

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

May 24, 2001

LB 600

amendment of items that qualify for expenses. For example, expenses include property taxes, repairs, irrigation expenses. There are a couple of items that you might think are expenses that are not included within the definition of expenses. For example, depreciation is not included as an expense. So when you're thinking about income or net income in the context of LB 600, for those of you who have agricultural land, please don't think of net income or the income that will be capitalized for purposes of this bill as the income that shows up on your Schedule F. They're not going to be the same thing. And there is not going to be any individualized test for your property. The system that is being proposed produces aggregate numbers, aggregate numbers. It isn't you individually that specifically counts. It is aggregate numbers. Now the methodology that is used to produce the income component is large, I would say is largely the same as the methodology that was used in the middle eighties with some differences. In that instance, all of the information was derived at the state level and there was no local discretion about those numbers. In this instance, the bill requires that the information can be generated at the state level, but it is implemented at the county level. And there are provisions that provide for equalization of the derived values across county lines and within areas of a county that can be determined should receive different treatment under this proposal than other parts of a county. And part of that is due to the fact that the crop mix in a given area may produce substantially different values in a specific part of a county than it would produce in a different part of a county and there is still a need to correlate values from county to county even though that might be the gross values that are determined for a county might be influenced by the specific crop mixes that pertained in those counties. There is an income methodology for cropland and there is a different methodology for grassland. But the difference is in how the income streams are determined rather than in the capitalization rate. So you would want to, if you're interested in...if you have grassland and you're interested in how grassland would be valued, you need to pay attention to those provisions in the bill because the income...

PRESIDENT MAURSTAD: One minute.