AM0930
LB 702
CAS-03-09

AMENDMENTS TO LB 702

1. Strike the original sections and insert the following new sections:

"Section 1. Section 77-1315, Revised Statutes Supplement, 2000, is amended to read:

77-1315. (1) The county assessor shall, after March 20 and on or before June 1, implement adjustments to the real property assessment roll for actions of the agricultural and horticultural land valuation board and the Tax Equalization and Review Commission.

(2) On or before June 1, the county assessor shall notify the record owner of every item of real property which has been assessed at a value different than in the previous year. Such notice shall be given by first-class mail addressed to such owner's last-known address. It shall identify the item of real property and state the old and new valuation, the date of convening of the county board of equalization, the dates for filing a protest, and the average level of value of all classes and subclasses of real property in the county as determined by the Tax Equalization and Review Commission.

(3) Immediately upon completion of the assessment roll, the county assessor or county clerk shall cause to be published in a newspaper of general circulation in the county a certification that the assessment roll is complete and notices of valuation changes have been mailed and provide the final date for filing

valuation protests with the county board of equalization.

(4) The county assessor shall annually, on or before June 6, post in his or her office and, as designated by the county board, mail to a newspaper of general circulation and to licensed broadcast media in the county the assessment ratios as found in his or her county as determined by the Tax Equalization and Review Commission and any other statistical measures, including, but not limited to, the assessment-to-sales ratio, the coefficient of dispersion, and the price-related differential.

Sec. 2. Section 77-1327, Revised Statutes Supplement, 2000, is amended to read:

77-1327. (1) It is the intent of the Legislature that accurate and comprehensive information be developed by the Property Tax Administrator and made accessible to the ~~taxpayer~~ taxing officials and property owners in order to ensure the ~~quality and uniformity of assessment practices on both intercounty and intracounty valuations~~ uniformity and proportionality of the assessments of real property valuations in the state in accordance with law.

(2) All transactions of real property for which the statement required in section 76-214 is filed shall be available for development of a sales file by the Property Tax Administrator. All transactions with stated consideration of more than one hundred dollars or upon which more than one dollar and seventy-five cents in documentary stamp taxes are paid shall be considered sales. All sales shall be deemed to be arm's length transactions unless determined to be otherwise under professionally accepted mass

appraisal techniques. The Department of Property Assessment and Taxation shall not overturn a determination made by a county assessor regarding the qualification of a sale unless the department reviews the sale and determines through the review that the determination made by the county assessor is incorrect.

(3) The Property Tax Administrator annually shall make and issue comprehensive assessment ratio studies of the average level of assessment, the degree of assessment uniformity, and the overall compliance with assessment requirements for each major class of real property subject to the property tax in each county. The comprehensive assessment ratio studies shall be developed in compliance with professionally accepted mass appraisal techniques and shall employ such statistical analysis as deemed appropriate by the Property Tax Administrator, including measures of central tendency and dispersion. The comprehensive assessment ratio studies shall be based upon the sales file as developed in subsection (2) of this section and shall be used by the Property Tax Administrator for the analysis of the level of value and quality of assessment for purposes of section 77-5027 and by the Property Tax Administrator in establishing the adjusted valuations required by section 79-1016. Such studies may also be used by assessing officials in establishing assessed valuations. ~~in the state. In order to determine the degree of assessment uniformity and compliance in the assessment of major classes of property within each county, the Property Tax Administrator shall compute measures of central tendency and dispersion and shall employ such standard statistical analysis as deemed appropriate by him or her.~~

~~(3)~~ (4) The Property Tax Administrator may require assessors and other ~~local officers~~ taxing officials to report ~~to him or her~~ data on ~~taxable valuations~~ the assessed valuation and other features of the property ~~tax~~ assessment for such periods and in such form and content as the Property Tax Administrator shall ~~require~~ deem appropriate. The Property Tax Administrator shall so construct and maintain ~~his or her~~ the system ~~for the collection and analysis of property tax facts as~~ used to collect and analyze the data to enable him or her to make intracounty comparisons of assessed valuation, including school districts, as well as intercounty comparisons of assessed valuation, including school districts. ~~, based on property tax and assessment ratio data.~~ The Property Tax Administrator shall include analysis of real ~~estate~~ property sales pursuant to land contracts and similar transfers at the time of execution of the contract or similar transfer. ~~The Department of Property Assessment and Taxation shall assist those county officials who require supplemental information to perform the duties necessary to carry out this section. The information requested may include, but shall not be limited to, sample appraisals, statistical analyses, arm's-length sales transactions, or any other information necessary to complete such analysis.~~

~~(4) The Property Tax Administrator shall verify the accuracy of information, including the selection of form 521 comparable sales, if any, that are not arm's-length transactions.~~

~~(5) The Property Tax Administrator shall annually publish a summary of the findings of the assessment ratio studies together with digests of property tax data.~~

~~(6) The county assessor shall annually, within five days after certifying the assessment rolls pursuant to section 77-1315, post in his or her office and, as designated by the county board, mail to a newspaper of general circulation and to licensed broadcast media in the county the assessment ratios as found in his or her county as determined by the Property Tax Administrator and any other statistical measures, including, but not limited to, the assessment-to-sales ratio, the coefficient of dispersion, and the price-related differential.~~

Sec. 3. Section 77-1371, Revised Statutes Supplement, 2000, is amended to read:

77-1371. When using comparable sales in ~~any method of~~ determining actual value <u>of an individual property under the sales comparison approach</u> provided in section 77-112, the following guidelines shall be considered in determining what constitutes a comparable sale:

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

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

(3) For sales of agricultural land or horticultural land as defined in section 77-1359, whether a premium was paid to acquire nearby property. Land within one mile of currently owned property shall be considered nearby property;

(4) Whether sales or transfers made in connection with foreclosure, bankruptcy, or condemnations, in lieu of foreclosure,

or in consideration of other legal actions should be excluded from comparable sales analysis as not reflecting current market value;

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

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

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

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

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

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

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

(12) For agricultural land or horticultural land as defined in section 77-1359 which is or has been receiving the special valuation pursuant to sections 77-1343 to 77-1348, whether the sale price reflects a value which the land has for purposes or uses other than as agricultural land or horticultural land and

therefor does not reflect current market value of other agricultural land or horticultural land.

The Property Tax Administrator may issue guidelines for assessing officials for use in determining what constitutes a comparable sale. Guidelines shall take into account the factors listed in this section and other relevant factors as prescribed by the Property Tax Administrator.

Sec. 4. Section 77-1377, Reissue Revised Statutes of Nebraska, is amended to read:

77-1377. The Property Tax Administrator shall create a statewide file ~~on~~ of real ~~estate~~ property sales to ~~compile~~ ~~data~~ ~~and~~ provide information regarding hard-to-assess property, including situations in which a local property may have few available comparable sales. The Property Tax Administrator shall make the file available to county assessors. ~~and county clerks performing the duties of county assessors.~~

Sec. 5. Original section 77-1377, Reissue Revised Statutes of Nebraska, and sections 77-1315, 77-1327, and 77-1371, Revised Statutes Supplement, 2000, are repealed.

Sec. 6. The following section is outright repealed: Section 77-1372, Revised Statutes Supplement, 2000.".