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LB 419

Revenue Committee, Senator Wickersham, to open on the committee amendments to LB 419.

SENATOR WICKERSHAM: Mr. President, members of the body, the committee amendments do, as Senator Coordsen indicated, address a specific issue, and that is the valuation of farm sites. Currently, there are a variety...as he's described...a variety of practices across the state of Nebraska. They are valued at different levels in different counties, and there may be different criteria for determining what constitutes a farm site as well. At any rate, there is a definition of farmstead site that is in the bill that could be adhered to and used by county assessors. And then there is a requirement that the farm site...farmstead site, as defined in the bill, be valued as the adjoining agricultural land, the production land, is valued, because at the current time, in some counties, the value of the farmstead site has...is significantly higher than the surrounding property. There is also a provision in the committee amendments that addresses small parcels and their valuation. It is a parcel of land less than 20 acres in size. Now, if one of those is managed in conjunction with an agricultural or horticultural operation, then obviously it qualifies as agricultural land. If it is not managed in conjunction with an agricultural or horticultural operation, but still produces agricultural or horticultural products of a gross value of \$2,000 or more, or from feeding upon the land in two of the three previous years, and an application is made by March 1 and approved, then it can be valued as agricultural land. But if it doesn't meet those tests, then those small tracts that we are finding to be more and more common across the state of Nebraska would not be valued as agricultural or horticultural land. And as you're aware, agricultural, horticultural land qualifies for a 20 percent discount from market value for taxation purposes. So the committee amendments simply address an issue of a definition of a farmstead site, making that explicit in the law, making explicit that that is valued as the adjoining agricultural land, and then a provision that concerns small tracts, those tracts 20 acres or less in size, and a test for determining whether agricultural or horticultural land, if they're not closely associated already with the operation or management of a larger agricultural or horticultural land tract. Senator Coordsen indicated, there is a corrective amendment to