

April 6, 1981

LB 412

SENATOR DWORAK: Is the development level the only tax deferred?

SPEAKER MARVEL: You have one minute.

SENATOR DWORAK: Is that the only possible tax deferred, that which is assessed at the development level, rather...?

SENATOR WARNER: The difference between the two values is all that is deferred.

SENATOR DWORAK: So they still pay tax on the agricultural value?

SENATOR WARNER: Full value.

SENATOR DWORAK: Thank you, Senator Warner, that clarifies it.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Mr. Speaker, I move the previous question.

SPEAKER MARVEL: Do I see five hands? Okay, shall debate cease? All those in favor vote aye, opposed vote no. This is to cease debate. Record the vote.

CLERK: 26 ayes, 0 nays to cease debate, Mr. President.

SPEAKER MARVEL: Debate is ceased.

SENATOR WARNER: Mr. President, members of the Legislature, there are two factors that are involved on what the level of the deferred tax should be. One is the rate of interest, the other is the period of time that you defer it back. When the original legislation was enacted in 19 what, 74, normally the average around the country ranged from three to seven years. Usually the shorter the period the higher rate of interest, the longer the period the lower the rate of interest. What was chosen at that time was five year and the six percent interest. If the body wants to have a higher rate of interest, I really don't have too big of an argument but then I would offer a motion to reduce the time down to three years because the bottom line difference is that at some point all you are doing is adding to the value of that land for the eventual purchaser, and most of it you are talking about residential development and I see no reasonable basis to make that so high that you add unnecessarily to the value of the land for the individual buying the eventual lot and it all, obviously, is going to be