnel in the county service;

(5) To review any grievance or case of disciplinary action of a classified service employee when appealed by such employee in accordance with approved personnel rules and regulations and issue a determination that is binding on all parties concerned;

(6) To issue subpoenas to compel the attendance of county employees as witnesses and the production of documents and to administer oaths, take testimony, hear proofs, and receive exhibits in evidence in connection with any of the powers and duties of such board. In case of a refusal to obey a subpoena issued to any county employee, the personnel policy board on its own motion, or a party to the proceedings, may make application to the district court of Lancaster County for an enforcement order, and any failure to obey such order may be punished by such court as contempt thereof;

(7) To make annual reports and recommendations to the board of county commissioners; and

(8) To perform such other duties as may be expressly set forth in ~~sections 23-2517 to 23-2533~~ the County Civil Service Act and in the regulations adopted pursuant thereto.

Sec. 16. Section 23-2524, Reissue Revised Statutes of Nebraska, is amended to read:

23-2524 In addition to other duties imposed upon him or her by or pursuant to ~~sections 23-2517 to 23-2533~~ the County Civil Service Act, it shall be the duty of the county personnel officer:

(1) To apply and carry out the ~~provisions of sections 23-2517 to 23-2533~~ act and the rules and regulations adopted thereunder;

(2) To attend meetings of the personnel policy board and to act as its secretary and keep minutes of its proceedings;

(3) To establish and maintain a roster of all employees in the classified service, in which there shall be set forth as to each employee the class title, pay, or status, and other pertinent data;

(4) To appoint such employees of his or her office and such experts and special assistants as may be necessary to carry out effectively the ~~provisions of sections 23-2517 to 23-2533~~ act;

(5) To foster and develop, in cooperation with appointing authorities and others, programs for the improvement of employee effectiveness, including training, safety, health, counseling, and welfare;

(6) To encourage and exercise leadership in the development of effective personnel administration with the several county agencies, departments, and institutions; and

(7) To perform such other lawful acts as he or she may consider necessary or desirable to carry out the purposes and provisions of ~~sections 23-2517 to 23-2533~~ the County Civil Service Act.

Sec. 17. Section 23-2525, Reissue Revised Statutes of Nebraska, is amended to read:

23-2525 The county personnel officer shall, with the assistance of two advisory groups, one of classified employees and one of department heads, prepare and submit to the personnel policy board proposed personnel rules and regulations for the classified service. He or she shall give reasonable notice thereof to the heads of all agencies, departments, county employee associations, and institutions affected thereby, and they shall be given an opportunity, upon request, to appear before the board and present their views thereon. The personnel policy board shall submit the rules and regulations for adoption or amendment and adoption by resolution of the board of county commissioners. Amendments thereto shall be made in the same manner. The rules



and regulations shall provide:

(1) For a single integrated classification plan covering all positions in the county service except those expressly exempt from the provisions of sections 23-2517 to 23-2533 County Civil Service Act, which shall group all positions into defined classes containing a descriptive class title and a code identifying each class, and which shall be based on similarity of duties performed and responsibilities assumed, so that the same qualifications may reasonably be required and the same schedule of pay may be equitably applied to all positions in the same class. After the classification plan has been approved by the personnel policy board, the county personnel officer shall be responsible for the administration and maintenance of the plan and for the allocation of each classified position. Any employee affected by the allocation of a position to a class shall, upon request, be given a reasonable opportunity to be heard thereon by the personnel policy board who shall issue an advisory opinion to the personnel officer;

(2) For a compensation plan for all employees in the classified service, comprising salary schedules, hours of work, premium payments, special allowances, and fringe benefits, considering the amount of money available, the prevailing rates of pay in government and private employment, the cost of living, the level of each class of position in the classification plan, and other relevant factors. Initial, intervening, and maximum rates of pay for each class shall be established to provide for steps in salary advancement without change of duty in recognition of demonstrated quality and length of service. The compensation plan and amendments thereto shall be adopted in the manner prescribed for rules and regulations and shall in no way limit the authority of the board of county commissioners relative to appropriations for salary and wage expenditures;

(3) For open competitive examinations to test the relative fitness of applicants for the respective positions. Competitive examination shall not be required for transferred employees transferring from positions in the state or a political subdivision to positions in the county pursuant to a merger of services or transferred employees transferring from positions in the state or a political subdivision to positions in the county due to the assumption of functions of the state or a political subdivision by the county. The rules and regulations shall provide for the public announcement of the holding of examinations and shall authorize the personnel officer to prescribe examination procedures and to place the names of successful candidates on eligible lists in accordance with their respective ratings. Examinations may be assembled or unassembled and may include various job-related examining techniques, such as rating training and experience, written tests, oral interviews, recognition of professional licensing, performance tests, investigations, and any other measures of ability to perform the duties of the position. Examinations shall be scored objectively and employment registers shall be established in the order of final score. Certification of eligibility for appointment to vacancies shall be in accordance with a formula which limits selection by the hiring department from among the highest ranking available and eligible candidates, but which also permits selective certification under appropriate conditions as prescribed in the rules and regulations;

(4) For promotions which shall give appropriate consideration to examinations and to record of performance, seniority, and conduct. Vacancies shall be filled by promotion whenever practicable and in the best interest of the service, and preference may be given to employees within the department in which the vacancy occurs;

(5) For the rejection of candidates who fail to comply with reasonable requirements of the personnel officer in regard to such factors as physical conditions, training, and experience or who have been guilty of infamous or disgraceful conduct, who are addicted to alcohol or narcotics, or who have attempted any deception or fraud in connection with an examination;

(6) Prohibiting disqualification of any person from taking an examination, from promotion or from holding a position because of race, sex, ~~except where~~ unless it constitutes a bona fide occupational qualification, or national origin, physical disabilities, age, political or religious opinions or affiliations, or other factors which have no bearing upon the individual's fitness to hold the position;

(7) For a period of probation not to exceed one year before appointment or promotion may be made complete, and during which period a probationer may be separated from his or her position without the right of appeal or hearing except as provided in section 23-2531. After a probationer has been separated, he or she may again be placed on the eligible list at the discretion of the personnel officer. The rules shall provide that a probationer shall be dropped from the payroll at the expiration of his or

her probationary period if, within ten days prior thereto, the appointing authority has notified the personnel officer in writing that the services of the employee have been unsatisfactory;

(8) When an employee has been promoted but fails to satisfactorily perform the duties of the new position during the probationary period, he or she shall be returned to a position comparable to that held immediately prior to promotion at the current salary of such position;

(9) For temporary or seasonal appointments of limited terms of not to exceed one year;

(10) For part-time appointment where the employee accrues benefits of full-time employment on a basis proportional to the time worked;

(11) For emergency employment for not more than thirty days with or without examination, with the consent of the county personnel officer and department head;

(12) For provisional employment without competitive examination when there is no appropriate eligible list available. No such provisional employment shall continue longer than six months, nor shall successive provisional appointments be allowed;

(13) For transfer from a position in one department to a similar position in another department involving similar qualifications, duties, responsibilities, and salary ranges;

(14) For the transfer of employees of the state or a political subdivision to the county pursuant to a merger of services or due to the assumption of functions of the state or a political subdivision by the county;

~~(14)~~ (15) For layoff by reason of lack of funds or work or abolition of the position, or material change in duties or organization, for the layoff of nontenured employees first, and for reemployment of permanent employees so laid off, giving consideration in both layoff and reemployment to performance record and seniority in service;

~~(15)~~ (16) For establishment of a plan for resolving employee grievances and complaints;

~~(16)~~ (17) For hours of work, holidays, and attendance regulations in the various classes of positions in the classified service, and for annual, sick, and special leaves of absence, with or without pay, or at reduced pay;

~~(17)~~ (18) For the development of employee morale, safety, and training programs;

~~(18)~~ (19) For a procedure whereby an appointing authority may suspend, reduce, demote, or dismiss an employee for misconduct, inefficiency, incompetence, insubordination, malfeasance, or other unfitness to render effective service and for the investigation and public hearing of appeals of such suspended, reduced, demoted, or dismissed employee;

~~(19)~~ (20) For granting of leave without pay to a permanent employee to accept a position in the unclassified service, and for his or her return to a position comparable to that formerly held in the classified service at the conclusion of such service;

~~(20)~~ (21) For regulation covering political activity of employees in the classified service; and

~~(21)~~ (22) For other regulations not inconsistent with ~~sections 23-2517 to 23-2533~~ the County Civil Service Act and which may be necessary for its effective implementation.

Sec. 18. Section 23-2526, Reissue Revised Statutes of Nebraska, is amended to read:

23-2526 (1) No county personnel, or fiscal or other officer shall make or approve or take any part in making or approving any payment for personal service to any person holding a position in the classified service unless the payroll voucher or account of such pay bears the certification of the county personnel officer or his or her authorized agent, in the manner he or she may prescribe, that the persons named therein have been appointed and employed in accordance with the ~~provisions of sections 23-2517 to 23-2533~~ County Civil Service Act and the rules and regulations adopted hereunder.

(2) The county personnel officer may, for proper cause, withhold certification from a payroll any specific item or items thereon. The personnel officer shall provide that certification of payrolls be made each year and that such certification shall remain in effect except in the case of an officer or employee whose status has changed after the last certification of his or her payroll, in which case no voucher for payment of salary to such officer or employee shall be issued or payment of salary made without further certification by the personnel officer.

Sec. 19. Section 23-2527, Reissue Revised Statutes of Nebraska, is amended to read:

23-2527 (1) Any county subject to ~~sections 23-2517 to 23-2533~~ the County Civil Service Act may enter into reciprocal agreements, upon such terms

as may be agreed upon, for the use of equipment, materials, facilities, and services with any public agency or body for purposes deemed of benefit to the county personnel system.

(2) The county personnel officer, with the approval of the board of county commissioners, may cooperate with other governmental agencies charged with public personnel administration in conducting personnel tests, recruiting personnel, training personnel, establishing lists from which eligible candidates shall be certified for appointment, and for the interchange of personnel and their benefits.

Sec. 20. Section 23-2531, Reissue Revised Statutes of Nebraska, is amended to read:

23-2531 (1) Discrimination against any person in recruitment, examination, appointment, training, promotion, retention, discipline, or any other aspect of personnel administration because of political or religious opinions or affiliations or because of race, national origin, or other nonmerit factors shall be prohibited. Discrimination on the basis of age or sex or physical disability shall be prohibited ~~except where~~ unless specific age, sex, or physical requirements constitute a bona fide occupational qualification necessary to proper and efficient administration. The rules and regulations shall provide for appeals in cases of alleged discrimination to the personnel policy board whose determination shall be binding upon a finding of discrimination.

(2) No person shall make any false statement, certificate, mark, rating, or report with regard to any test, certification, or appointment made under ~~any provision of sections 23-2517 to 23-2533~~ the County Civil Service Act or in any manner commit or attempt to commit any fraud preventing the impartial execution of ~~sections 23-2517 to 23-2533~~ the act and the rules and regulations promulgated pursuant to ~~sections 23-2517 to 23-2533~~ the act.

(3) No person shall, directly or indirectly, give, render, pay, offer, solicit, or accept any money, service, or other valuable consideration for or on account of any appointment, proposed appointment, promotion, or proposed promotion to, or any advantage in, a position in the classified service.

(4) No employee of the personnel office, examiner, or other person shall defeat, deceive, or obstruct any person in his or her right to examination, eligibility, certification, or appointment under ~~sections 23-2517 to 23-2533~~ the act, or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any persons with respect to employment in the classified service.

Sec. 21. Section 23-2533, Reissue Revised Statutes of Nebraska, is amended to read:

23-2533 Any person who willfully violates any provision of ~~sections 23-2517 to 23-2533~~ the County Civil Service Act or of the rules and regulations adopted under ~~sections 23-2517 to 23-2533~~ the act shall be guilty of a misdemeanor, and shall, upon conviction thereof, be fined not more than five hundred dollars, or be imprisoned in the county jail for not more than six months, or be both so fined and imprisoned.

Sec. 22. Section 23-3202, Revised Statutes Cumulative Supplement, 2004, is amended to read:

23-3202 No person, except the Property Tax Administrator performing the assessment function pursuant to section 77-1340, shall be eligible to file for, ~~or~~ be appointed to, or hold the office of county assessor or serve as deputy assessor in any county of this state unless he or she holds a county assessor certificate issued pursuant to section 77-422.

Sec. 23. Section 23-3209, Reissue Revised Statutes of Nebraska, is amended to read:

23-3209 Any county assessor, elected or appointed, who willfully neglects or refuses in whole or in part to perform the duties required by law in the assessment of property for taxation shall be ~~deemed guilty of a Class V misdemeanor~~ and shall be answerable in damages to ~~the county~~ a political subdivision or any person thereby injured up to the limits of his or her official bond.

Sec. 24. Section 77-201, Revised Statutes Supplement, 2005, is amended to read:

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

(2) Agricultural land and horticultural land as defined in section 77-1359 shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at eighty percent of its actual value.

(3) Agricultural land and horticultural land actively devoted to agricultural or horticultural purposes which has value for purposes other than agricultural or horticultural uses and which meets the qualifications for special valuation under section 77-1344 shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, and shall be valued for taxation at eighty percent of its special value as defined in section 77-1343 and at its actual value when the land is disqualified for special valuation under section 77-1347. ~~and at eighty percent of its recapture value as defined in section 77-1343 when the land is disqualified for special valuation under section 77-1347.~~

(4) Commencing January 1, 2006, historically significant real property which meet the qualifications for historic rehabilitation valuation under sections 77-1385 to 77-1394 shall be valued for taxation as provided in such sections.

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

Sec. 25. Section 77-422, Revised Statutes Cumulative Supplement, 2004, is amended to read:

77-422 (1) Upon the successful completion of the examination by the applicant, a county assessor certificate shall be issued to him or her.

(2) The Property Tax Administrator shall establish a system for revocation or suspension of a certificate for failure to maintain the educational standards and criteria and shall have the power to revoke the certificate if the certificate holder has not successfully met the educational requirements in section 77-414. A copy of the Property Tax Administrator's written order revoking or suspending a certificate shall be mailed to the person within seven days after the date of the order.

(3) Any person whose certificate has been revoked or suspended may appeal the written order of the Property Tax Administrator, within thirty days after the date of the order, to the Tax Equalization and Review Commission in accordance with section 77-5013.

(4) A person whose certificate has been invalidated by the commission or the Property Tax Administrator shall not be eligible to hold a certificate for five years after the date of invalidation.

Sec. 26. Section 77-801.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-801.01 As used in sections 77-801 to 77-804:

(1) Nonoperating property means property owned or leased by a public service entity that does not contribute to the entity's function;

(2) Operating property means property owned or leased that contributes to a public service entity's function; and

(3) Public service entity means any person as defined in section 49-801 or entity, organized for profit under the laws of this state or any other state or government and engaged in the business of waterworks, electrical power, gas works, natural gas, ~~telegraphs, telephones~~ telecommunications, pipelines used for the transmission of oil, heat, steam, or any substance to be used for lighting, heating, or power, and pipelines used for the transmission of articles by pneumatic or other power and all other similar or like entities.

Sec. 27. Section 77-1343, Revised Statutes Cumulative Supplement, 2004, is amended to read:

77-1343 The purpose of sections 77-1343 to 77-1348 is to provide a special valuation for qualified agricultural or horticultural land so that the

current assessed valuation of the land for property tax purposes is the value that the land would have without regard to the value the land would have for other purposes or uses. For purposes of sections 77-1343 to 77-1348:

(1) Agricultural or horticultural land means that land as defined in section 77-1359;

(2) Applicant means an owner or lessee; Agricultural or horticultural use means the use of land as defined in section 77-1359, so that incidental use of the land for nonagricultural or nonhorticultural purposes shall not disqualify the land;

(3) Lessee means a person leasing agricultural or horticultural land from a state or governmental subdivision which is an owner that is subject to taxation under section 77-202.11;

(4) Owner means an owner of record of agricultural or horticultural land ~~who holds an estate in fee simple or for life, any one of tenants in common or joint tenants who hold an estate in fee simple or for life, or the purchaser of agricultural or horticultural land under a contract for sale;~~

(5) Recapture valuation means the actual value of the land pursuant to section 77-112; and

(6) Special valuation means the value that the land would have for agricultural or horticultural purposes or uses without regard to the actual value the land would have for other purposes or uses. ;

~~(7) Taxpayer means the owner or lessee that is responsible for paying the property taxes levied on an item of real property; and~~

~~(8) Zoned for agricultural or horticultural use means designation of any land predominantly for agricultural or horticultural use by any political subdivision pursuant to sections 19-924 to 19-933, Chapter 14, article 4, Chapter 15, article 9, Chapter 16, article 9, Chapter 17, article 10, or Chapter 23, article 1. The primary objective of the agricultural or horticultural use zoning shall be to preserve and protect agricultural activities and the potential for the agricultural, horticultural, or open use of land. Uses to be allowed on such lands include primarily agricultural-related or horticultural-related uses, and nonagricultural or nonhorticultural industrial, commercial, or residential uses allowed on such lands shall be restricted so that they do not conflict with or detract from this objective.~~

Sec. 28. Section 77-1344, Revised Statutes Supplement, 2005, is amended to read:

77-1344 (1) Any Agricultural or horticultural land which has an actual value as defined in section 77-112 reflecting purposes or uses other than agricultural or horticultural use purposes or uses shall be assessed as provided in subsection (3) of section 77-201 if the land meets the qualifications of this subsection and an application for such special valuation is made filed and approved pursuant to section 77-1345. In order for the land to qualify for special valuation all of the following criteria shall be met: (a) The land is located outside the corporate boundaries of any sanitary and improvement district, city, or village, except as provided in subsection (2) of this section; and (b) the land is used for agricultural or horticultural land purposes, and ~~(c) the land is zoned predominantly for agricultural or horticultural use.~~

(2) The special valuation provisions may be applicable to real property Special valuation may be applicable to agricultural or horticultural land included within the corporate boundaries of a city or village if the land is subject to a conservation or preservation easement as provided in the Conservation and Preservation Easements Act and the governing body of the city or village approves the agreement creating the easement.

(3) The eligibility of land for the special valuation provisions of this section shall be determined as of January 1, but if land so qualified becomes disqualified upon notice from the county assessor that the land is disqualified pursuant to section 77-1347 prior to the levy date July 25 of the same year, it shall be valued and carried on the assessment roll according to section 77-201. tax roll at its recapture value. If the land becomes disqualified after the date of levy, its valuation for that year shall continue as provided in this section.

(4) The special valuation and ~~recapture valuation~~ placed on such land by the county assessor under this section shall be subject to equalization by the county board of equalization and the Tax Equalization and Review Commission.

(5) Recapture value shall be determined only through tax year 2009. The recapture valuation placed on such land by the county assessor under this section shall be subject to equalization by the county board of equalization and the Tax Equalization and Review Commission.

Sec. 29. Section 77-1345, Revised Statutes Cumulative Supplement,

2004, is amended to read:

77-1345 (1) ~~Any taxpayer~~ An applicant seeking special valuation under section 77-1344 shall make application to the county assessor on or before June 30 of the first year in which such valuation is requested.

(2) (a) The application shall be made upon forms prescribed by the Property Tax Administrator and available from the county assessor and shall include such information as may reasonably be required to determine the eligibility of the applicant and the land.

(b) The application shall be signed by any one of the following:

(i) ~~The taxpayer~~ applicant;

(ii) Any person of legal age duly authorized in writing to sign an application on behalf of the ~~taxpayer~~ applicant; or

(iii) The guardian or conservator of a ~~taxpayer~~ the applicant or the executor or administrator of a ~~taxpayer's~~ the applicant's estate.

(c) The assessor shall not approve an application signed by a person whose authority to sign is not a matter of public record in the county unless there is filed with the assessor a true copy of the deed, contract of sale, power of attorney, lease, or other appropriate instrument evidencing the signer's ~~interest or authority~~ qualification pursuant to subdivision (2) (b) of this section.

(3) If the county board of equalization takes action pursuant to section 77-1504 or 77-1507, the ~~taxpayer~~ applicant may file an application for special valuation within thirty days after the mailing of the valuation notice issued by the county board of equalization pursuant to section 77-1504 or 77-1507.

Sec. 30. Section 77-1345.01, Revised Statutes Supplement, 2005, is amended to read:

77-1345.01 (1) On or before July 15 in the year of application, the county assessor shall approve or deny the application for special valuation filed pursuant to section 77-1345. On or before July 22, the county assessor shall issue notice of approval or denial.

(2) If the application is approved by the county assessor, the land shall be valued as provided in section 77-1344 and, on or before July 22, the county board of equalization shall send a property valuation notice for special value and recapture value to the owner and, if not the same, the applicant. Within thirty days after the mailing of the notice, a written protest of the special value or recapture value may be filed.

(3) (a) If the application is denied by the assessor, a written protest of the denial of the application may be filed within thirty days after the mailing of the denial.

(b) If the denial of an application for special valuation is reversed on appeal and the application is approved, the land shall be valued as provided in section 77-1344 and the county board of equalization shall send the property valuation notice for special value and recapture value to the owner and, if not the same, the applicant or his or her successor in interest, within fourteen days after the date of the final order. Within thirty days after the mailing of the notice, a written protest of the special value or recapture value may be filed.

(4) If the county board of equalization takes action pursuant to section 77-1504 or 77-1507 and the ~~taxpayer~~ applicant filed an application for special valuation pursuant to subsection (3) of section 77-1345, the county assessor shall approve or deny the application within fifteen days after the filing of the application and issue notice of the approval or denial as prescribed in subsection (1) of this section. If the application is denied by the county assessor, a written protest of the denial may be filed within thirty days of the mailing of the denial.

(5) The assessor shall mail notice of any action taken by him or her on an application to the owner and the applicant if different than the owner.

(6) All provisions of section 77-1502 except dates for filing of a protest, the period for hearing protests, and the date for mailing notice of the county board of equalization's decision are applicable to any protest filed pursuant to this section.

(7) The county board of equalization shall decide any protest filed pursuant to this section within thirty days after the filing of the protest.

(8) The clerk shall mail a copy of any decision made by the county board of equalization on a protest filed pursuant to this section to the owner and the applicant if different than the owner within seven days after the board's decision.

(9) Any decision of the county board of equalization may be appealed to the Tax Equalization and Review Commission, in accordance with section 77-5013, within thirty days after the date of the decision.

(10) Any applicant may petition the Tax Equalization and Review

Commission in accordance with section 77-5013, on or before December 31 of each year, to determine whether the land will receive special valuation for that year if a failure to give notice as prescribed by this section prevented timely filing of a protest or appeal provided for in this section.

Sec. 31. Section 77-1347, Revised Statutes Supplement, 2005, is amended to read:

77-1347 Upon approval of an application, the county assessor shall value the land as provided in section 77-1344 until the land becomes disqualified for such valuation by:

(1) Written notification by the taxpayer to the applicant or his or her successor in interest to the county assessor to remove such special valuation;

(2) Sale or transfer to an ownership making it exempt from property taxation;

(3) Sale or transfer to the state or its political subdivisions, unless the land continues to qualify as agricultural or horticultural land;

~~(4) A change in zoning so that the land is no longer zoned predominantly for agricultural or horticultural use;~~

~~(5) (4) Except as provided in subsection (2) of section 77-1344, inclusion of the land within the corporate boundaries of any sanitary and improvement district, city, or village; or~~

~~(6) (5) The land is no longer used for agricultural or horticultural purposes qualifying as agricultural or horticultural land.~~

Sec. 32. (1) The county assessor may make a determination that land no longer qualifies for special valuation pursuant to sections 77-1344 and 77-1347. If the county assessor's disqualification determination is made on or before March 19 of the year for which the land is deemed disqualified, the county assessor shall send a written notice of the determination to the applicant or owner within fifteen days after his or her determination, including the reason for the disqualification. A protest of the county assessor's determination may be filed with the county board of equalization within thirty days after the mailing of the notice. The county board of equalization shall decide the protest within thirty days after the filing of the protest. The county clerk shall, within seven days after the county board of equalization's final decision, mail to the protester written notification of the board's decision. The decision of the county board of equalization may be appealed to the Tax Equalization and Review Commission in accordance with section 77-5013 within thirty days after the date of the decision. The valuation notice relating to the land subject to the county assessor's disqualification notice shall be sent in accordance with subsection (2) of section 77-1315 and the valuation may be protested pursuant to section 77-1502.

(2) If the county assessor's disqualification determination is made after March 19 and on or before July 25 of the year for which the land is deemed disqualified, the county assessor shall prepare a report for the county board of equalization setting forth the parcel the county assessor believes should be disqualified, the reason for the disqualification, and the valuation of the property after disqualification. The county board of equalization may meet on or after June 1 and on or before July 25 to consider the question of the disqualification and valuation of a parcel or parcels reported to the county board of equalization pursuant to this section. Upon review of the report from the county assessor, the county board of equalization may issue a written notice to the taxpayer determining that the parcel should be disqualified and determining the valuation of the parcel after disqualification. A protest of either the disqualification determination or the valuation of the parcel, or both, may be filed with the county board of equalization within thirty days after the mailing of the notice. The county board of equalization shall decide the protest within thirty days after the filing of the protest. The county clerk shall, within seven days after the county board of equalization's final decision, mail to the protester written notification of the board's decision. The decision of the county board of equalization may be appealed to the Tax Equalization and Review Commission in accordance with section 77-5013 within thirty days after the date of the decision.

Sec. 33. Section 77-1348, Revised Statutes Cumulative Supplement, 2004, is amended to read:

77-1348 (1) Whenever land which has received special valuation becomes disqualified for such special valuation, the assessor shall notify the ~~taxpayer~~ applicant and there shall be added to the tax extended against the land on the respective property tax roll or rolls, to be collected and distributed in the same manner as other taxes levied upon real property, an amount equal to the sum of the following:

(a) If the land was disqualified for special valuation before the levy date of the year of disqualification, the total amount by which the taxes assessed against the land would have been increased if it had been valued at its recapture value during the last three or lesser number of years in which such special valuation was in effect for the land, and, if the land was disqualified on or after the levy date of the year of disqualification, the total amount by which the taxes assessed against the land would have increased if it had been valued at its recapture value during the last four or lesser number of years in which special valuation was in effect for the land; and

(a)(i) For tax year 2007, if the land was disqualified before July 25 of the year of disqualification, the total amount by which the taxes assessed against the land would have been increased if it had been valued at its recapture value during the last two or lesser number of years in which such special valuation was in effect for the land, and, if the land was disqualified on or after July 25 of the year of disqualification, the total amount by which the taxes assessed against the land would have increased if it had been valued at its recapture value during the last three or lesser number of years in which special valuation was in effect;

(ii) For tax year 2008, if the land was disqualified before July 25 of the year of disqualification, the total amount by which the taxes assessed against the land would have been increased if it had been valued at its recapture value during the last year in which such special valuation was in effect for the land, and, if the land was disqualified on or after July 25 of the year of disqualification, the total amount by which the taxes assessed against the land would have increased if it had been valued at its recapture value during the last two or lesser number of years in which special valuation was in effect; and

(iii) For tax year 2009, if the land was disqualified before July 25 of the year of disqualification, the total amount by which taxes assessed against the land would have been increased if it had been valued at its recapture value during the current tax year, and, if the land was disqualified on or after July 25 of the year of disqualification, the total amount by which the taxes assessed against the land would have increased if it had been valued at its recapture value during the last year in which special valuation was in effect.

For tax years beginning in 2010, the disqualification of land for special valuation shall not result in additional taxes; and

(b) Interest upon the amounts of additional tax from each year included in subdivision (1)(a) of this section at the rate of six percent from the dates at which such additional taxes would have been payable if no special valuation had been in effect through sixty days after the notice sent pursuant to subsection (1) of this section. Upon expiration of the sixty days, the additional taxes and interest shall be delinquent and interest shall accrue at the rate provided in section 45-104.01 until paid.

(2) In cases when the designation of special valuation is removed as a result of a sale or transfer described in subdivision (2) or (3) of section 77-1347 other than an acquisition described in subsection (3) of this section, the lien for such increased taxes and interest shall attach as of the day preceding such sale or transfer.

(3) The provisions of subsection (1) of this section do not apply if:

(a) The land was acquired by eminent domain;

(b) The land is owned by a public entity and is disqualified from special valuation because it is being used or is being developed for use in a public purpose or is exchanged for other property to be used or developed for use in a public purpose; or

(c) The land is donated to an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code or to the state or its political subdivisions and will be used by the organization, state, or political subdivision for a public, educational, religious, charitable, or cemetery purpose under section 77-202.

Sec. 34. Section 77-1355, Revised Statutes Supplement, 2005, is amended to read:

77-1355 (1) The Greenbelt Advisory Committee is established to assist and advise the Property Tax Administrator in developing uniform and proportionate special valuation of agricultural real property which is ~~zoned for agricultural use and~~ subject to land-use controls provided for in sections 77-1343 to 77-1348. The advisory committee shall provide advice to the Property Tax Administrator and the Legislature on rules and regulations under section 77-1346 and methods and practices of state and local assessing officials for such special valuation. The Property Tax Administrator shall respond to the recommendations of the advisory committee and explain the basis



for approval or rejection of recommendations.

(2) The advisory committee shall consist of the following members appointed by the Governor:

- (a) Two active farmers;
- (b) An active rancher;
- (c) A real estate appraiser with expertise in the appraisal of agricultural real estate;
- (d) A professor of agricultural economics at the University of Nebraska Institute of Agriculture and Natural Resources;
- (e) An elected county assessor or a designee of the county assessor;
- (f) A local planning and zoning official;
- (g) An elected county official who has served on an agricultural and horticultural land valuation board; and
- (h) A county attorney who has an understanding of appraisal processes and problems encountered in the valuation of real property.

The members shall serve for terms of four years, except that the Governor shall designate three of the initial members to serve for two-year terms. The members shall select a chairperson from the advisory committee's membership. The advisory committee shall meet at least once annually.

(3) The advisory committee shall develop recommendations on:

- (a) When using comparable sales analysis for purposes of establishing the special valuation under sections 77-1343 to 77-1348, how such information may be gathered from other counties and locations within a county;
- (b) When using an income capitalization approach for such special valuation, the income and expense information to be used and the appropriate method of gathering such information;
- (c) When using the income capitalization approach, the approved methods of determining the capitalization rate, including methods of gathering valid comparable sales for purposes of determining the capitalization rate on comparable agricultural land and horticultural land; and
- (d) Any further revisions to sections 77-1343 to 77-1348 as the committee deems important for uniform enforcement of such sections and uniform special valuation of agricultural real property.

(4) Methods and recommendations developed by the advisory committee shall provide for an annually updated analysis based on a three-year average of the information used. The advisory committee may develop recommendations for valuation methods which provide for special valuation of land used for specialized agricultural crop production which is unique or localized to a specific area. The recommendations shall be provided by October 1 each year.

(5) The Property Tax Administrator shall provide administrative staff support and information as requested by the advisory committee so long as provision of staff support and information does not impair the ability of the Property Tax Administrator to carry out other statutory obligations.

(6) Members shall be reimbursed for actual and necessary expenses pursuant to sections 81-1174 to 81-1177.

Sec. 35. Section 77-1359, Reissue Revised Statutes of Nebraska, is amended to read:

77-1359 The Legislature finds and declares that agricultural land and horticultural land shall be a separate and distinct class of real property for purposes of assessment. The assessed value of agricultural land and horticultural land shall not be uniform and proportionate with all other real property, but the assessed value shall be uniform and proportionate within the class of agricultural land and horticultural land.

For purposes of sections 77-1359 to 77-1363:

(1) Agricultural land and horticultural land shall mean means a parcel of land which is primarily used for the production of agricultural or horticultural products purposes, including wasteland lying in or adjacent to and in common ownership or management with other agricultural land and horticultural land. Agricultural land and horticultural land does not include any land directly associated with any building or enclosed structure;

(2) Agricultural or horticultural purposes means used for the commercial production of any plant or animal product in a raw or unprocessed state that is derived from the science and art of agriculture, aquaculture, or horticulture. Agricultural or horticultural purposes includes the following uses of land:

(a) land used for the production of agricultural or horticultural products. Land retained or protected for future agricultural or horticultural uses purposes under a conservation easement as provided in the Conservation and Preservation Easements Act shall be defined as agricultural land or horticultural land, except when the parcel or a portion thereof is being used for purposes other than agricultural or horticultural purposes; and

(b) Land enrolled in a federal or state program in which payments

are received for removing such land from agricultural or horticultural production; shall be defined as agricultural land or horticultural land. Land that is zoned predominantly for purposes other than agricultural or horticultural use shall not be assessed as agricultural land or horticultural land.

(2) Agricultural or horticultural products shall include grain and feed crops, forages and sod crops, animal production, including breeding, feeding, or grazing of cattle, horses, swine, sheep, goats, bees, or poultry, and fruits, vegetables, flowers, seeds, grasses, trees, timber, and other horticultural crops.

(3) Farm home site shall mean means not more than one acre of land contiguous to a farm site which includes an inhabitable residence and improvements used for residential purposes, and such improvements include utility connections, water and sewer systems, and improved access to a public road; and

(4) Farm site shall mean means the portion of land contiguous to land actively devoted to agriculture which includes improvements that are agricultural or horticultural in nature, including any uninhabitable or unimproved farm home site.

Sec. 36. Section 77-1363, Revised Statutes Cumulative Supplement, 2004, is amended to read:

77-1363 Agricultural land and horticultural land shall be divided into classes and subclasses of real property under section 77-103.01, including, but not limited to, irrigated cropland, dryland cropland, grassland, wasteland, nurseries, feedlots, and orchards, so that the categories reflect uses appropriate for the valuation of such land according to law. Classes shall be inventoried by subclasses of real property based on soil classification standards developed by the Natural Resources Conservation Service of the United States Department of Agriculture as converted into land capability groups by the Property Tax Administrator. Land enrolled in a federal or state program in which payments are received for removing such land from agricultural or horticultural production shall be classified according to its taxable value as determined in subsection (2) or (3) of section 77-201. County assessors shall utilize and implement soil surveys in the tax assessment year after the soil survey maps become available from the Natural Resources Conservation Service of the United States Department of Agriculture. County assessors shall utilize and implement soil classifications as converted into land valuation groups provided by the Property Tax Administrator. Nothing in this section shall be construed to limit the classes and subclasses of real property that may be used by county assessors or the Tax Equalization and Review Commission to achieve more uniform and proportionate valuations.

Sec. 37. Section 77-1502, Revised Statutes Supplement, 2005, is amended to read:

77-1502 (1) The county board of equalization shall meet for the purpose of reviewing and deciding written protests filed pursuant to this section beginning on or after June 1 and ending on or before July 25 of each year. Protests regarding real property shall be signed and filed after the county assessor's completion of the real property assessment roll required by section 77-1315 and on or before June 30. For protests of real property, a protest shall be filed for each parcel. Protests regarding tangible personal property shall be signed and filed on or before the last date for filing the return required by section 77-1229. The county board in a county with a population of more than one hundred thousand inhabitants based upon the most recent federal decennial census may adopt a resolution to extend the deadline for hearing protests from July 25 to August 10. The resolution must be adopted before July 25 and it will affect the time for hearing protests for that year only. By adopting such resolution, such county waives any right to petition the Tax Equalization and Review Commission for adjustment of a class or subclass of real property under section 77-1504.01 for that year.

(2) Each protest shall be signed and filed in triplicate with the county clerk of the county where the property is assessed. The protest shall contain or have attached a statement of the reason or reasons why the requested change should be made and a description of the property to which the protest applies. If the property is real property, a description of each parcel shall be provided. If the property is tangible personal property, a physical description of the property under protest shall be provided. If the protest does not contain or have attached the statement of the reason or reasons for the protest or the description of the property, the protest shall be dismissed by the county board of equalization.

(3) No hearing of the county board of equalization on a protest filed under this section shall be held before a single commissioner or supervisor.

(4) The county clerk or county assessor shall prepare a separate report on each protest. The report shall include (a) a description of the property to which the protest applies, (b) any recommendation of the county assessor for action on the protest, (c) if a referee is used, the recommendation of the referee, (d) the date the county board of equalization heard the protest, (e) the decision made by the county board of equalization, (f) the date of the decision, and (g) the date notice of the decision was mailed to the protester. The report shall contain, or have attached to it, a statement, signed by the chairperson of the county board of equalization, describing the basis upon which the board's decision was made. The report shall have attached to it a copy of that portion of the property record file which substantiates calculation of the protested value unless the county assessor certifies to the county board of equalization that a copy is maintained in either electronic or paper form in his or her office. One copy of the report, if prepared by the county clerk, shall be given to the county assessor on or before August 2. The county assessor shall have no authority to make a change in the assessment rolls until there is in his or her possession a report which has been completed in the manner specified in this section. If the county assessor deems a report submitted by the county clerk incomplete, the county assessor shall return the same to the county clerk for proper preparation.

(5) On or before August 2, or on or before August 18 in a county that has adopted a resolution to extend the deadline for hearing protests, the county clerk shall mail to the protester written notice of the board's decision. The notice shall contain a statement advising the ~~protester~~ protester that a report of the board's decision is available at the county clerk's or county assessor's office, whichever is appropriate, and that a copy of the report may be used to complete an appeal to the Tax Equalization and Review Commission.

Sec. 38. Section 77-1504, Revised Statutes Supplement, 2005, is amended to read:

77-1504 The county board of equalization may meet on or after June 1 and on or before July 25, or on or before August 10 if the county has adopted a resolution to extend the deadline for hearing protests under section 77-1502, to consider and correct the current year's assessment of any real property which has been undervalued or overvalued. The board shall give notice of the assessed value to the record owner or agent at his or her last-known address.

The county board of equalization in taking action pursuant to this section may only consider the ~~reports~~ report of the county assessor pursuant to sections 77-1315.01 and 77-1317 or any other documented information known to any member of the board section 77-1315.01.

Action of the county board of equalization pursuant to this section shall be for the current assessment year only.

The action of the county board of equalization may be protested to the board within thirty days after the mailing of the notice required by this section. If no protest is filed, the action of the board shall be final. If a protest is filed, the county board of equalization shall hear the protest in the manner prescribed in section 77-1502, except that all protests shall be heard and decided on or before September 15 or on or before September 30 if the county has adopted a resolution to extend the deadline for hearing protests under section 77-1502. Within seven days after the county board of equalization's final decision, the county clerk shall mail to the protester written notice of the decision. The notice shall contain a statement advising the protester that a report of the decision is available at the county clerk's or county assessor's office, whichever is appropriate, and that a copy of the report may be used to complete an appeal to the Tax Equalization and Review Commission.

The action of the county board of equalization upon a protest filed pursuant to this section may be appealed to the Tax Equalization and Review Commission on or before October 15 or on or before October 30 if the county has adopted a resolution to extend the deadline for hearing protests under section 77-1502.

Sec. 39. Section 77-1507, Revised Statutes Supplement, 2005, is amended to read:

77-1507 (1) The county board of equalization may meet at any time for the purpose of assessing any omitted real property that was not reported to the county assessor pursuant to section 77-1318.01 and for correction of clerical errors as defined in section 77-128 that result in a change of valuation assessed value. The county board of equalization shall give notice of the assessed value of the real property to the record owner or agent at his or her last-known address. For real property which has been omitted in the

current year, the county board of equalization shall not send notice pursuant to this section on or before June 1.

Protests of the assessed value proposed for omitted real property pursuant to this section or a correction for clerical errors shall be filed with the county board of equalization within thirty days after the mailing of the notice. All provisions of section 77-1502 except dates for filing a protest, the period for hearing protests, and the date for mailing notice of the county board of equalization's decision are applicable to any protest filed pursuant to this section.

(2) The county clerk shall, within seven days after the board's final decision, send:

(a) For protested action, a notification to the protester of the board's final action advising the protester that a report of the board's final decision is available at the county clerk's or county assessor's office, whichever is appropriate, and that a copy of the report may be used to complete an appeal to the Tax Equalization and Review Commission; and

(b) For protested and nonprotested action, a report to the Property Tax Administrator which shall state the description of the property, the reason such property was not assessed pursuant to section 77-1301, and a statement of the board's justification for its action. A copy of the report shall be available for public inspection in the office of the county clerk.

(3) The action of the county board of equalization upon a protest filed pursuant to this section may be appealed to the Tax Equalization and Review Commission within thirty days after the board's final decision.

(4) Improvements to real property which were properly reported to the county assessor pursuant to section 77-1318.01 for the current year and were not added to the assessment roll by the county assessor on or before March 19 shall only be added to the assessment roll by the county board of equalization from June 1 through July 25. In counties that have adopted a resolution to extend the deadline for hearing protests under section 77-1502, the deadline of July 25 shall be extended to August 10.

Sec. 40. Section 77-1843, Reissue Revised Statutes of Nebraska, is amended to read:

77-1843 In all controversies and suits involving the title to real property claimed and held under and by virtue of a deed made substantially by the treasurer in the manner provided by sections 77-1831 to 77-1842, the person claiming the title adverse to the title conveyed by such deed shall be required to prove, in order to defeat the title, either (1) that the real property was not subject to taxation for the years or year named in the deed; (2) that the taxes had been paid before the sale; (3) that the property has been redeemed from the sale according to the provisions of sections 77-1201 to 77-1219, 77-1229 to 77-1236, 77-1301 to 77-1318.01, 77-1501 to ~~77-1515~~ 77-1514, 77-1601 to 77-1618, 77-1701 to 77-1710, 77-1716 to 77-1738, 77-1740 to 77-1767, and 77-1801 to 77-1855, and that such redemption was had or made for the use and benefit of persons having the right of redemption under the laws of this state; or (4) that there had been an entire omission to list or assess the property, or to levy the taxes, or to sell the property.

Sec. 41. Section 77-5009, Reissue Revised Statutes of Nebraska, is amended to read:

77-5009 (1) The commission may employ legal, clerical, and other assistants as may be necessary to carry out the powers and duties of the commission.

(2) (a) For purposes of finding facts or conducting an investigation on behalf of the commission with regard to any matters relating to taxation or assessment, the commission may appoint by an order in writing a special master or special masters whose duties are prescribed in the order, except that the duties of a special master shall not include the determination of conclusions of law or the final disposition of any case or controversy.

(b) Special masters may be paid a salary or fee in the discretion of the commission. If a salary is paid, the amount paid shall be fixed by the commission, and if a fee is paid, the amount paid shall be in accordance with the value of the service rendered and shall be agreed upon and approved by the commission before the special master renders service under his or her appointment.

(c) The claim for services rendered shall be certified by the commission and paid as provided by law for other claims against the state.

(3) In the discharge of his or her duties, a special master shall have all the investigative and factfinding powers of the commission. ~~in deciding any tax dispute.~~

(4) (a) The commission may conduct a number of factfindings or investigations contemporaneously through different special masters and may delegate to a special master the taking of all testimony bearing upon any

investigation or hearing.

(b) The decision of the commission shall be based upon its examination of all testimony and records.

(c) The recommendations made by any special master shall be advisory only and shall not preclude the taking of further testimony if the commission orders further investigation.

(5) (a) For purposes of mediating valuation disputes between the county and the owner of the property, the commission by order may also contract with or appoint a referee or referees. The purpose of the referee is to meet with the parties and facilitate agreement on facts and issues prior to the hearing on the appeal. The referee may not be called as a witness in a hearing on the merits nor may evidence of any statements made by the parties or the referee pertaining to or at the referee meeting be received by the commission in a hearing on the merits. If the parties fail to resolve their differences, either a hearing before the commission shall be held as previously scheduled or the case shall be placed on the schedule for hearing a hearing on the merits of the appeal shall be held before the commission. If the parties resolve their differences, the commission shall enter an order that reflects the agreement of the parties.

(b) Referees may be paid a salary or fee in the discretion of the commission. If a salary is paid, the amount paid shall be fixed by the commission, and if a fee is paid, the amount paid shall be in accordance with the value of the service rendered and shall be agreed upon and approved by the commission before the referee renders service under his or her appointment.

(c) The claim for services rendered shall be certified by the commission and paid as provided by law for other claims against the state.

Sec. 42. Section 77-5019, Revised Statutes Supplement, 2005, is amended to read:

77-5019 (1) Any party aggrieved by a final decision in a case appealed to the commission, and any party aggrieved by a final decision of the commission on a petition, or any party aggrieved by an order of the commission issued pursuant to section 77-5020 or sections 77-5023 to 77-5028 shall be entitled to judicial review in the Court of Appeals. Upon request of the county, the Attorney General may appear and represent the county or political subdivision in cases in which the commission is not a party. Nothing in this section shall be deemed to prevent resort to other means of review, redress, or relief provided by law.

(2) (a) Proceedings for review shall be instituted by filing a petition and the appropriate docket fees in the Court of Appeals within thirty days after the date on which a final appealable order is entered by the commission. All parties of record shall be made parties to the proceedings for review. The commission shall only be made a party of record if the action complained of is an order issued by the commission pursuant to section ~~77-1380~~, ~~77-1504.01~~, or 77-5020, or sections 77-5023 to 77-5028. Summons shall be served on all parties within thirty days after the filing of the petition in the manner provided for service of a summons in section 25-510.02. The court, in its discretion, may permit other interested persons to intervene. No bond or undertaking is required for an appeal to the Court of Appeals.

(b) A petition for review shall set forth: (i) The name and mailing address of the petitioner; (ii) the name and mailing address of the county whose action is at issue or the commission; (iii) identification of the final decision at issue together with a duplicate copy of the final decision; (iv) the identification of the parties in the case that led to the final decision; (v) the facts to demonstrate proper venue; (vi) the petitioner's reasons for believing that relief should be granted; and (vii) a request for relief, specifying the type and extent of the relief requested.

(3) The filing of the petition or the service of summons upon the commission shall not stay enforcement of a decision. The commission may order a stay. The court may order a stay after notice of the application for the stay to the commission and to all parties of record. The court may require the party requesting the stay to give bond in such amount and conditioned as the court directs.

(4) Upon receipt of a petition the date for submission of the official record shall be determined by the court. The commission shall prepare a certified copy of the official record of the proceedings had before the commission in the case. The official record, unless limited by the written request of the petitioner, shall include: (a) Notice of all proceedings; (b) any pleadings, motions, requests, preliminary or intermediate rulings and orders, and similar correspondence to or from the commission pertaining to the case; (c) the transcribed record of the hearing before the commission, including all exhibits and evidence introduced during the hearing, a statement of matters officially noticed by the commission during the proceeding, and

all proffers of proof and objections and rulings thereon; and (d) the final order appealed from. The commission shall charge the petitioner with the reasonable direct cost or require the petitioner to pay the cost for preparing the official record for transmittal to the court in all cases except when the petitioner is not required to pay a filing fee. If payment is required, payment of the cost, as estimated by the commission, for preparation of the official record shall be paid to the commission prior to preparation of the official record and the commission shall not transmit the official record to the court until payment of the actual costs of its preparation is received.

(5) The review shall be conducted by the court for error on the record of the commission. If the court determines that the interest of justice would be served by the resolution of any other issue not raised before the commission, the court may remand the case to the commission for further proceedings. The court may affirm, reverse, or modify the decision of the commission or remand the case for further proceedings.

(6) Appeals under this section shall be given precedence over all civil cases.

Sec. 43. Section 77-5022, Revised Statutes Cumulative Supplement, 2004, is amended to read:

77-5022 The commission shall annually equalize the assessed value, special value, or recapture value of all real property as submitted by the county assessors on the abstracts of assessments and equalize the values of real property ~~which~~ that is valued by the state. The commission shall have the power to adjourn from time to time until the equalization process is complete. Meetings held pursuant to this section may be held by means of videoconference.

Sec. 44. Section 77-5023, Revised Statutes Cumulative Supplement, 2004, is amended to read:

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

(2) An acceptable range is the percentage of variation from a standard for valuation as measured by an established indicator of central tendency of assessment. Acceptable ranges are: (a) For agricultural land and horticultural land as defined in section 77-1359, seventy-four to eighty percent of actual value; (b) for lands ~~defined in section 77-1344~~ receiving special valuation, seventy-four to eighty percent of special valuation as defined in section 77-1343 and seventy-four to eighty percent of recapture valuation as defined in section 77-1343; and (c) for all other real property, ninety-two to one hundred percent of actual value.

(3) Any increase or decrease shall cause the indicator of central tendency of assessment utilized by the commission to be at the midpoint of the applicable acceptable range.

(4) Any decrease or increase to a subclass of property shall also cause the indicator of central tendency utilized by the commission for the class from which the subclass is drawn to be within the applicable acceptable range.

(5) Whether or not an established indicator of central tendency falls within an acceptable range or at the midpoint of an acceptable range may be determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.

Sec. 45. Section 77-5029, Reissue Revised Statutes of Nebraska, is amended to read:

77-5029 On or before June 5 of each year, the county assessor of any county adjusted by an order of the commission shall recertify the county abstract of assessment to the Property Tax Administrator. On or before August 1 of each year, the Property Tax Administrator shall certify to the commission that any order issued pursuant to ~~section~~ sections 77-5023 to 77-5028 was or was not implemented by the county assessor as of June 1 of each year pursuant to section 77-1315. The Property Tax Administrator shall audit the records of the county assessor to determine whether the orders were implemented.

Sec. 46. Section 79-1016, Revised Statutes Supplement, 2005, is amended to read:

79-1016 (1) On or before August 25, the county assessor shall certify to the Property Tax Administrator the total taxable value by school district in the county for the current assessment year on forms prescribed by the Property Tax Administrator. The county assessor may amend the filing for changes made to the taxable valuation of the school district in the county if corrections or errors on the original certification are discovered. Amendments shall be certified to the Property Tax Administrator on or before

September 30. For 2005, pursuant to orders issued by the State Committee for the Reorganization of School Districts on or before December 1, 2005, for a Class I school district which dissolves and attaches its territory to a Class II, III, IV, or VI school district in such a manner that the parcels of property do not become a part of the local system with which they were previously affiliated or to which they were previously attached, the Property Tax Administrator shall require the county assessor to recertify the Class I district's taxable valuation according to the new affiliation on or before December 20, 2005, on forms prescribed by the Property Tax Administrator. For any local system's territory which is affected by a recertification of a Class I district's taxable valuation, the Property Tax Administrator shall compute and recertify the adjusted valuation to each local system and the department on or before February 1, 2006.

(2) On or before October 10, the Property Tax Administrator shall compute and certify to the State Department of Education the adjusted valuation for the current assessment year for each class of property in each school district and each local system for state aid to be certified for the following school fiscal year. The adjusted valuation of property for each school district and each local system, for purposes of determining state aid pursuant to the Tax Equity and Educational Opportunities Support Act, shall reflect as nearly as possible state aid value as defined in subsection (3) of this section. The Property Tax Administrator shall notify each school district and each local system of its adjusted valuation for the current assessment year by class of property on or before October 10. Establishment of the adjusted valuation shall be based on the taxable value certified by the county assessor for each school district in the county adjusted by the determination of the level of value for each school district from an analysis of the comprehensive assessment ratio study or other studies developed by the Property Tax Administrator, in compliance with professionally accepted mass appraisal techniques, as required by section 77-1327. The Property Tax Administrator shall adopt and promulgate rules and regulations setting forth standards for the determination of level of value for school aid purposes.

(3) For purposes of this section, state aid value means:

(a) For real property other than agricultural and horticultural land, one hundred percent of actual value;

(b) For agricultural and horticultural land, eighty percent of actual value as provided in sections 77-1359 to 77-1363. For agricultural and horticultural land that receives special valuation pursuant to section 77-1344, eighty percent of special valuation as defined in section 77-1343; and

(c) For personal property, the net book value as defined in section 77-120.

(4) On or before November 10, any local system may file with the Property Tax Administrator written objections to the adjusted valuations prepared by the Property Tax Administrator, stating the reasons why such adjusted valuations are not the valuations required by subsection (3) of this section. The Property Tax Administrator shall fix a time for a hearing. Either party shall be permitted to introduce any evidence in reference thereto. On or before January 1, the Property Tax Administrator shall enter a written order modifying or declining to modify, in whole or in part, the adjusted valuations and shall certify the order to the State Department of Education. Modification by the Property Tax Administrator shall be based upon the evidence introduced at hearing and shall not be limited to the modification requested in the written objections or at hearing. A copy of the written order shall be mailed to the local system within seven days after the date of the order. The written order of the Property Tax Administrator may be appealed within thirty days after the date of the order to the Tax Equalization and Review Commission in accordance with section 77-5013.

(5) On or before November 10, any local system or county official may file with the Property Tax Administrator a written request for a nonappealable correction of the adjusted valuation due to clerical error as defined in section 77-128 or, for agricultural and horticultural land, assessed value changes by reason of land qualified or disqualified for special use valuation pursuant to sections 77-1343 to 77-1348. ~~For purposes of this subsection, clerical error means transposition of numbers, allocation of value to the wrong school district, mathematical error, and omitted value.~~ On or before the following January 1, the Property Tax Administrator shall approve or deny the request and, if approved, certify the corrected adjusted valuations resulting from such action to the State Department of Education.

(6) On or before May 31 of the year following the certification of adjusted valuation pursuant to subsection (2) of this section, any local system or county official may file with the Property Tax Administrator a

written request for a nonappealable correction of the adjusted valuation due to changes to the tax list that change the assessed value of taxable property. Upon the filing of the written request, the Property Tax Administrator shall require the county assessor to recertify the taxable valuation by school district in the county on forms prescribed by the Property Tax Administrator. The recertified valuation shall be the valuation that was certified on the tax list, pursuant to section 77-1613, increased or decreased by changes to the tax list that change the assessed value of taxable property in the school district in the county in the prior assessment year. On or before the following July 31, the Property Tax Administrator shall approve or deny the request and, if approved, certify the corrected adjusted valuations resulting from such action to the State Department of Education.

(7) No injunction shall be granted restraining the distribution of state aid based upon the adjusted valuations pursuant to this section.

(8) A school district whose state aid is to be calculated pursuant to subsection (5) of this section and whose state aid payment is postponed as a result of failure to calculate state aid pursuant to such subsection may apply to the state board for lump-sum payment of such postponed state aid. Such application may be for any amount up to one hundred percent of the postponed state aid. The state board may grant the entire amount applied for or any portion of such amount. The state board shall notify the Director of Administrative Services of the amount of funds to be paid in a lump sum and the reduced amount of the monthly payments. The Director of Administrative Services shall, at the time of the next state aid payment made pursuant to section 79-1022, draw a warrant for the lump-sum amount from appropriated funds and forward such warrant to the district.

Sec. 47. Sections 5, 24, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 43, 44, 49, and 52 of this act become operative on January 1, 2007. Sections 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 50 of this act become operative three calendar months after the adjournment of this legislative session. The other sections of this act become operative on their effective date.

Sec. 48. Original sections 18-2148, 18-2149, 23-3209, 77-801.01, 77-1843, 77-5009, and 77-5029, Reissue Revised Statutes of Nebraska, sections 18-2117.01, 18-2147, 23-3202, and 77-422, Revised Statutes Cumulative Supplement, 2004, and sections 77-1502, 77-1504, 77-1507, 77-5019, and 79-1016, Revised Statutes Supplement, 2005, are repealed.

Sec. 49. Original sections 19-2428 and 77-1359, Reissue Revised Statutes of Nebraska, sections 77-1343, 77-1345, 77-1348, 77-1363, 77-5022, and 77-5023, Revised Statutes Cumulative Supplement, 2004, and sections 77-201, 77-1344, 77-1345.01, 77-1347, and 77-1355, Revised Statutes Supplement, 2005, are repealed.

Sec. 50. Original sections 23-2517, 23-2519, 23-2520, 23-2522, 23-2524, 23-2525, 23-2526, 23-2527, 23-2531, and 23-2533, Reissue Revised Statutes of Nebraska, and sections 23-114.03 and 23-2518, Revised Statutes Cumulative Supplement, 2004, are repealed.

Sec. 51. The following sections are outright repealed: Sections 77-1515 and 77-1613.03, Reissue Revised Statutes of Nebraska.

Sec. 52. The following sections are outright repealed: Sections 77-1360.01, 77-1361, and 77-1362, Reissue Revised Statutes of Nebraska.

Sec. 53. Since an emergency exists, this act takes effect when passed and approved according to law.