

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB602

Chairperson: Senator Jim Smith

Committee: Revenue

Date of Hearing: February 24, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 602 changes agricultural land valuation from a market based system to a productivity based system. Unlike the current market based system, the productivity method contained in this bill will make agricultural land valuations fair, equitable, objective, simplified and transparent.

In order to achieve fairness and equity, LB 602 fundamentally changes the way agricultural land is valued in the State. Instead of valuing ninety-nine percent of agricultural land by one percent of real-estate sales, LB 602 bases the value of agricultural land upon its ability to produce marketable crops.

In order to make agricultural land valuations objective, simple and transparent, LB 602 delivers a simple mathematical formula to follow for determining agricultural land values.

The Nebraska Constitution, Article VIII, Section 1, subsections (4) and (5), authorize this method of assessment.

Principal Introducer: _____

Senator Steve Erdman