

AMENDMENTS TO LB 170

(Amendments to Standing Committee amendments, AM0245)

1 1. Insert the following new sections:

2 "Sec. 4. Section 77-201, Revised Statutes Supplement,
3 2000, is amended to read:

4 77-201. (1) Except as provided in subsection (2) of this
5 section, all real property in this state, not expressly exempt
6 therefrom, shall be subject to taxation and shall be valued at its
7 actual value.

8 (2) Agricultural land and horticultural land as defined
9 in section 77-1359 shall constitute a separate and distinct class
10 of real property for purposes of property taxation, shall be
11 subject to taxation, unless expressly exempt from taxation, and
12 shall be valued at eighty percent of its actual value.

13 (3) Tangible personal property, not including motor
14 vehicles registered for operation on the highways of this state,
15 shall constitute a separate and distinct class of property for
16 purposes of property taxation, shall be subject to taxation, unless
17 expressly exempt from taxation, and shall be valued at its net book
18 value. Tangible personal property transferred as a gift or devise
19 or as part of a transaction which is not a purchase shall be
20 subject to taxation based upon the date the property was acquired
21 by the previous owner and at the previous owner's Nebraska adjusted
22 basis. Tangible personal property acquired as replacement property
23 for converted property shall be subject to taxation based upon the

1 date the converted property was acquired and at the Nebraska
2 adjusted basis of the converted property unless insurance proceeds
3 are payable by reason of the conversion. For purposes of this
4 subsection, (a) converted property means tangible personal property
5 which is compulsorily or involuntarily converted as a result of its
6 destruction in whole or in part, theft, seizure, requisition, or
7 condemnation, or the threat or imminence thereof, and no gain or
8 loss is recognized for federal or state income tax purposes by the
9 holder of the property as a result of the conversion and (b)
10 replacement property means tangible personal property acquired
11 within two years after the close of the calendar year in which
12 tangible personal property was converted and which is, except for
13 date of construction or manufacture, substantially the same as the
14 converted property.

15 Sec. 12. Section 77-1355, Revised Statutes Supplement,
16 2000, is amended to read:

17 77-1355. (1) The Greenbelt Advisory Committee is
18 established to assist and advise the Property Tax Administrator in
19 developing uniform and proportionate special valuation of
20 agricultural real property which is zoned for agricultural use and
21 subject to land use controls provided for in sections 77-1343 to
22 77-1348. The advisory committee shall provide advice to the
23 Property Tax Administrator and the Legislature on rules and
24 regulations under section 77-1346 and methods and practices of
25 state and local assessing officials for such special valuation.
26 The Property Tax Administrator shall respond to the recommendations
27 of the advisory committee and explain the basis for approval or

1 rejection of recommendations.

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

4 (a) Two active farmers;

5 (b) An active rancher;

6 (c) A real estate appraiser with expertise in the
7 appraisal of agricultural real estate;

8 (d) A professor of agricultural economics at the
9 University of Nebraska Institute of Agriculture and Natural
10 Resources;

11 (e) An elected county assessor or a designee of the
12 county assessor;

13 (f) A local planning and zoning official;

14 (g) An elected county official who has served or is
15 serving on an agricultural and horticultural land valuation board;
16 and

17 (h) A county attorney who has an understanding of
18 appraisal processes and problems encountered in the valuation of
19 real property.

20 The members shall serve for terms of four years, except
21 that the Governor shall designate three of the initial members to
22 serve for two-year terms. The members shall select a chairperson
23 from the advisory committee's membership. The advisory committee
24 shall meet at least once annually.

25 (3) The advisory committee shall develop recommendations
26 on:

27 (a) When using comparable sales analysis for purposes of

1 establishing the special valuation under sections 77-1343 to
2 77-1348, how such information may be gathered from other counties
3 and locations within a county;

4 (b) When using an income capitalization approach for such
5 special valuation, the income and expense information to be used
6 and the appropriate method of gathering such information;

7 (c) When using the income capitalization approach, the
8 approved methods of determining the capitalization rate, including
9 methods of gathering valid comparable sales for purposes of
10 determining the capitalization rate on comparable agricultural land
11 and horticultural land; and

12 (d) Any further revisions to sections 77-1343 to 77-1348
13 as the committee deems important for uniform enforcement of such
14 sections and uniform special valuation of agricultural real
15 property.

16 (4) Methods and recommendations developed by the advisory
17 committee shall provide for an annually updated analysis based on a
18 three-year average of the information used. The advisory committee
19 may develop recommendations for valuation methods which provide for
20 special valuation of land used for specialized agricultural crop
21 production which is unique or localized to a specific area. The
22 recommendations shall be provided by October 1 each year.

23 (5) The Property Tax Administrator shall provide
24 administrative staff support and information as requested by the
25 advisory committee so long as provision of staff support and
26 information does not impair the ability of the Property Tax
27 Administrator to carry out other statutory obligations.

1 (6) Members shall be reimbursed for actual and necessary
2 expenses pursuant to sections 81-1174 to 81-1177.

3 Sec. 13. Section 77-1361, Revised Statutes Supplement,
4 2000, is amended to read:

5 77-1361. (1) Agricultural land and horticultural land
6 used solely for agricultural or horticultural purposes shall
7 constitute a separate and distinct class of real property for
8 purposes of property taxation. Agricultural land and horticultural
9 land shall be classified using the agricultural land valuation
10 manual issued by the Property Tax Administrator pursuant to section
11 77-1330 which shall be developed using the methods prescribed in
12 section 77-1362.

13 (2) No residential, commercial, industrial, or
14 agricultural building or enclosed structure or the directly
15 associated land or site of the building or enclosed structure shall
16 be assessed as agricultural land or horticultural land, except that
17 beginning January 1, 2002, land currently in use as a farm site not
18 currently occupied or used for any other nonagricultural or
19 nonhorticultural purpose shall be valued at the same assessed value
20 as the contiguous agricultural or horticultural land which is under
21 the same ownership and is in use as agricultural or horticultural
22 land.

23 Sec. 14. Section 77-1362, Revised Statutes Supplement,
24 2000, is amended to read:

25 77-1362. An agricultural land valuation manual shall be
26 developed by the Property Tax Administrator which divides
27 agricultural land and horticultural land into ~~categories~~ classes

1 and such ~~categories~~ classes into subclasses based on soil
2 classifications. The Property Tax Administrator may recognize
3 geographic differences that exist within the county and issue
4 separate values for a class or subclass of agricultural land and
5 horticultural land for those distinct areas in the county.

6 Sec. 20. Section 77-5016, Revised Statutes Supplement,
7 2000, is amended to read:

8 77-5016. All cases appealed to the commission shall be
9 granted an informal hearing unless a formal hearing is granted as
10 determined by the commission according to its rules and
11 regulations. In cases appealed to the commission:

12 (1) The commission may admit and give probative effect to
13 evidence which possesses probative value commonly accepted by
14 reasonably prudent persons in the conduct of their affairs. It
15 shall give effect to the rules of privilege recognized by law. It
16 may exclude incompetent, irrelevant, immaterial, and unduly
17 repetitious evidence. Any party to an appeal filed under section
18 77-5007 may request a formal hearing by delivering a written
19 request to the commission not more than thirty days after the
20 appeal is filed. The request shall include the requesting party's
21 agreement to be liable for the payment of costs incurred and upon
22 any appeal or review, including the cost of court reporting
23 services which the requesting party shall procure for the hearing.
24 The commission shall be bound by the rules of evidence applicable
25 in district court in any formal hearing held by the commission.
26 All costs of a formal hearing shall be paid by the party or parties
27 against whom a final decision is rendered;

1 (2) The commission may administer oaths, issue subpoenas,
2 compel the attendance of witnesses and the production of any
3 papers, books, accounts, documents, statistical analysis, and
4 testimony, and cause the depositions of witnesses residing either
5 within or without the state to be taken in the manner prescribed by
6 law for taking depositions in civil actions in the district court;

7 (3) All evidence including records and documents in the
8 possession of the commission of which it desires to avail itself
9 shall be offered and made a part of the record in the case. No
10 other factual information or evidence shall be considered in the
11 determination of the case. Documentary evidence may be received in
12 the form of copies or excerpts or by incorporation by reference;

13 (4) Every party shall have the right of cross-examination
14 of witnesses who testify and shall have the right to submit
15 rebuttal evidence;

16 (5) The commission may take notice of judicially
17 cognizable facts and in addition may take notice of general,
18 technical, or scientific facts within its specialized knowledge or
19 statistical information regarding general levels of assessment
20 within a county or a class or subclass of real property within a
21 county and measures of central tendency within such county or
22 classes or subclasses within such county which have been made known
23 to the commission. Parties shall be notified either before or
24 during the hearing or by reference in preliminary reports or
25 otherwise of the material so noticed. They shall be afforded an
26 opportunity to contest the facts so noticed. The commission may
27 utilize its experience, technical competence, and specialized

1 knowledge in the evaluation of the evidence presented to it;

2 (6) Any person testifying under oath at a hearing who
3 knowingly and intentionally makes a false statement to the
4 commission or its designee is guilty of perjury. For the purpose
5 of this section, perjury is a Class I misdemeanor; and

6 (7) The commission shall hear appeals and cross appeals
7 taken under section 77-5007 as in equity and without a jury and
8 determine de novo all questions raised before the county board of
9 equalization or the Property Tax Administrator which relate to the
10 liability of the property to assessment or the amount thereof. The
11 commission shall affirm the action taken by the board or Property
12 Tax Administrator unless evidence is adduced establishing that the
13 action of the board or the Property Tax Administrator was
14 unreasonable or arbitrary. Any decision rendered by the commission
15 shall be certified to the parties and, if applicable, to the county
16 treasurer and the official charged with the duty of preparing the
17 tax list. When such decision becomes final, any officials shall
18 correct their records accordingly.

19 Sec. 24. Section 77-5027, Revised Statutes Supplement,
20 2000, is amended to read:

21 77-5027. The commission shall, pursuant to section
22 77-5026, raise or lower the valuation of any class or subclass of
23 real property in a county when it is necessary to achieve
24 equalization. On or before April 15 for 1997 and on or before
25 April 5 for 1998 and each year thereafter, the Property Tax
26 Administrator shall prepare statistical and narrative reports
27 informing the commission of the level of value and the quality of

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1 assessment of the classes and subclasses of real property in the
2 state and certify his or her opinion regarding the level of value
3 and quality of assessment in each county. On or before April 15
4 for 1997 and on or before April 5 for 1998 and each year
5 thereafter, the Property Tax Administrator shall certify his or her
6 opinion regarding the level of value and quality of assessment of
7 the county to each county assessor. For the purposes of informing
8 the commission, the Property Tax Administrator shall employ the
9 methods specified in section 77-112, the sales-assessment ratio
10 study, other statistical studies, and studies of the assessment
11 practices of a county. The Property Tax Administrator may employ
12 transfers of comparable real property in market areas similar to
13 the area in question as indicators of the level of value and the
14 quality of assessment in a county. The Property Tax Administrator
15 may use any other relevant matter in providing information to the
16 commission.

17 Sec. 25. Section 77-5028, Revised Statutes Supplement,
18 2000, is amended to read:

19 77-5028. After a hearing conducted pursuant to section
20 77-5024 or 77-5026, the commission shall enter its order based on
21 information presented to it at the hearing. The order of the
22 commission shall be sent by certified mail to the county assessor
23 and by regular mail to the county clerk and chairperson of the
24 county board on or before May 15 of each year. The order shall
25 specify the percentage increase or decrease and the class or
26 subclass of real property affected or the corrections or
27 adjustments to be made to the class or subclass of real property

1 affected. The specified changes shall be made by the county
2 assessor to each item of real property in the county so affected."

3 2. On page 1, lines 6 and 7 and 15, strike "or appeal"
4 and insert "appeal, or".

5 3. On page 2, line 8, strike "A" and insert "Appropriate
6 for the valuation of such land, a".

7 4. On page 4, line 16, after "subclass" insert "of real
8 property".

9 5. On page 7, strike beginning with "Any" in line 17
10 through the period in line 19 and show as stricken.

11 6. On page 8, line 9; and page 9, line 8, after
12 "nonagricultural" insert "or nonhorticultural".

13 7. On page 11, line 12, strike "categories" through
14 "subclasses", show the old matter as stricken, and insert "classes
15 and subclasses of real property"; and in line 17 strike
16 "Categories", show as stricken, and insert "Classes" and after
17 "subclasses" insert "of real property".

18 8. On page 12, line 2, after "of" insert "real".

19 9. On page 16, line 18, before "Any" insert "(1)"; and
20 strike beginning with "of" in line 22 through line 27, show the old
21 matter as stricken, and insert "the final decision was rendered.

22 (2) An appeal shall be perfected and the commission shall
23 obtain jurisdiction when:

24 (a) The appeal is filed on a form provided by the
25 commission;

26 (b) A filing fee of twenty-five dollars is paid, except
27 that no filing fee shall be required for a county assessor filing

1 in his or her official capacity; and

2 (c) A copy of the final decision or other information
3 that documents such final decision is filed."

4 10. On page 17, strike beginning with line 1 through the
5 period in line 7 and insert:

6 "(3)"; and in line 21 after "subclass" insert "of real
7 property".

8 11. On page 19, line 14, before "property" insert
9 "real"; and in line 21 strike the first "the", show as stricken,
10 and insert "real".

11 12. On page 22, line 22, after "77-101," insert
12 "77-201,"; in line 23 after "77-1347," insert "77-1355, 77-1361
13 to"; and in line 24 after "77-5013," insert "77-5016," and after
14 "77-5026" insert "to 77-5028".

15 13. Renumber the remaining sections accordingly.