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LB 412

SENATOR KOCH: Its new value.

SENATOR NEWELL: Okay, its true value. They come to you and they say, "Jerry, look, this is going to be developed someday soon and its true value is instead of \$1,000 an acre, its true value is \$3,000 an acre", and so you say, "I don't intend to sell this land for this higher use. I want to keep it in agricultural production. I am a farmer. I am not a speculator. I request to use the greenbelt provisions." You go in and you apply for the use of the greenbelt, and then the assessor says, "Okay, we are going to put two values on your property, Senator Koch. We are going to put \$3,000 for the higher use and \$1,000 for agricultural use and you only have to pay the \$1,000, you pay the lower figure. But, Jerry, I want you to know that there is some penalties involved in this if you ever do change your mind."

SENATOR KOCH: Call me Senator. Call me Senator. We are not friends yet.

SENATOR NEWELL: Yes, you have a point there, Senator Koch. "But if you do ever change your mind and sell it for the different value, for the higher value, and you may do that ten years down the road or you may do that twenty years down the road but we are going to assess the higher value for the five years previous to that that you got the greenbelt provision". Now you may have got it fifteen years before but for that last five years when you sell it for the higher use then they go back and assess you the difference in tax between what you originally should have paid before you asked for and got the greenbelt provision and then they will also assess the interest that you would have owed on that at whatever the going interest rate was.

SENATOR KOCH: Senator Newell, thank you, I understand it now implicitly. In fact, it is frightening and I will tell you why it is. And I know what you are trying to get to, you are saying that many people who live in an area where there is active annexation and some growth, that people who take the greenbelt law, the provisions thereof, are merely speculating, that agriculture is not their intent. So what you are saying then is that we are going to try to cut down you using your land for speculation purposes holding until such time as there is a willing buyer and a willing seller, and once I make the determination of the difference between my tax at \$1,000 an acre and the amount of possibly two or three or four thousand dollars an acre, then as the seller of that and the changing of its use, I am going to be penalized for that amount of tax plus an interest rate on that tax and that is what I am going to have to pay the