

## **ECONOMIC DEVELOPMENT**

The Nebraska Legislature will debate making changes to most of Nebraska's tax incentive programs in 2017. In particular, the Legislature will consider several revisions to Nebraska Advantage, the state's principal economic development tax incentive program.

[LB 546](#) would expand the definition of a "qualified business" to include most business activities, except for certain industries the definition excludes, such as retail, agriculture, construction, and professional services. The bill would include various other requirements, including application requirements, certifications required by applicants, required wage and investment levels, as well as various administrative deadlines and processes. The legislation would also allow an applicant to define the scope of a project as either state-wide or within a specified development region. The changes would apply to applications dated on or after January 1, 2018.

[LB 557](#) would: expand the types of business activities that qualify for benefits beyond the types of activities the current program allows; increase wage thresholds requirements; reduce certain investment thresholds; change benefit attainment and use periods; eliminate certain requirements for applicants with multiple locations in the state; and allow for benefit usage to offset costs associated with qualifying job training, talent recruitment programs, and certain public infrastructure associated with a project.

[LB 528](#) would allow qualified community development entities without a federal allocation agreement to apply to participate in the New Markets Job Growth Investment Act.

[LB 565](#) would authorize disclosure of tax incentive payments.

[LB 592](#) would eliminate refunds of local sales and use tax as part of the Nebraska Advantage tax incentive program for applications filed on or after January 1, 2018.

[LB 594](#) would require a limited liability company that seeks tax benefits under a tax credit, tax abatement, or tax incentive plan to amend its certificate of organization to disclose the names of its members prior to applying for such tax benefits.

## **REAL ESTATE**

[LB 613](#) would change the taxation of real and personal property of any affiliate of a local housing agency. The bill would exempt property a housing agency or its controlled affiliates own from taxes and assessments if the property provides housing to eligible recipients, and the agency or affiliate provides notice of the exemption to the county assessor on or before December 31 of the year preceding the year for which the agency or its affiliate seeks the exemption.

## **TAXES AND TAX EQUALIZATION REVIEW COMMISSION**

[LB 322](#) proposes various amendments to the Tax Equalization and Review Commission Act. Some amendments deal with the qualifications of commissioners. At least one commissioner would have to possess the certification, qualifications, and training required to become a certified general real property appraiser. And at least one commissioner would have to have been a broker for at least ten years and be currently licensed as a broker under the Nebraska Real Estate License Act.

The bill proposes several requirements for appeals to the commission. A party to an appeal would have to receive at least sixty days' notice prior to a hearing. The appellant would have to acknowledge the date and time of the hearing and confirm the appellant wants a hearing. Each appeal would have to include a statement the representations in the appeal are true to the appellant's knowledge. The commission would have to hear all petitions and appeals within eighteen months after filing. And the commission would have to deliver its decision within thirty days after the hearing.

The bill would also change the procedures for county appeals regarding overvalued or undervalued property. The hearing would have to be at least fifteen days following notice unless the county waived notice. The commission could serve notice on a county attorney. An authorized representative of the county board of equalization could waive notice of the hearing or consent to an order adjusting the value of property. And upon an order changing a class or subclass of real property, a county would be entitled to a rehearing if the county discovered additional relevant evidence.

Finally, the bill would require standards of uniformity within a class or subclass of properties within a county. Standards of uniformity would mean percentage variations from the Standard of Ratio Studies by the International Association of Assessing Officers. The bill would require, for example, variations of less than 15% for residential property, and less than 20% for agricultural land, commercial property, and vacant land. If the variance falls outside the acceptable range, the commission would have to consider a moratorium on changes in the valuation or a reappraisal of the subject class or subclass of real property.

[LB 385](#) would expand who may file an appeal on behalf of a taxpayer to include a person with a contract executed by the taxpayer, a legal representative, a person with a power of attorney or a durable power of attorney, and a trustee of an estate. The bill would also place the burden on the county board of equalization to prove, by a preponderance of the evidence, the assessed value reflected the actual value for any property for which the assessed value increased more than 5% from the prior tax year.

[LB 555](#) would amend provisions of the Tax Equalization and Review Commission Act regarding the reimbursement of commissioners for travel time and the fees for filing appeals or petitions with the commission.