

6-5-2019

# Nebraska Property Taxes and the 2019 Flood

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Aiken, J. David, "Nebraska Property Taxes and the 2019 Flood" (2019). *Cornhusker Economics*. 1008.  
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# Cornhusker Economics

## Nebraska Property Taxes and the 2019 Flood

Market Report	Year Ago	4 Wks Ago	5-31-19
<b>Livestock and Products, Weekly Average</b>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight. . . . .	*	*	*
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. . . . .	*	183.34	NA
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. . . . .	*	155.53	NA
Choice Boxed Beef, 600-750 lb. Carcass. . . . .	229.34	233.49	223.40
Western Corn Belt Base Hog Price Carcass, Negotiated . . . . .	66.06	80.53	75.47
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean. . . . .	74.44	84.14	182.86
Slaughter Lambs, woolled and shorn, 135-165 lb. National. . . . .	152.25	152.78	155.52
National Carcass Lamb Cutout FOB. . . . .	381.03	386.15	389.08
<b>Crops, Daily Spot Prices</b>			
Wheat, No. 1, H.W. Imperial, bu. . . . .	4.92	3.65	4.41
Corn, No. 2, Yellow Columbus, bu. . . . .	3.76	3.44	4.02
Soybeans, No. 1, Yellow Columbus, bu. . . . .	9.55	7.52	7.80
Grain Sorghum, No.2, Yellow Dorchester, cwt. . . . .	5.89	5.30	6.50
Oats, No. 2, Heavy Minneapolis, Mn, bu. . . . .	2.92	3.25	3.55
<b>Feed</b>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton. . . . .	*	*	*
Alfalfa, Large Rounds, Good Platte Valley, ton. . . . .	*	115.00	105.00
Grass Hay, Large Rounds, Good Nebraska, ton. . . . .	100.00	87.50	97.50
Dried Distillers Grains, 10% Moisture Nebraska Average. . . . .	155.00	123.50	130.00
Wet Distillers Grains, 65-70% Moisture Nebraska Average. . . . .	47.50	45.00	50.00
* No Market			

Much of eastern and central Nebraska suffered devastating flooding in March 2019. Much agricultural land, as well as agricultural, residential, industrial and commercial property has been damaged or destroyed. A 2019 bill just enacted—Legislative Bill 512—allows property owners suffering significant flood damage to have the 2019 property taxes on flood damaged property lowered.

Under prior Nebraska law, land and buildings were valued for property tax purposes on January 1 of each year. There were no statutory provisions for changing that property valuation after January 1 due to property damage, although some county assessors have done so in the past. This was changed by LB512.

LB512 establishes a process for reducing land and building values damaged by natural disaster, including flooding. Under LB512, disaster damaged property values can be reduced if the damage occurs before July 1 of the year in which the reduced value is claimed. The property will be valued in its damaged state for the entire year. The damage must reduce property value by at least 20% in order to qualify for reduced valuation, and the damage could be from fire, earthquake, flood, tornado or similar natural events. The damage must not have been caused by the property owner.

Owners seeking reduced property valuation from a natural disaster must report the property dam-

ge on a state form to the county board of equalization (either the local county board of commissioners or county board of supervisors) by July 15 of the year in which the damage occurred (including 2019). The board will consider the information provided by the property owner and make its decision regarding whether the property value should be lowered. Taxpayers may appeal the county board's decision to the Nebraska Tax Equalization and Review Commission.

LB512 was passed with the emergency clause, meaning that it is now in effect and will be available to owners of property damaged in the 2019 flood. Remember that in Nebraska the property taxes we pay in the spring and fall of 2019 are for our 2018 property taxes. So owners of flood damaged property in 2019 should see their property taxes lowered in their 2020 spring and fall property tax payments if they meet all the LB512 requirements.

An earlier version of LB512 would have prorated the property value based on how much of the year the property was damaged, and how much of the year the property was undamaged. The current version of LB512 would make the damaged value the assessed value for property tax purposes for the entire year.

The LB512 property damage form to be developed by the Nebraska Department of Revenue will be important as an indication of what type and level of documentation will be needed to qualify for a property value reduction from natural disaster damage.

LB512 was relatively non-controversial—it needed to overcome only one filibuster and did so with votes to spare. Broader property relief proposals were unsuccessful and so will be a major issue in the 2020 legislative session.

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