

PRESIDENT: Senator Rod Johnson.

SENATOR R. JOHNSON: Mr. President and members, this morning I bring to you LR 2CA, the bill that is designed I think to help correct a problem that we have with the valuation of agricultural property in this state. It is my priority bill for the session and a bill that I think is extremely important to Nebraska agriculture. Specifically, what LR 2CA attempts to do is exempt ag land from the constitutional requirement that all property in this state be valued uniformly and proportionately to other forms of property. It provides that ag and horticultural land would be taxed, one, as a separate class of property; two, by a different assessment method; and, three, that there would not necessarily be a need for resolving values within, one, the class of properties and other subclasses of agricultural land. Finally, the purpose is to preserve and protect...and I want to reiterate this, preserve and protect the tax formula that was enacted by this Legislature in 1985 with the passage of LB 271 which incorporates earnings as a measure of determining ag lands valuation for property tax purposes. As I began putting together some arguments this morning on this issue, I decided to ask myself a variety of questions that I thought might pop into the minds of those of you who are participating in this debate and are interested in this issue. And the first question that naturally came to mind was, why is LR 2CA needed? I think that answer is rather obvious but I would like to go into some of the history behind LR 2CA. Beginning in 1987, the Nebraska Supreme Court suggested that Amendment 4, which was approved by the Nebraska voters in 1984, and also LB 271, which I have already mentioned, did not do what the people of Nebraska and the Nebraska State Legislature intended and assumed that these measures would do, namely, that they did not make an exemption for agricultural land from the uniformity requirement of our Nebraska Constitution. LR 2CA seeks to end the legal confusion and preserve a different tax method for agricultural property. Currently, commercial and industrial property owners are suing for and, I might add, winning judgments against counties to lower their assessments and their taxes to a level of nearby agricultural property.

PRESIDENT: Excuse me, Senator Rod Johnson. (Gavel.) Could you hold your conversation down so we can hear the speaker, please. Thank you.