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Transcriber's Office

March 21, 2000

LB 1124

SENATOR COORDSEN: Thank you, Mr. President, members of the body. LB 1124, in the green copy version, which is not what we'll be talking about a little bit later in the morning, but LB 1124 in its green copy version was the result of a task force that had a number of meetings throughout the summer. The task force was compromised of several local county assessors, several people who were experienced in the assessment practices of agricultural land, representative of the Governor's Office, and several other county officials who were interested in how do we value agricultural land for the purposes of raising taxes on to the local level? This is an outgrowth of...this committee was an outgrowth of years of accumulation of interest, I guess, but certainly information in the forces that influence the valuation of agricultural land. Most states in the United States that we were able to identify through the process of the task force have recognized that...that in their particular state the price of agricultural land was influenced by a number of other factors other than what it was worth to raise food or fiber or timber. There's a handout on your desk this morning that starts up "Valuation Standards of the Top States in Agricultural Sales". You might want to leaf through that because it will indicate to you in a...in a brief form what the other major agricultural food producing states in the United States, along with some others who are not on the top 25 list, use to value agricultural land. Now this is not necessarily rural land, but it's land that is in use and its primary use is the production of food and fiber and timber. This is a long going...ongoing process. The only two states at the time that the committee was looking...actually, there were three states: Michigan, which has a significant...significantly different tax system; and then South Dakota and Nebraska, that used a market-based valuation system. This morning I received a copy of House Bill number 1,005 from the state of South Dakota that was passed on...signed by the Governor of South Dakota on March 14, 2000, which creates in South Dakota a limited two-year program to assess an income-based valuation standard for nine counties and creates a task force to do so. So we remain then, we are the only state in the Union that relies so heavily on agricultural property when compared to its value or its income-producing capabilities. I would direct your attention to another handout this morning. This says "Agricultural Property Taxation: A