

LEGISLATURE OF NEBRASKA  
NINETY-NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 261**

Introduced by Stuhr, 24

Read first time January 10, 2005

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-1338, 77-1355, 77-5024.01, and 77-5028, Reissue  
3 Revised Statutes of Nebraska, and sections 13-509,  
4 77-1315, 77-1315.01, 77-1344, 77-1514, and 77-5007,  
5 Revised Statutes Supplement, 2004; to eliminate  
6 agricultural and horticultural land valuation boards and  
7 land manual areas; to harmonize provisions; to provide an  
8 operative date; to repeal the original sections; and to  
9 outright repeal sections 77-1378, 77-1379, 77-1381 to  
10 77-1383, 77-5024, and 77-5025, Reissue Revised Statutes  
11 of Nebraska, and sections 77-1380 and 77-1384, Revised  
12 Statutes Supplement, 2004.

13 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 13-509, Revised Statutes Supplement,  
2 2004, 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, Revised Statutes Supplement,  
18 2004, is amended to read:

19           77-1315. (1) The county assessor shall, after March 19  
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, Revised Statutes Supplement,  
21 2004, is amended to read:

22 77-1315.01. After March 19 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 19

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, Revised Statutes Supplement,  
13 2004, 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 as provided in  
17 subsection (3) of section 77-201 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 ~~serving~~ 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, Revised Statutes Supplement,  
2     2004, 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.    The county assessor shall file the real property  
7     abstract with the Property Tax Administrator on or before March 19  
8     and the personal property abstract on or before June 15.  The  
9     abstracts shall show the taxable value of real or personal property  
10    in the county as determined by the county assessor and any other  
11    information as required by the Property Tax Administrator.  The  
12    Property Tax Administrator, upon written request from the county  
13    assessor, may for good cause shown extend the final filing due date  
14    for the real property abstract and the statutory deadlines provided  
15    in sections ~~77-1381~~, ~~77-1381.01~~, ~~77-1384~~, 77-5027, and 77-5028.

16                  Sec. 8.     Section 77-5007, Revised Statutes Supplement,  
17     2004, is amended to read:

18                  77-5007.  The commission has the power and duty to hear  
19     and determine appeals of:

20                   (1)   Decisions of any county board of equalization  
21     equalizing the value of individual tracts, lots, or parcels of real  
22     property so that all real property is assessed uniformly and  
23     proportionately;

24                   (2)   Decisions of any county board of equalization  
25     granting or denying tax-exempt status for real or personal property  
26     or an exemption from motor vehicle taxes and fees;

27                   (3)   Decisions of the Property Tax Administrator  
28     determining the taxable property of a railroad company, car

1 company, public service entity, or air carrier within the state;

2 (4) Decisions of the Property Tax Administrator  
3 determining adjusted valuation pursuant to section 79-1016;

4 (5) Decisions of any county board of equalization on the  
5 valuation of personal property or any penalties imposed under  
6 sections 77-1233.04 and 77-1233.06;

7 (6) Decisions of any county board of equalization on  
8 claims that a levy is or is not for an unlawful or unnecessary  
9 purpose or in excess of the requirements of the county;

10 (7) Decisions of any county board of equalization  
11 granting or rejecting an application for a homestead exemption;

12 (8) Decisions of the Department of Motor Vehicles  
13 determining the taxable value of motor vehicles pursuant to section  
14 60-3005;

15 (9) Decisions of the Property Tax Administrator made  
16 under section 77-1330;

17 (10) Any other decision of any county board of  
18 equalization;

19 (11) Any other decision of the Property Tax  
20 Administrator;

21 (12) Decisions of the Tax Commissioner pursuant to  
22 section 77-3520; and

23 (13) Any other decision, determination, action, or order  
24 from which an appeal to the commission is authorized.

25 The commission has the power and duty to hear ~~petitions~~  
26 ~~brought pursuant to section 77-1380~~ and any other petition the  
27 commission is authorized to hear.

28 Sec. 9. Section 77-5024.01, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           77-5024.01. The commission shall give notice of the time  
3 and place of the first meeting held pursuant to sections  
4 77-1504.01, ~~77-5024~~, and 77-5026 by publication in a newspaper of  
5 general circulation in the State of Nebraska. Such notice shall  
6 contain a statement that the agenda shall be readily available for  
7 public inspection at the principal office of the commission during  
8 normal business hours. The agenda shall be continually revised to  
9 remain current. The commission may thereafter modify the agenda  
10 and need only provide notice of the meeting to the affected  
11 counties in the manner provided in section 77-1504.01, ~~77-5024~~, or  
12 77-5026. The commission shall publish in its notice a list of  
13 those counties certified under section 77-5027 as having  
14 assessments which may fail to satisfy the requirements of law.

15           Sec. 10. Section 77-5028, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17           77-5028. After a hearing conducted pursuant to section  
18 ~~77-5024~~ or 77-5026, the commission shall enter its order based on  
19 information presented to it at the hearing. The order of the  
20 commission shall be sent by certified mail to the county assessor  
21 and by regular mail to the county clerk and chairperson of the  
22 county board on or before May 15 of each year. The order shall  
23 specify the percentage increase or decrease and the class or  
24 subclass of real property affected or the corrections or  
25 adjustments to be made to the class or subclass of real property  
26 affected. The specified changes shall be made by the county  
27 assessor to each item of real property in the county so affected.

28           Sec. 11. This act becomes operative on January 1, 2006.

1                   Sec. 12. Original sections 77-1338, 77-1355, 77-5024.01,  
2 and 77-5028, Reissue Revised Statutes of Nebraska, and sections  
3 13-509, 77-1315, 77-1315.01, 77-1344, 77-1514, and 77-5007, Revised  
4 Statutes Supplement, 2004, are repealed.

5                   Sec. 13. The following sections are outright repealed:  
6 Sections 77-1378, 77-1379, 77-1381 to 77-1383, 77-5024, and  
7 77-5025, Reissue Revised Statutes of Nebraska, and sections 77-1380  
8 and 77-1384, Revised Statutes Supplement, 2004.