

NEBRASKA
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DEPARTMENT OF REVENUE

Growth & Valuation

County Board Budget Workshop



<https://revenue.nebraska.gov>
May 5, 2022

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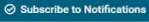
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LB 644 Changes

- ▶ Passed by the Legislature and signed into law by the Governor on May 24, 2021
- ▶ Operative Date January 1, 2022
- ▶ Required any county, city, school district, or community college wanting to increase its property tax request by more than the allowable growth percentage to participate in a joint public hearing.
 - ▶ Defined as 2% plus a political subdivision's real growth percentage
 - ▶ County Assessor will certify to each political subdivision's real growth percentage or information used to calculate the real growth percentage.

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For Tax Year 2022 Two Different Types of Growth

- ▶ Value Attributed to Growth
Will continue to be reported as in prior years.
- ▶ Property Tax Request Act Growth
(Real Growth Value) will be reported beginning
tax year 2022

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Value Attributed to Growth

- ▶ Value Attributed to Growth
 - ▶ This is the Growth reported on the Certification of Taxable Value and will continue to be reported.
 - ▶ Provided in Neb. Rev Stat. [§13-518](#)
 - ▶ Includes new construction, additions to existing buildings, and improvements to real property which increases the value of such property.
 - ▶ Also includes property annexed territory by political subdivision for the current year.
 - ▶ [Neb. Rev. Stat. §13-509](#)

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Value Attributed to Growth

- ▶ Also includes any local and centrally assessed personal property valuation increases over last year's valuation for the political subdivision
- ▶ This growth is provided to most political subdivisions on the Certification Taxable Value report provided by the county assessor on or before August 20th,
 - ▶ **Exceptions-** Value Attributed to Growth is not required when certifying values to Sanitary Improvement Districts in existence for 5 years or less, school districts, or community colleges.

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Examples of Valuation Attributed to Growth

- ▶ New garage on a residential parcel
- ▶ New outbuilding on the farm
- ▶ New sunroom added to a home
- ▶ New annexation area to the city. This could affect the city/villages, fire district, or township.



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Value Attributed to Growth

- ▶ What Value Attributed to Growth does **NOT** include
 - ▶ Changes in value of a class or subclass of real property
 - ▶ Changes due to revaluation of existing properties
 - ▶ Changes in value due to use
 - ▶ Example: dry agland changed to irrigated agland
 - ▶ Property changes due to exempt status to taxable status
 - ▶ Redevelopment project excess value that is part of an active TIF project
 - ▶ Excess value for TIF project that has ended due to payment of indebtedness

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Valuation Attributed to Growth

Any new construction in a TIF project area would **NOT** be considered growth because the excess value in the project cannot be used when a political subdivision is calculating the levy for that tax year

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Valuation Attributed to Growth Additional Information

Real Property Valuation Attributed to Growth is reported on the Real Property Abstract and is part of the calculation when reporting this growth on the Certification of Taxable Value to the political subdivisions in August.

Any increase value in the locally assessed and centrally assessed personal property when compared to the prior year's personal property is also part of this growth reported to the political subdivisions.

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Property Tax Request Act (Real Growth Value)



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For Tax Year 2022 New Type of Growth

- ▶ LB 644 passed in 2021
- ▶ Provides Property Tax Request Act (Real Growth Value)
- ▶ Property Tax Request Act growth is used for the purpose of determining whether a public hearing will be needed when approving the next fiscal year's budget

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Growth Pertaining to the Property Tax Request Act (Real Growth Value)

- ▶ New type of Growth required after the passing of LB 644
- ▶ Defined in [Neb. Rev. Stat. 77-1631](#)
 - ▶ This new growth value is the increase in political subdivisions real property valuation from the prior year to the current year due to
 - ▶ New Construction
 - ▶ Additions to existing Buildings
 - ▶ Any other improvements to real property which increases the value
 - ▶ Annexation of the real property
 - ▶ Changes in the use of real property
 - ▶ Annual increase in the excess value for TIF projects

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How Is The Property Tax Request Act (Real Growth Value) Reported to the Political Subdivision?

The Property Tax Request Act Growth will be reported on the Certification of Taxable Value Reports the county assessor provides to the political subdivisions in August.

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Political Subdivisions Which Be Provided with the Property Tax Request Act (Real Growth Value)

- ▶ Subdivisions that will have the Property Tax Request Act Growth will be reported to
 - ▶ County
 - ▶ Cities and villages
 - ▶ School districts
 - ▶ Community Colleges
- ▶ Not required to be reported to all political subdivisions

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Certification of Taxable Valuation Report Changes

- ▶ Updated Certifications were created to include the prior year real property valuation and real growth percentage
- ▶ Updated Certification of Taxable Valuation Report include:
 - ▶ County
 - ▶ Cities/Villages
 - ▶ School Districts
 - ▶ Community Colleges

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CERTIFICATION OF TAXABLE VALUE AND VALUE ATTRIBUTABLE TO GROWTH

(form for all counties and cities)
TAX YEAR _____
(certification required on or before August 20th of each year)

TO:
TAXABLE VALUE LOCATED IN THE COUNTY OF: _____

Name of Political Subdivision	Subdivision Type (County or City)	Value Attributable to Growth *	Total Taxable Value	Real Growth Value *	Prior Year Total Real Property Valuation	Real Growth Percentage *

* Value attributable to growth is determined pursuant to Neb. Rev. Stat. § 77-1611 which includes real and personal property and annexation, if applicable.
* Real Growth Value is determined pursuant to Neb. Rev. Stat. § 77-1611 which includes (i) improvements to real property as a result of new construction and additions to existing buildings, (ii) any other improvements to real property which increase the value of such property, (iii) annexation of real property by the political subdivision, and (iv) a change in the size of real property; and (v) the annual increase in the excess value for any tax increment financing project located in the political subdivision, if applicable.
* Real Growth Percentage is determined pursuant to Neb. Rev. Stat. § 77-1611 and is equal to the political subdivision's Real Growth Value divided by the political subdivision's total real property valuation from the prior year.

I, _____ County Assessor hereby certify that the valuation listed herein is, to the best of my knowledge and belief, the true and accurate taxable valuation for the current year, pursuant to Neb. Rev. Stat. § 13-509 and 13-518.

(Signature of county assessor) _____ (date) _____

CC: County Clerk _____ County
CC: County Clerk where district is headquartered, if different county _____ County

Note to political subdivision: A copy of the Certification of Value must be attached to the budget document.
Guideline form provided by Nebraska Dept. of Revenue Property Assessment Division (August 2021)

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CERTIFICATION OF TAXABLE VALUE

(form for community colleges)
TAX YEAR _____
(certification required on or before August 20th of each year)

TO:
TAXABLE VALUE LOCATED IN THE COUNTY OF: _____

Name of Community College	Total Taxable Value	Real Growth Value *	Prior Year Total Real Property Valuation	Real Growth Percentage *

* Real Growth Value is determined pursuant to Neb. Rev. Stat. § 77-1611 which includes (i) improvements to real property as a result of new construction and additions to existing buildings, (ii) any other improvements to real property which increase the value of such property, (iii) annexation of real property by the political subdivision, and (iv) a change in the size of real property; and (v) the annual increase in the excess value for any tax increment financing project located in the political subdivision, if applicable.
* Real Growth Percentage is determined pursuant to Neb. Rev. Stat. § 77-1611 and is equal to the community college's Real Growth Value divided by the community college's total real property valuation from the prior year.

I, _____ County Assessor hereby certify that the valuation listed herein is, to the best of my knowledge and belief, the true and accurate taxable valuation for the current year, pursuant to Neb. Rev. Stat. § 13-509.

(Signature of county assessor) _____ (date) _____

CC: County Clerk _____ County
CC: County Clerk where district is headquartered, if different county _____ County

Note to political subdivision: A copy of the Certification of Value must be attached to the budget document.
Guideline form provided by Nebraska Dept. of Revenue Property Assessment Division (August 2021)

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CERTIFICATION OF TAXABLE VALUE FOR SCHOOL DISTRICTS

(form for school districts)
TAX YEAR _____
(certification required on or before August 20th of each year)

TO:
TAXABLE VALUE LOCATED IN THE COUNTY OF: _____

Name of School District	Class of School	Base School Code	Unified/Learning Comm. Code	School District Taxable Value	School District Real Growth Value *	School District Prior Year Total Real Property Valuation	Real Growth Percentage *

* Real Growth Value is determined pursuant to Neb. Rev. Stat. § 77-1611 which includes (i) improvements to real property as a result of new construction and additions to existing buildings, (ii) any other improvements to real property which increase the value of such property, (iii) annexation of real property by the political subdivision, and (iv) a change in the size of real property; and (v) the annual increase in the excess value for any tax increment financing project located in the political subdivision, if applicable.
* Real Growth Percentage is determined pursuant to Neb. Rev. Stat. § 77-1611 and is equal to the school district's Real Growth Value divided by the school district's total real property valuation from the prior year.

I, _____ County Assessor hereby certify that the valuation listed herein is, to the best of my knowledge and belief, the true and accurate taxable valuation for the current year, pursuant to Neb. Rev. Stat. § 13-509.

(Signature of county assessor) _____ (date) _____

CC: County Clerk _____ County
CC: County Clerk where school district is headquartered, if different county _____ County

Guideline form provided by Nebraska Dept. of Revenue Property Assessment Division (August 2021)

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Use of the Property Tax Request Act (Real Growth Value)

The Real Growth Value is used when calculating the Real Growth percentage needed when determining the next fiscal years tax needs. The allowable growth percentage is a percentage equal to the sum of a 2% increase over the prior years tax asking, plus the political subdivision's real growth percentage. The real growth percentage is the percentage obtained by dividing the political subdivision's real growth value by the political subdivision's total real property valuation from the prior year. [Neb Rev. Stat 77-1631](#)

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Political Subdivisions in More Than One County-Real Growth Percentage

For political subdivisions in more than one county, using each county's Certification of Taxable Value Report, the political subdivision will:

- Add **Prior Year** Total Real Property Valuation for each county
- Add Real Growth Value for each county

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Political Subdivisions in More Than One County (continue)

Real Growth Percentage will be determined by taking the Real Growth Value divided by the **Prior Year** Total Real Property Valuation.

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Allowable Growth Percentage

- ▶ If any county, city, school district, or community college seeks to increase its property tax request by more than the allowable growth percentage, the subdivision will participate in a joint public hearing with any other subdivision(s) also seeking to increase their property tax request by the allowable growth percentage.

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Notice of Joint Public Hearing

- ▶ Postcards will be sent to all affected property taxpayers
 - ▶ Includes date, time and location of hearing
 - ▶ Provide phone numbers for each political subdivision participating in the hearing
 - ▶ Amount of each participating political subdivision property tax request
 - ▶ State NOTICE OF PROPOSED TAX INCREASE at top of postcard
 - ▶ Name of county holding the hearing
 - ▶ Parcel number for the property

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Notice of Joint Public Hearing Continue

- ▶ Property owner's name and address of the property
- ▶ Property's assessed value in the previous tax year
- ▶ Previous year's property taxes due for each participating political subdivision
- ▶ Property's assessed value for the current year
- ▶ Amount of property taxes due for current year for each participating political subdivision
- ▶ Change in the amount of property taxes for each participating political subdivision
- ▶ Contain statement: To obtain more information regarding the tax increase, citizens may contact the political subdivision at the telephone number provide in this notice.

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Notice of Joint Public Hearing Continued

- ▶ Posting Notice of Joint Public Hearing on the county's homepage
- ▶ Publish Notice of Joint Public Hearing in the newspaper
- ▶ After joint public hearing each participating political subdivision must pass ordinance or resolution to set the property tax request.
 - ▶ Ordinance or resolution must include all information required by the Act.

[Neb. Rev. Stat. §§77-1631 through 77-1634](#)

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Quick Review On Growth



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For 2022, Two Types of Growth Value

<p>Value Attributed to Growth</p> <ul style="list-style-type: none"> ▶ New Construction ▶ Additions to existing buildings ▶ Improvements to real property which increases the value of the property ▶ Annexation ▶ Any Personal Property valuation greater than the prior year for the political subdivision 	<p>Property Tax Request Act Growth (Real Growth Value)</p> <ul style="list-style-type: none"> ▶ New Construction ▶ Additions to existing buildings ▶ Improvements to real property which increases the value of the property ▶ Annexation ▶ Changes in use of the real property ▶ Increase in excess value for any Tax Increment Financing projects
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Two Types of Growth Value Provided to Certain Political Subdivisions

<p>Value Attributed to Growth</p> <p>Reported on the Certification of Taxable Value Report in August To most Political Subdivisions</p> <p>EXCEPTIONS</p> <p>Sanitary Improvement Districts in existence 5 years or less School Districts Community Colleges</p>	<p>Property Tax Request Act Growth (Real Growth Value)</p> <p>Reported on the Certification of Taxable Value Report in August to all:</p> <p>County Cities and Villages School Districts Community Colleges</p>
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QUESTIONS???



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Questions Contact:

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