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FLOOR DEBATE

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body, most of LB 600 is, in fact, technical language that, to the largest extent, follows those provisions in statute and regulation in the many, many other states that value agricultural property based upon its income-producing ability. There's really nothing new, there's nothing earthshaking in LB 600 when you compare it to the systems of our neighboring states. The amendment that you have before us does make several changes in AM1916. By the way, AM1916 is the bill, if it's adopted. It is a rewrite of the bill. This amendment that I'm presenting to you, and I would like to have...add it adds...does some language changes in that it adds land capability groups. It adds reserve for replacements in the costing side. It makes some changes to ensure that the language in the bill gives to the assessors in each county the ability to determine whether crop share or cash rent method is the most viable method of determining income for their county, based upon the mix of crops and rental agreements. It changes the capitalization rate. The bill, as it is presented, has an 8 percent capitalization rate fixed in statute. This proposal would add to that the average property tax levy on agricultural land within the...within the county, and then an economic adjustment factor that could be attainable based upon the recommendations of the Agricultural Land Valuation Advisory Board, which is also...is a creation of LB 600 in the...it's included in AM1916, the committee amendment, that would advise the Property Tax Administrator as to whether the 8 percent, plus the county average property tax levy, would, in fact, reflect values that were representative of the economic conditions in agriculture at that particular time. It has a pretty good base. The maximum rate then would be something in the neighborhood of 12 percent in the event everything was used, only in passing I would mention that Colorado fixes theirs in statute and it is at 13 for the current time. They have...the Legislature has to adjust it each...on...on demand for economic conditions. It moves the operating date out by one year. This bill would not become operational until 2004. And it provides that an assessed equalized value may be within the range of 90 to 100 percent of income stream methodology, where the committee amendment I believe still...still retains an 80 percent of ag value. And it was my opinion and is my opinion today that if we valued agricultural property upon its income-producing capacity that