

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 750**

Final Reading

Introduced by Cornett, 45; Lambert, 2; Pirsch, 4; Price, 3.

Read first time January 04, 2012

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-1359 and 77-1371, Reissue Revised Statutes of  
3 Nebraska; to redefine terms related to assessment of  
4 agricultural land and horticultural land; to change  
5 provisions relating to comparable sales for assessment of  
6 real property; and to repeal the original sections.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-1359, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           77-1359 The Legislature finds and declares that  
4 agricultural land and horticultural land shall be a separate and  
5 distinct class of real property for purposes of assessment. The  
6 assessed value of agricultural land and horticultural land shall not  
7 be uniform and proportionate with all other real property, but the  
8 assessed value shall be uniform and proportionate within the class of  
9 agricultural land and horticultural land.

10           For purposes of ~~sections 77-1359 to this section and~~  
11 section 77-1363:

12           (1) Agricultural land and horticultural land means a  
13 parcel of land, excluding ~~any building or enclosed structure and the~~  
14 land associated with ~~such a~~ building or enclosed structure located on  
15 the parcel, which is primarily used for agricultural or horticultural  
16 purposes, including wasteland lying in or adjacent to and in common  
17 ownership or management with other agricultural land and  
18 horticultural land;

19           (2) Agricultural or horticultural purposes means used for  
20 the commercial production of any plant or animal product in a raw or  
21 unprocessed state that is derived from the science and art of  
22 agriculture, aquaculture, or horticulture. Agricultural or  
23 horticultural purposes includes the following uses of land:

24           (a) Land retained or protected for future agricultural or  
25 horticultural purposes under a conservation easement as provided in

1 the Conservation and Preservation Easements Act except when the  
2 parcel or a portion thereof is being used for purposes other than  
3 agricultural or horticultural purposes; and

4 (b) Land enrolled in a federal or state program in which  
5 payments are received for removing such land from agricultural or  
6 horticultural production;

7 (3) ~~Farm home site means not more than one acre of land~~  
8 ~~contiguous to a farm site which includes an inhabitable residence and~~  
9 ~~improvements used for residential purposes, and such improvements~~  
10 ~~include utility connections, water and sewer systems, and improved~~  
11 ~~access to a public road; and~~ means land contiguous to a farm site  
12 which includes an inhabitable residence and improvements used for  
13 residential purposes and which is located outside of urban areas or  
14 outside a platted and zoned subdivision; and

15 (4) Farm site means the portion of land contiguous to  
16 land actively devoted to agriculture which includes improvements that  
17 are agricultural or horticultural in nature, including any  
18 uninhabitable or unimproved farm home site.

19 Sec. 2. Section 77-1371, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 77-1371 Comparable sales are recent sales of properties  
22 that are similar to the property being assessed in significant  
23 physical, functional, and location characteristics and in their  
24 contribution to value. When using comparable sales in determining  
25 actual value of an individual property under the sales comparison

1 approach provided in section 77-112, the following guidelines shall  
2 be considered in determining what constitutes a comparable sale:

3 (1) Whether the sale was financed by the seller and  
4 included any special financing considerations or the value of  
5 improvements;

6 (2) Whether zoning affected the sale price of the  
7 property;

8 (3) For sales of agricultural land or horticultural land  
9 as defined in section 77-1359, whether a premium was paid to acquire  
10 ~~nearby property. Land within one mile of currently owned property~~  
11 ~~shall be considered nearby property;~~ A premium may be paid when  
12 proximity or tax consequences cause the buyer to pay more than actual  
13 value for agricultural land or horticultural land;

14 (4) Whether sales or transfers made in connection with  
15 foreclosure, bankruptcy, or condemnations, in lieu of foreclosure, or  
16 in consideration of other legal actions should be excluded from  
17 comparable sales analysis as not reflecting current market value;

18 (5) Whether sales between family members within the third  
19 degree of consanguinity include considerations that fail to reflect  
20 current market value;

21 (6) Whether sales to or from federal or state agencies or  
22 local political subdivisions reflect current market value;

23 (7) Whether sales of undivided interests in real property  
24 or parcels less than forty acres or sales conveying only a portion of  
25 the unit assessed reflect current market value;

1                   (8) Whether sales or transfers of property in exchange  
2 for other real estate, stocks, bonds, or other personal property  
3 reflect current market value;

4                   (9) Whether deeds recorded for transfers of convenience,  
5 transfers of title to cemetery lots, mineral rights, and rights of  
6 easement reflect current market value;

7                   (10) Whether sales or transfers of property involving  
8 railroads or other public utility corporations reflect current market  
9 value;

10                  (11) Whether sales of property substantially improved  
11 subsequent to assessment and prior to sale should be adjusted to  
12 reflect current market value or eliminated from such analysis; ~~and~~

13                  (12) For agricultural land or horticultural land as  
14 defined in section 77-1359 which is or has been receiving the special  
15 valuation pursuant to sections 77-1343 to 77-1347.01, whether the  
16 sale price reflects a value which the land has for purposes or uses  
17 other than as agricultural land or horticultural land and therefor  
18 does not reflect current market value of other agricultural land or  
19 horticultural land; and -

20                  (13) Whether sales or transfers of property are in a  
21 similar market area and have similar characteristics to the property  
22 being assessed.

23                  The Property Tax Administrator may issue guidelines for  
24 assessing officials for use in determining what constitutes a  
25 comparable sale. Guidelines shall take into account the factors

1 listed in this section and other relevant factors as prescribed by  
2 the Property Tax Administrator.

3                   Sec. 3. Original sections 77-1359 and 77-1371, Reissue  
4 Revised Statutes of Nebraska, are repealed.