

April 5, 1989

LB 361

agricultural land adjustments different from the manual, different from the Revenue Department adjustment factors for one and one reason only, and that is to make an adjustment which would move agricultural values to correlate with other types of value. And these two ideas are in the same amendment, AM1208. They are the amendments that I have done basically in conjunction with the Nebraska Cattlemen's Association and I have accepted these amendments and for that reason I urge you to adopt them as well. Thank you.

PRESIDENT: Thank you. Senator Schmit...Mr. Clerk, do you have an amendment to the amendment you say?

CLERK: Mr. President, Senator Schmit would move to amend Senator Landis's amendment.

PRESIDENT: Senator Schmit, please.

SENATOR SCHMIT: Mr. President and members, I've just now seen the amendment and I don't know if any of you have seen it or not. You heard the explanation by Senator Landis. The amendment that I am offering will strike the three words "or income potential" on line 8. I offer that amendment because I believe that embodied in LB 361 there are plenty of opportunities for adjustments, whatever you want to call it, I'm not going to use any other term, extrapolation, interpretation or whatever you want to call it, without adding one more which could be wide open and that would be income potential. Let me give you an example. In my legislative district, and we have busted our back here in the last few years to try to encourage the racing industry and the thoroughbred industry to expand in Nebraska. In my legislative district, we have a number of horse farms, thoroughbred breeding farms. I can easily envision where, if you have a horse farm where you raise the allowance type horses or the expensive horses, that a tax assessor or the tax commissioner could assume the income potential from that farm would far exceed that from a farm where you raise \$2,500 claimers. Now that is a very simple explanation but the idea of it is this. If we are going to use income potential as a means of determining the valuation of property and if I understand Senator Landis's explanation properly, it will also apply to nonagricultural land. Then are we going to place the tax assessor in the position, the county assessor in the position of trying to determine profitability when placing a value upon a piece of property? For example, a savings and loan which is