

ONE HUNDRED NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 459

Introduced by Dover, 19.

PURPOSE: The purpose of this resolution is to propose an interim study to examine the assessment of agricultural land value based on potential income and determine whether such method of assessment is the best way to properly assess agricultural land. In conducting this study, the Revenue Committee of the Legislature may confer with the Nebraska Farm Bureau, the University of Nebraska-Lincoln, the Governor's Policy Research Office, and other stakeholders with expertise in agricultural land assessment. This study shall include the following:

(1) An examination of which other midwest and great plains states use the potential income method of assessment for agricultural land, and the process of such assessment by such states;

(2) A determination of the challenges faced by past legislation that changed agricultural land assessment to the potential income method of assessment;

(3) A determination of solutions that can be implemented to overcome hurdles in passing legislation to change agricultural land assessment to the potential income method of assessment;

(4) An examination of the unique challenges in Nebraska that makes utilizing the potential income method of assessment for agricultural land more difficult;

(5) A determination of the best source of information to evaluate the potential income of agricultural land. Some examples of such information sources being the three-year trend analysis of rents within geographically similar areas based on weather conditions and soil types gathered from the University of Nebraska-Lincoln Farm Real Estate Market Report, the University

of Nebraska-Lincoln Nebraska Farmland Values and Cash Rental Rates, or Nebraska Extension annual reports; and

(6) An examination of whether trend analysis is helpful in determining the potential income of agricultural land.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.