

## LEGISLATIVE BILL 261

Approved by the Governor March 9, 2005

Introduced by Stuhr, 24

AN ACT relating to revenue and taxation; to amend sections 77-1338, 77-1355, 77-5024.01, and 77-5028, Reissue Revised Statutes of Nebraska, and sections 13-509, 77-1315, 77-1315.01, 77-1344, 77-1514, and 77-5007, Revised Statutes Supplement, 2004; to eliminate agricultural and horticultural land valuation boards and land manual areas; to harmonize provisions; to provide an operative date; to repeal the original sections; and to outright repeal sections 77-1378, 77-1379, 77-1381 to 77-1383, 77-5024, and 77-5025, Reissue Revised Statutes of Nebraska, and sections 77-1380 and 77-1384, Revised Statutes Supplement, 2004.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 13-509, Revised Statutes Supplement, 2004, is amended to read:

13-509. On or before August 20 of each year, the county assessor shall (1) certify to each governing body or board empowered to levy or certify a tax levy the current taxable value of the taxable real and personal property subject to the applicable levy and (2) certify to the State Department of Education the current taxable value of the taxable real and personal property subject to the applicable levy for all school districts. Current taxable value for real property shall mean the value established by the county assessor and equalized by the county board of equalization, ~~the agricultural and horticultural land valuation board,~~ and the Tax Equalization and Review Commission. Current taxable value for tangible personal property shall mean the net book value reported by the taxpayer and certified by the county assessor.

Sec. 2. Section 77-1315, Revised Statutes Supplement, 2004, is amended to read:

77-1315. (1) The county assessor shall, after March 19 and on or before June 1, implement adjustments to the real property assessment roll for actions of the ~~agricultural and horticultural land valuation board and the Tax Equalization and Review Commission.~~

(2) On or before June 1, the county assessor shall notify the owner of record as of May 20 of every item of real property which has been assessed at a value different than in the previous year. Such notice shall be given by first-class mail addressed to such owner's last-known address. It shall identify the item of real property and state the old and new valuation, the date of convening of the county board of equalization, the dates for filing a protest, and the average level of value of all classes and subclasses of real property in the county as determined by the Tax Equalization and Review Commission.

(3) Immediately upon completion of the assessment roll, the county assessor shall cause to be published in a newspaper of general circulation in the county a certification that the assessment roll is complete and notices of valuation changes have been mailed and provide the final date for filing valuation protests with the county board of equalization.

(4) The county assessor shall annually, on or before June 6, post in his or her office and, as designated by the county board, mail to a newspaper of general circulation and to licensed broadcast media in the county the assessment ratios as found in his or her county as determined by the Tax Equalization and Review Commission and any other statistical measures, including, but not limited to, the assessment-to-sales ratio, the coefficient of dispersion, and the price-related differential.

Sec. 3. Section 77-1315.01, Revised Statutes Supplement, 2004, is amended to read:

77-1315.01. After March 19 and on or before July 25, the county assessor shall report to the county board of equalization any overvaluation or undervaluation of any real property. The county board of equalization shall consider the report in accordance with section 77-1504.

The current year's assessed valuation of any real property shall not be changed by the county assessor after March 19 except by action of the ~~agricultural and horticultural land valuation board,~~ the Tax Equalization and Review Commission, or the county board of equalization.

Sec. 4. Section 77-1338, Reissue Revised Statutes of Nebraska, is amended to read:

77-1338. The county and all political subdivisions within the county shall be bound by the values established by the county assessor and equalized by the county board of equalization, ~~the agricultural and horticultural land valuation board,~~ and the Tax Equalization and Review Commission for all property subject to its taxing power.

Sec. 5. Section 77-1344, Revised Statutes Supplement, 2004, is amended to read:

77-1344. (1) Any land which has an actual value as defined in section 77-112 reflecting purposes or uses other than agricultural or horticultural use shall be assessed as provided in subsection (3) of section 77-201 if the land meets the qualifications of this subsection and an application for such special valuation is made and approved pursuant to section 77-1345. In order for the land to qualify for special valuation all of the following criteria shall be met: (a) The land is located outside the corporate boundaries of any sanitary and improvement district, city, or village, (b) the land is used for agricultural or horticultural purposes, and (c) the land is zoned predominantly for agricultural or horticultural use.

(2) The special valuation provisions may be applicable to real property included within the corporate boundaries of a city or village if the land is subject to a conservation or preservation easement as provided in the Conservation and Preservation Easements Act and the governing body of the city or village approves the agreement creating the easement.

(3) The eligibility of land for the special valuation provisions of this section shall be determined as of January 1, but if land so qualified becomes disqualified prior to the levy date of the same year, it shall be valued and carried on the tax roll at its recapture value. If the land becomes disqualified after the date of levy, its valuation for that year shall continue as provided in this section.

(4) The special valuation and recapture valuation placed on such land by the county assessor under this section shall be subject to equalization by the ~~agricultural and horticultural land valuation board,~~ the county board of equalization, and the Tax Equalization and Review Commission.

Sec. 6. Section 77-1355, Reissue Revised Statutes of Nebraska, is amended to read:

77-1355. (1) The Greenbelt Advisory Committee is established to assist and advise the Property Tax Administrator in developing uniform and proportionate special valuation of agricultural real property which is zoned for agricultural use and subject to land use controls provided for in sections 77-1343 to 77-1348. The advisory committee shall provide advice to the Property Tax Administrator and the Legislature on rules and regulations under section 77-1346 and methods and practices of state and local assessing officials for such special valuation. The Property Tax Administrator shall respond to the recommendations of the advisory committee and explain the basis for approval or rejection of recommendations.

(2) The advisory committee shall consist of the following members appointed by the Governor:

- (a) Two active farmers;
- (b) An active rancher;
- (c) A real estate appraiser with expertise in the appraisal of agricultural real estate;
- (d) A professor of agricultural economics at the University of Nebraska Institute of Agriculture and Natural Resources;
- (e) An elected county assessor or a designee of the county assessor;
- (f) A local planning and zoning official;
- (g) An elected county official who has served ~~or is serving~~ on an agricultural and horticultural land valuation board; and
- (h) A county attorney who has an understanding of appraisal processes and problems encountered in the valuation of real property.

The members shall serve for terms of four years, except that the Governor shall designate three of the initial members to serve for two-year terms. The members shall select a chairperson from the advisory committee's membership. The advisory committee shall meet at least once annually.

(3) The advisory committee shall develop recommendations on:

- (a) When using comparable sales analysis for purposes of establishing the special valuation under sections 77-1343 to 77-1348, how such information may be gathered from other counties and locations within a county;
- (b) When using an income capitalization approach for such special valuation, the income and expense information to be used and the appropriate method of gathering such information;
- (c) When using the income capitalization approach, the approved methods of determining the capitalization rate, including methods of gathering valid comparable sales for purposes of determining the capitalization rate on

comparable agricultural land and horticultural land; and

(d) Any further revisions to sections 77-1343 to 77-1348 as the committee deems important for uniform enforcement of such sections and uniform special valuation of agricultural real property.

(4) Methods and recommendations developed by the advisory committee shall provide for an annually updated analysis based on a three-year average of the information used. The advisory committee may develop recommendations for valuation methods which provide for special valuation of land used for specialized agricultural crop production which is unique or localized to a specific area. The recommendations shall be provided by October 1 each year.

(5) The Property Tax Administrator shall provide administrative staff support and information as requested by the advisory committee so long as provision of staff support and information does not impair the ability of the Property Tax Administrator to carry out other statutory obligations.

(6) Members shall be reimbursed for actual and necessary expenses pursuant to sections 81-1174 to 81-1177.

Sec. 7. Section 77-1514, Revised Statutes Supplement, 2004, is amended to read:

77-1514. The county assessor shall prepare abstracts of the property assessment rolls of locally assessed property of his or her county on forms prescribed and furnished by the Property Tax Administrator. The county assessor shall file the real property abstract with the Property Tax Administrator on or before March 19 and the personal property abstract on or before June 15. The abstracts shall show the taxable value of real or personal property in the county as determined by the county assessor and any other information as required by the Property Tax Administrator. The Property Tax Administrator, upon written request from the county assessor, may for good cause shown extend the final filing due date for the real property abstract and the statutory deadlines provided in sections ~~77-1381, 77-1381.01, 77-1384, 77-5027,~~ and 77-5028.

Sec. 8. Section 77-5007, Revised Statutes Supplement, 2004, is amended to read:

77-5007. The commission has the power and duty to hear and determine appeals of:

(1) Decisions of any county board of equalization equalizing the value of individual tracts, lots, or parcels of real property so that all real property is assessed uniformly and proportionately;

(2) Decisions of any county board of equalization granting or denying tax-exempt status for real or personal property or an exemption from motor vehicle taxes and fees;

(3) Decisions of the Property Tax Administrator determining the taxable property of a railroad company, car company, public service entity, or air carrier within the state;

(4) Decisions of the Property Tax Administrator determining adjusted valuation pursuant to section 79-1016;

(5) Decisions of any county board of equalization on the valuation of personal property or any penalties imposed under sections 77-1233.04 and 77-1233.06;

(6) Decisions of any county board of equalization on claims that a levy is or is not for an unlawful or unnecessary purpose or in excess of the requirements of the county;

(7) Decisions of any county board of equalization granting or rejecting an application for a homestead exemption;

(8) Decisions of the Department of Motor Vehicles determining the taxable value of motor vehicles pursuant to section 60-3005;

(9) Decisions of the Property Tax Administrator made under section 77-1330;

(10) Any other decision of any county board of equalization;

(11) Any other decision of the Property Tax Administrator;

(12) Decisions of the Tax Commissioner pursuant to section 77-3520;

and

(13) Any other decision, determination, action, or order from which an appeal to the commission is authorized.

The commission has the power and duty to hear ~~petitions brought pursuant to section 77-1380~~ and any other petition the commission is authorized to hear.

Sec. 9. Section 77-5024.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-5024.01. The commission shall give notice of the time and place of the first meeting held pursuant to sections 77-1504.01, ~~77-5024,~~ and 77-5026 by publication in a newspaper of general circulation in the State of Nebraska. Such notice shall contain a statement that the agenda shall be

readily available for public inspection at the principal office of the commission during normal business hours. The agenda shall be continually revised to remain current. The commission may thereafter modify the agenda and need only provide notice of the meeting to the affected counties in the manner provided in section 77-1504.01, ~~77-5024~~, or 77-5026. The commission shall publish in its notice a list of those counties certified under section 77-5027 as having assessments which may fail to satisfy the requirements of law.

Sec. 10. Section 77-5028, Reissue Revised Statutes of Nebraska, is amended to read:

77-5028. After a hearing conducted pursuant to section ~~77-5024~~ ~~or~~ 77-5026, the commission shall enter its order based on information presented to it at the hearing. The order of the commission shall be sent by certified mail to the county assessor and by regular mail to the county clerk and chairperson of the county board on or before May 15 of each year. The order shall specify the percentage increase or decrease and the class or subclass of real property affected or the corrections or adjustments to be made to the class or subclass of real property affected. The specified changes shall be made by the county assessor to each item of real property in the county so affected.

Sec. 11. This act becomes operative on January 1, 2006.

Sec. 12. Original sections 77-1338, 77-1355, 77-5024.01, and 77-5028, Reissue Revised Statutes of Nebraska, and sections 13-509, 77-1315, 77-1315.01, 77-1344, 77-1514, and 77-5007, Revised Statutes Supplement, 2004, are repealed.

Sec. 13. The following sections are outright repealed: Sections 77-1378, 77-1379, 77-1381 to 77-1383, 77-5024, and 77-5025, Reissue Revised Statutes of Nebraska, and sections 77-1380 and 77-1384, Revised Statutes Supplement, 2004.