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FLOOR DEBATE

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uses and restrictions applicable to real property, the analysis shall include a consideration of the full description of the physical characteristics of the real property and an identification of the property rights being valued." If you build a \$4 million unit but halfway through the federal program you decide you want to sell it, but you continue to have this limitation on whoever buys it, and nobody will buy it for more than \$3 million, what's the value of the property? And the answer is \$3 million because that's what a buyer will pay for it. And why will a buyer only pay \$3 million for a building that might have cost \$4 million to build? And the answer is because their profitability would be affected by the limitation on the rights that they would get when they got the property. I can tell you this. Everything that's in this amendment is essentially existing law, but you'd need to search it out and find it in various places. One of the reasons that we're making it more explicit is because there are county assessors who say, h'm, the building was built at \$4 million, it's valued at \$4 million, when in fact the limitations on its rights are such that a willing buyer would not pay that amount for it. This actual value definition is the standard one. Nothing special is being done. We're giving no special treatment here. We're just making explicit for county assessors that the rights that affect a property affect its value, and that that's legitimate. And with that then I think some people who own this kind of property will be able to go back to the county assessor and say actual value is what a willing buyer will pay for it, and the limitations on these rights are such that the willing buyer won't pay for this as they would if there were no limitations on the rights that the buyer would take. I would ask for the adoption of the amendment.

SENATOR DW. PEDERSEN: Thank you, Senator Landis. Senator Brown.

SENATOR BROWN: Thank you, Mr. President and members. I would like to thank the Revenue Committee and the Revenue Committee Counsel for help in working on this, and the Property Tax Administrator, and for finding a resolution to this that is workable, constitutional and accomplishes what we wanted to accomplish in terms of promoting the development of low-income