NEBRASKA ADMINISTRATIVE CODE

Title 350 - Nebraska Department of Revenue, Property Assessment Division ~~and Taxation~~

Chapter 92 - Assessment Function Transfer to Property Tax Administrator Regulations

Effective Date ~~1/3/07~~

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Reg-92-001 PURPOSE

001.01 The scope and purpose of these regulations are to set forth the requirements and procedures to be instituted by the Tax Commissioner and Property Tax Administrator when assuming a county assessment function and performing the same in and for a county.

(Neb. Rev. Stat. Sections 77-702, ~~R.R.S. 2003~~ and ~~Neb. Rev. Stat. Section~~ 77-1340, R.S. Supp., 2007~~2006~~.)

Reg-92-002 DEFINITIONS

002.01 State employee shall mean any person in the employ of the Department of Revenue ~~Property Assessment and Taxation~~ who receives a state pay warrant.

002.02 Transferred employee shall mean the assessor and any permanent employees in the assessor's office.

002.03 State position title shall mean the title assigned a position having discrete characteristics in relation to the duties, responsibilities, skills, training, experience, and other factors under the state classification plan.

002.04 State job description shall mean the duties, responsibilities, typical tasks to be performed, degree of supervision to which responsible or subject, and conditions under which an employee in a given position shall perform when filling a state position title.

002.05 State pay grade shall mean a specified range of salary or wage within the State of Nebraska Classification and Pay Plan.

002.06 Income shall mean salary or compensation given to an employee for his or her services during a period of time.

002.07 Straight-time rate of pay shall mean the rate of pay in effect at the time of adoption of the county board resolution authorizing the transfer of the assessment functions.

002.08 State sponsored benefits shall mean the State Employees Retirement System, Nebraska State Insurance Program, sick leave and vacation leave as provided to state employees by the Department of Administrative Services Division of State Personnel.

002.09 Permanent employee shall mean any employee of the assessor, who receives a county pay warrant and has been employed on a continuing basis.

002.10 Improve the quality of assessment in the state shall mean the performance of the assessment function to more closely adhere to the requirements of the Nebraska Constitution and statutes regarding the assessment function as well as the rules, regulations, manuals and directives prepared and issued by the Tax Commissioner and Property Tax Administrator.

002.11 Economic or efficient shall include, but not be limited to, the following:

002.11A The potential to combine staff among assessment offices to avoid duplication of effort;

002.11B The ability to fit within the state's current budget structure; and

002.11C The cost to bring the quality of the assessment function of the county up to the standards set forth in Nebraska law.

(Neb. Rev. Stat. Sections ~~77-702 and~~ 77-1340.03, R.R.S. 2003, ~~and~~ Neb. Rev. Stat. Section 81-1302, R.S. Supp., 2000 and Neb. Rev. Stat. Section 77-702, R.S. Supp., 2007.)

Reg-92-003 REQUIREMENTS

003.01 The county board of a county may pass a resolution requesting the Property Tax Administrator to assume the office of assessor and thereby perform the assessment functions and duties of the assessor.

003.01A The resolution of the county board shall be adopted on or before October 31, 2006 and by October 31, of every other year thereafter.

003.01B The county board shall submit a written copy of the resolution to the Property Tax Administrator on or before October 31, 2006 and by October 31 of every other year thereafter.

003.01C By December 15, 2006 and by December 15 of every other year thereafter, the Tax Commissioner ~~Property Tax Administrator~~ shall decide whether to recommend the assumption of the assessment function of a county to the Governor and the Legislature.

003.01C(1) If the Tax Commissioner ~~Property Tax Administrator~~ rejects the request he or she shall send written notice to the county board of the rejection.

003.02C(2) If the Property Tax Administrator ~~recommends~~ finds that the assumption ~~because it~~ is necessary or desirable for the economic and efficient performance thereof or will improve the quality of assessment in the state, he or she may recommend assumption to the Tax Commissioner. The Tax Commissioner shall decide whether to recommend assumption ~~submit the recommendation~~ to the Governor and the Legislature by December 15, 2006 and every other year thereafter.

003.01D After recommending the assumption of the assessment function the Tax Commissioner ~~Property Tax Administrator~~ shall request an appropriation in the next regular session of the Legislature to cover the assumption.

003.01D(1) If the appropriation is not made the Tax Commissioner ~~Property Tax Administrator~~ shall notify the county board by July 1 of the year following the resolution that the assessment function will not be undertaken.

003.01D(2) If the appropriation is made the Tax Commissioner ~~Property Tax Administrator~~ shall notify the county board by July 1 of the year following the resolution that the assessment function will be undertaken on the next following July 1.

003.02 Upon the assumption, the county shall provide, at no additional cost to the state, the office space and service facilities as they existed and were being provided to the assessor on the date the resolution was passed transferring the office to the Property Tax Administrator.

003.03 Upon the assumption, all assets such as furniture, computers and related equipment used in the assessor's office shall remain the property of the county. Should the county board desire not to retain an asset of the assessor's office, it may offer the property for sale pursuant to the County Purchasing Act.

003.04 Upon the effective date of the transfer of the assessment function from a county to the Property Tax Administrator, all current books, files, records and other documents shall be transferred to the Property Tax Administrator and will become the property of the State of Nebraska.

(Neb. Rev. Stat. Sections 23-3107 and 23-3115, R.R.S., 1997, ~~and~~ Neb. Rev. Stat. Sections ~~77-702 and~~ 77-1340.01 through 77-1340.03, R.R.S. 2003 and Neb. Rev. Stat. Sections 77-702 and 77-1340, R.S. Supp., 2007~~2006~~.)

REG-92-004 EFFECT OF TRANSFER

004.01 Upon the assumption of the assessment function and other duties by the Property Tax Administrator, the term of office for the incumbent assessor shall terminate and the county need no longer elect an assessor. The transferred permanent employees shall become employees of the State of Nebraska.

004.01A No transferred assessor or employee shall incur a loss of income or the right to participate in state-sponsored benefits as a result of becoming a state employee with the status of a newly hired employee except as provided in Neb. Rev. Stat. Section 77-1340.02.

004.01A(1) No loss of benefits means that the transferred assessor and employees shall immediately be eligible to participate in the state sponsored benefits as defined in REG-92-002.08.

004.01A(2) No loss of income means that the transferred assessor and employees shall continue to receive at least the straight-time rate of pay as defined in REG-92-002.07.

004.01B Upon the adoption of the resolution to transfer the assessment functions to the Property Tax Administrator, the county or the assessor shall not create new positions for new employees within the assessor's office. The assessor may fill positions vacated by employees after the resolution to transfer the assessment function is adopted. Salaries of new employees that are hired to fill positions vacated after the transfer of the assessment functions shall not exceed the salary of the former employee in that position.

004.01C On the date of transfer all transferred employees shall have the right to participate in the State Employees Retirement System and have any retirement funds transferred from the retirement system of the county to the State Employees Retirement System as follows:

004.01C(1) For transferred employees who are under the County Employees Retirement Act, the amount transferred shall equal the employee and employer accounts plus earnings on those amounts during the period of employment with the county.

004.01C(2) For transferred employees who are under a county which has established a separate retirement system: (a) if the transferred employees are under a defined benefit retirement system the amount transferred shall be determined by calculating the present value of each employee's benefit based upon the years of service as of the date of transfer and the other actuarial assumptions of the retirement system of the county; or (b) if the transferred employees are under a defined contribution system, the value of the employer and employee accounts of the employee plus earnings on those accounts during the period of employment with the county.

004.01C(3) The transferred employees shall receive vested credit in the State Employees Retirement System for the years of participation in the retirement system of the county.

004.02 The county shall transfer all accrued sick leave up to the maximum number of accumulated hours per employee allowed by the State Personnel System. If an assessor does not have any accrued sick leave, he or she shall be granted one hundred sixty (160) hours. The county shall reimburse the State of Nebraska twenty-five percent (25%) of the value of the sick leave hours transferred based upon the rate of pay in effect at the time the resolution was adopted authorizing the transfer of the assessor's office. The county shall reimburse the State of Nebraska within one year after the transfer is completed.

004.03 The transferred employee may transfer the maximum amount of accrued annual leave earned as an employee of the county and allowed by the State Personnel System. If an assessor does not have any accrued annual leave, he or she shall be granted ninety-six (96) hours. The county shall reimburse the State of Nebraska one hundred (100%) percent of the value of the annual hours transferred based upon the rate of pay in effect at the time the resolution was adopted authorizing the transfer of the assessor's office. The county shall reimburse the State of Nebraska within one (1) year after the transfer is completed.

004.04 Transferred employees may participate in and be covered by the state sponsored insurance programs immediately upon the effective date of the transfer. The waiting period for medical insurance coverage of transferred employees shall be waived.

(Neb. Rev. Stat. Sections ~~77-702, and~~ 77-1340.01 through 77-1340.03, R.R.S. 2003 and Neb. Rev. Stat. Sections 77-702 and 77-1340, R.S. Supp., 2007~~2006~~.)

REG-92-005 PROCEDURES

005.01 Upon receipt of the resolution from the county board of equalization, the Property Tax Administrator shall refuse to undertake the assessment function in a county, if he or she finds that performance of the function is not necessary or desirable for the economic and efficient well being of the state and the efficient and economic performance of the assessment function.

005.02 Before the acceptance of the county board resolution, the Property Tax Administrator may conduct an audit of the assessor's office for compliance with statutory and regulatory requirements as to assessment practices, level of value by class or subclass, quantity and quality of existing data used in the valuation process, operating costs, office personnel, and any other related issues as so determined.

005. 03 Upon the transfer of the assessment functions to the Property Tax Administrator, the county board shall continue to act as the county board of equalization and have the responsibility to decide property valuation protests. All costs incurred by the county board of equalization for expert witnesses, referees and any other expenses involved with the equalization process will be the responsibility of the county.

005. 03A The county board of equalization has no jurisdiction over the valuation and equalization of property valued by the state, commonly referred to as centrally assessed property. See Property Valued by the State Regulations, Chapter 30.

005.04 The Tax Commissioner and Property Tax Administrator upon the assumption of the assessment functions shall not be responsible for the printing and mailing costs of the property tax statements pursuant to Neb. Rev. Stat. Section 77-1701. Such costs shall remain the cost of the county.

005.05 The Tax Commissioner and Property Tax Administrator may appeal any action of the county board of equalization to the Tax Equalization and Review Commission pursuant to Neb. Rev. Stat. Section 77-5013.

(Neb. Rev. Stat. Section~~s 77-702 and~~ 77-1701, R.R.S. 2003, ~~and~~ Neb. Rev. Stat. Section~~s 77-1340, 77-5007 and~~ 77-5013, R.S. Supp., 2006 and Neb. Rev. Stat. Sections 77-702, 77-1340 and 77-5007, R.S. Supp., 2007.)