

**ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB725**

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**Hearing Date:** Thursday January 21, 2016  
**Committee On:** Revenue  
**Introducer:** Schumacher  
**One Liner:** Provide an exception to a filing requirement relating to conveyances of real estate

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Brasch, Davis, Gloor, Harr, Scheer, Smith, Sullivan, Schumacher

**Nay:**

**Absent:**

**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**

Senator Paul Schumacher  
Larry Dix  
Justin Rhoades  
Alan Beiermann  
Jean Bauer  
  
Chet McWhorter

**Representing:**

Introducer  
Nebraska Association of County Officials  
Nebraska Land Title Association  
Nebraska Public Power District  
Clerks, Register of Deeds & Election Commissioners for the State of Nebraska  
Cuming County PPD, NREA, NPA

**Opponents:**

**Representing:**

**Neutral:**

Ruth Sorensen

**Representing:**

Nebraska Department of Revenue

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**Summary of purpose and/or changes:**

An easement is simply a right granted by a land owner to use real estate for a limited purpose. Usually the purpose is for utilities but can also be for such things as rights of passage across land. An easement does not affect the ownership of the land.

Recent amendments to the definition of "deed" in 76-203, perhaps unintentionally caused easements to fall under the definition of "deed" in 76-203, which now includes "every written instrument by which any real estate or interest therein is created" Therefore the Department of Revenue instructs county register of deeds to require real estate transfer statements, commonly referred to as Form 521, be filed with easements at the same time they are recorded pursuant to 76-214, even though ownership of property is not transferred. Form 521 identifies the owner and the purchaser, any documentary tax exemptions that might exempt the transaction from the nominal recording tax assessed when a deed is filed, a description of the property, and the price paid. The reported price becomes part of the property tax valuation mechanism.

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Power companies file numerous easements and argue that Form 521 filings serve no useful purpose and are over burdensome. LB725 would exempt "utility easements" from the Form 521 filing requirement and would do so by defining "utility agreement" for the purpose of 76-214 and specifically exempting them from the statute. LB725 is limited to utility agreements and a good argument could be made that the need to file Form 521 on any easement is burdensome and confusing. The Committee may want to consider broadening the exemption to include all easements unless a cost effective and reasonable case can be made for requiring a Form 521 for non-utility easements.

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**Explanation of amendments:**

The amendment becomes the bill. It clarifies that a Real Estate Transfer Statement need not be filed with regard to an easement unless it is a conservation easement.

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Mike Gloor, Chairperson