

LEGISLATURE OF NEBRASKA
NINETY-EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 905

Introduced by Stuhr, 24; Vrtiska, 1; Wehrbein, 2

Read first time January 8, 2004

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 77-1315, 77-1315.01, 77-1338, 77-1344, 77-1355, 77-1514,
3 77-5024.01, and 77-5028, Reissue Revised Statutes of
4 Nebraska, and section 13-509, Revised Statutes
5 Supplement, 2002; to eliminate agricultural and
6 horticultural land valuation boards and land manual
7 areas; to harmonize provisions; to provide an operative
8 date; to repeal the original sections; and to outright
9 repeal sections 77-1378 to 77-1384, 77-5024, and 77-5025,
10 Reissue Revised Statutes of Nebraska.
11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-509, Revised Statutes Supplement,
2 2002, is amended to read:

3 13-509. On or before August 20 of each year, the county
4 assessor shall (1) certify to each governing body or board
5 empowered to levy or certify a tax levy the current taxable value
6 of the taxable real and personal property subject to the applicable
7 levy and (2) certify to the State Department of Education the
8 current taxable value of the taxable real and personal property
9 subject to the applicable levy for all school districts. Current
10 taxable value for real property shall mean the value established by
11 the county assessor and equalized by the county board of
12 equalization, ~~the agricultural and horticultural land valuation~~
13 ~~board,~~ and the Tax Equalization and Review Commission. Current
14 taxable value for tangible personal property shall mean the net
15 book value reported by the taxpayer and certified by the county
16 assessor.

17 Sec. 2. Section 77-1315, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 77-1315. (1) The county assessor shall, after March 20
20 and on or before June 1, implement adjustments to the real property
21 assessment roll for actions of the ~~agricultural and horticultural~~
22 ~~land valuation board and the~~ Tax Equalization and Review
23 Commission.

24 (2) On or before June 1, the county assessor shall notify
25 the owner of record as of May 20 of every item of real property
26 which has been assessed at a value different than in the previous
27 year. Such notice shall be given by first-class mail addressed to
28 such owner's last-known address. It shall identify the item of

1 real property and state the old and new valuation, the date of
2 convening of the county board of equalization, the dates for filing
3 a protest, and the average level of value of all classes and
4 subclasses of real property in the county as determined by the Tax
5 Equalization and Review Commission.

6 (3) Immediately upon completion of the assessment roll,
7 the county assessor shall cause to be published in a newspaper of
8 general circulation in the county a certification that the
9 assessment roll is complete and notices of valuation changes have
10 been mailed and provide the final date for filing valuation
11 protests with the county board of equalization.

12 (4) The county assessor shall annually, on or before June
13 6, post in his or her office and, as designated by the county
14 board, mail to a newspaper of general circulation and to licensed
15 broadcast media in the county the assessment ratios as found in his
16 or her county as determined by the Tax Equalization and Review
17 Commission and any other statistical measures, including, but not
18 limited to, the assessment-to-sales ratio, the coefficient of
19 dispersion, and the price-related differential.

20 Sec. 3. Section 77-1315.01, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 77-1315.01. After March 20 and on or before July 25, the
23 county assessor shall report to the county board of equalization
24 any overvaluation or undervaluation of any real property. The
25 county board of equalization shall consider the report in
26 accordance with section 77-1504.

27 The current year's assessed valuation of any real
28 property shall not be changed by the county assessor after March 20

1 except by action of the ~~agricultural and horticultural land~~
2 ~~valuation board~~, the Tax Equalization and Review Commission, or the
3 county board of equalization.

4 Sec. 4. Section 77-1338, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 77-1338. The county and all political subdivisions
7 within the county shall be bound by the values established by the
8 county assessor and equalized by the county board of equalization,
9 ~~the agricultural and horticultural land valuation board~~, and the
10 Tax Equalization and Review Commission for all property subject to
11 its taxing power.

12 Sec. 5. Section 77-1344, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 77-1344. (1) Any land which has an actual value as
15 defined in section 77-112 reflecting purposes or uses other than
16 agricultural or horticultural use shall be assessed at its special
17 valuation and not at its recapture value if the land meets the
18 qualifications of this subsection and an application for such
19 special valuation is made and approved pursuant to section 77-1345.
20 In order for the land to qualify for special valuation all of the
21 following criteria shall be met: (a) The land is located outside
22 the corporate boundaries of any sanitary and improvement district,
23 city, or village, (b) the land is used for agricultural or
24 horticultural purposes, and (c) the land is zoned predominantly for
25 agricultural or horticultural use.

26 (2) The special valuation provisions may be applicable to
27 real property included within the corporate boundaries of a city or
28 village if the land is subject to a conservation or preservation

1 easement as provided in the Conservation and Preservation Easements
2 Act and the governing body of the city or village approves the
3 agreement creating the easement.

4 (3) The eligibility of land for the special valuation
5 provisions of this section shall be determined as of January 1, but
6 if land so qualified becomes disqualified prior to the levy date of
7 the same year, it shall be valued and carried on the tax roll at
8 its recapture value. If the land becomes disqualified after the
9 date of levy, its valuation for that year shall continue as
10 provided in this section.

11 (4) The special valuation and recapture valuation placed
12 on such land by the county assessor under this section shall be
13 subject to equalization by the ~~agricultural and horticultural land~~
14 ~~valuation board,~~ the county board of equalization, and the Tax
15 Equalization and Review Commission.

16 Sec. 6. Section 77-1355, Reissue Revised Statutes of
17 Nebraska, is amended to read:

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

1 77-1348, how such information may be gathered from other counties
2 and locations within a county;

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

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

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

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

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

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

1 Sec. 7. Section 77-1514, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-1514. The county assessor shall prepare abstracts of
4 the property assessment rolls of locally assessed property of his
5 or her county on forms prescribed and furnished by the Property Tax
6 Administrator, showing the values of all taxable property as
7 determined by the county assessor for the current year. The county
8 assessor shall forward the real property abstract to the Property
9 Tax Administrator on or before March 20 and the personal property
10 abstract on or before June 15. The abstract shall show the taxable
11 property in the county and any other information as required by the
12 Property Tax Administrator. The Property Tax Administrator, upon
13 written request from the county assessor, may extend the statutory
14 due dates provided in this section and ~~sections 77-1381,~~
15 ~~77-1381.01, 77-1384,~~ and section 77-5027.

16 Sec. 8. Section 77-5024.01, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 77-5024.01. The commission shall give notice of the time
19 and place of the first meeting held pursuant to sections
20 77-1504.01, ~~77-5024,~~ and 77-5026 by publication in a newspaper of
21 general circulation in the State of Nebraska. Such notice shall
22 contain a statement that the agenda shall be readily available for
23 public inspection at the principal office of the commission during
24 normal business hours. The agenda shall be continually revised to
25 remain current. The commission may thereafter modify the agenda
26 and need only provide notice of the meeting to the affected
27 counties in the manner provided in section 77-1504.01, ~~77-5024,~~ or
28 77-5026. The commission shall publish in its notice a list of

1 those counties certified under section 77-5027 as having
2 assessments which may fail to satisfy the requirements of law.

3 Sec. 9. Section 77-5028, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 77-5028. After a hearing conducted pursuant to section
6 ~~77-5024~~ ~~or~~ 77-5026, the commission shall enter its order based on
7 information presented to it at the hearing. The order of the
8 commission shall be sent by certified mail to the county assessor
9 and by regular mail to the county clerk and chairperson of the
10 county board on or before May 15 of each year. The order shall
11 specify the percentage increase or decrease and the class or
12 subclass of real property affected or the corrections or
13 adjustments to be made to the class or subclass of real property
14 affected. The specified changes shall be made by the county
15 assessor to each item of real property in the county so affected.

16 Sec. 10. This act becomes operative on January 1, 2005.

17 Sec. 11. Original sections 77-1315, 77-1315.01, 77-1338,
18 77-1344, 77-1355, 77-1514, 77-5024.01, and 77-5028, Reissue Revised
19 Statutes of Nebraska, and section 13-509, Revised Statutes
20 Supplement, 2002, are repealed.

21 Sec. 12. The following sections are outright repealed:
22 Sections 77-1378 to 77-1384, 77-5024, and 77-5025, Reissue Revised
23 Statutes of Nebraska.