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FLOOR DEBATE

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LB 600

units of government to the extent that property valuations are not a major part of the revenue stream. We are unique in the United States in that our system has resulted in Nebraska not only being number one in baseball, but we're number one still today in the amount of dollars in property taxes called upon the owners of agriculture property to pay relative to the market value of that land. So there is a long history here. It's something that this body has continued to look at. And it's my belief that we should continue to look at that. With that, then, Mr. Chairman, Mr. President, there's the committee amendment.

PRESIDENT MAURSTAD: Thank you, Senator Coordsen. Senator Wickersham, you're recognized on the committee amendments to LB 600. (AM1916, Legislative Journal page 1891.)

SENATOR WICKERSHAM: Mr. President, the committee amendments, while preserving the, I think the general objective of LB 600 as introduced by Senator Coordsen, rewrite the bill. And if you can...I would urge you to pick up on your machine the committee statement so that you can read through the various provisions that are affected in the committee amendment and then, of course, if you have time or the inclination, that you actually read the committee amendments so you can get some appreciation of what is being proposed in the bill. As suggested by Senator Coordsen, we are changing the methodology for valuation of ag land for purposes of taxation from one that is based on comparable sales or market values to one based on income streams that are then capitalized by a defined rate. As you'll see if you examine the committee amendments to LB 600, that rate is a rate that would be fixed by the Legislature. As it's proposed in the amendment, that capitalization rate is fixed at 8 percent. But we'll, I'm sure, have more discussion about that later because the capitalization rate is a critical component in arriving at a final value for agricultural lands. The committee amendments preserve language that was in the original bill concerning intent. That is largely restated. It provides, of course, that agricultural land, and there's a specific definition for agricultural land that you should pay a considerable amount of attention to under the bill because it is only agricultural land that is treated with or valued by the