

amendment appears on page 1520 of the Legislative Journal.)

PRESIDENT: Senator Landis, please.

SENATOR LANDIS: (Mike not activated immediately.) ...this has been delivered to your desk and it constitutes the body of LB 607. The amendment says this. In making any percentage adjustment for the purposes of equalization, rather of valuation, the County Board of Equalization shall make its adjustment so that the valuation of the protested property compares to the aggregate level of value of all taxable property in the county. All right, that went by pretty quick. Let me tell you what it means. Right now we have a bunch of challenges to valuations by commercial properties by taking the commercial property percentage and comparing it to the agricultural land in the county. And as you know, county judges are dropping...district judges are dropping those commercial values to match agricultural land. Now, the court's theory does not identify what the target of a court case would be, what the appropriate remedy of the court case would be and this amendment is trying to put into statute what the appropriate target is. Here is the scenario. Commercial property at 110 percent of value, agricultural...residential land at 95 percent of value, agricultural land at 90 percent of value and let's say unimproved residential property at 40 percent of value. There's very little of it, let's say 5 percent of the counties in this unimproved residential property. But right now the theory of the court says if you go out and find a piece of property that is undervalued, you can get your percentage dropped to the percentage of that piece of property no matter what it is. No matter whether 98 percent of the county is close to 100 percent of value, if you can find 2 percent of the land that is under value, you can drop your number to that lowest number of that small little 2 percent. Well, LB 507 says, no, that result is even more unfair. You take somebody who is above the average and you drop them to below the average. What does that do but to continue a distortion pattern. Better the target should be, if you have a piece of property that is above average for the valuation in that county and they prove that there is land in the county that has a lower valuation, they should drop to the average in the county, not to the cheapest piece of property in the entire county or the most undervalued piece of property in the county. One of the reasons that is important is you've got some very small clutches of property that may well be quite undervalued in this state and once this line of cases is