

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 688

Introduced by Karpisek, 32; Christensen, 44; Dubas, 34; Heidemann,
1

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to state
2 intent; to provide duties for the Property Tax
3 Administrator regarding the method of agricultural land
4 and horticultural land valuation; and to create a task
5 force and provide for its termination.

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

1 Section 1. The Legislature declares that the
2 encouragement and support of agriculture and horticulture in
3 Nebraska is a rational state policy. The Legislature further
4 declares that to achieve that policy, the value of agricultural
5 land and horticultural land for property tax purposes shall
6 be determined based on the ability of the land to produce
7 income attributable to the inherent capabilities of the land as
8 agricultural land or horticultural land. The constitutional basis
9 for such a valuation method is found in subdivisions (4) and (5) of
10 Article VIII, section 1, of the Constitution of Nebraska.

11 Sec. 2. The Property Tax Administrator shall develop a
12 methodology to recommend to the Legislature for the valuation of
13 agricultural land and horticultural land for property tax purposes
14 based on the ability of the land to produce income attributable
15 to the inherent capabilities of the land as agricultural land
16 or horticultural land. The methodology shall be developed with
17 the assistance and advice of the Agricultural Land Use Advisory
18 Committee. The recommendations of the Property Tax Administrator
19 shall be contained in a report to the Legislature on or before
20 December 1, 2007. Included in the recommendation shall be statutory
21 changes needed to implement an income-based methodology for valuing
22 agricultural land and horticultural land.

23 In developing an income-based methodology for the
24 valuation of agricultural land and horticultural land, the Property
25 Tax Administrator shall give particular consideration to:

1 (1) The development of a methodology that results in
 2 values that are uniform and proportionate for all property within
 3 the class of agricultural land and horticultural land and any
 4 subclasses within that class;

5 (2) Whether agricultural land and horticultural land
 6 should continue to be valued in relationship to market value or
 7 whether a methodology unrelated to market value would be most
 8 appropriate to satisfy the requirements of the Constitution of
 9 Nebraska;

10 (3) The use of technology, including, but not limited to,
 11 global positioning system mapping, to the extent feasible in the
 12 methodology;

13 (4) The preservation of a viable appeals process for
 14 taxpayers;

15 (5) The appropriate information and data necessary to
 16 implement an income-based methodology and whether or not such
 17 information is readily available;

18 (6) The roles and functions of county assessors and the
 19 Department of Property Assessment and Taxation in implementing an
 20 income-based methodology; and

21 (7) The administrative cost of an income-based
 22 methodology in comparison to the current method.

23 Sec. 3. (1) The Agricultural Land Use Advisory
 24 Committee shall assist and advise the Property Tax Administrator
 25 in developing a methodology to value agricultural land and

1 horticultural land for property tax purposes based on its
2 income-producing capability.

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

5 (a) Two active farmers;

6 (b) An active rancher;

7 (c) A professor from the University of Nebraska with
8 expertise in valuing agricultural land and horticultural land;

9 (d) An elected county assessor or a designee of the
10 county assessor;

11 (e) An elected county official; and

12 (f) A county attorney or deputy county attorney who
13 has an understanding of problems encountered in the valuation
14 of agricultural land and horticultural land and who represents
15 a county with a population of less than one hundred thousand
16 inhabitants.

17 (3) The members shall select a chairperson from the
18 advisory committee's membership. The advisory committee shall meet
19 at least once annually.

20 (4) The Property Tax Administrator shall provide
21 administrative staff support for the advisory committee.

22 (5) Members of the advisory committee shall be reimbursed
23 for actual and necessary expenses pursuant to sections 81-1174 to
24 81-1177.

25 (6) The advisory committee shall terminate on December

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1 31, 2009.