

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
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FLOOR DEBATE

February 26, 2002 LB 600

January 12 of last year; at that time referred to the Revenue Committee. The bill was discussed in May of last year, briefly, Mr. President. I do have committee amendments pending, as well as other amendments to the bill. (AM1916, Legislative Journal page 1891, First Session, 2001.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Coordsen, you're recognized to open on LB 600.

SENATOR COORDSEN: Thank you, Mr. Speaker. Members of the body, LB 600 proposes to value agricultural land upon its ability to generate income in a capitalized fashion, and that's what it does. Thank you.

SENATOR CUDABACK: Mr. Clerk. Revenue Committee amendments. Senator Wickersham, you're recognized, as Chairman of the Revenue Committee, to open on the Revenue Committee amendment.

SENATOR WICKERSHAM: Thank you, Mr. President. Members of the body, we have already had, last session, an opening on the committee amendment, so I'm not quite sure how much to present in the way of a description of the committee amendments. The committee amendments effectively become the bill. Perhaps the easiest thing to do would be to direct your attention on your machines to the committee statement and, as you read through that, perhaps if questions arise we can attempt to respond to them as we go along in the debate. As Senator Coordsen noted, the purpose of the bill is to change the method of valuing agricultural and horticultural lands from one based on sales to one based on capitalized earnings. There are...that methodology is employed in a variety of other states with a variety of techniques. The one that is suggested in the committee amendment is that you either develop a cash rent analysis or that you develop a crop share analysis, and once you arrive at an income stream to be discounted, and that is not a gross income stream in the case of cash rents at least, you have deductions and then you divide those by a capitalization rate. The committee amendments provide for that capitalization rate to be 8 percent, and that is an 8 percent rate that would be applied across the state on a uniform basis. I might also note that over the summer there was an interim study of this issue.