

## LEGISLATIVE BILL 185

Approved by the Governor March 12, 2019

Introduced by Friesen, 34; Erdman, 47.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-1344 and 77-1347, Reissue Revised Statutes of Nebraska; to change provisions relating to the special valuation of agricultural or horticultural land; to provide an operative date; and to repeal the original sections.  
Be it enacted by the people of the State of Nebraska,

Section 1. Section 77-1344, Reissue Revised Statutes of Nebraska, is amended to read:

77-1344 (1) Agricultural or horticultural land which has an actual value as defined in section 77-112 reflecting purposes or uses other than agricultural or horticultural purposes or uses 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 filed 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 must be is located outside the corporate boundaries of any sanitary and improvement district, city, or village except as provided in subsection (2) of this section; and (b) the land must be is agricultural or horticultural land. If the land consists of five contiguous acres or less, the owner or lessee of the land must also provide an Internal Revenue Service Schedule F documenting a profit or loss from farming for two out of the last three years in order for such land to qualify for special valuation.

(2) Special valuation may be applicable to agricultural or horticultural land 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 each year as of January 1. If the land so qualified becomes disqualified on or before December 31 of that year, it shall continue to receive the special valuation until January 1 of the year following.

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

Sec. 2. Section 77-1347, Reissue Revised Statutes of Nebraska, is amended to read:

77-1347 Upon approval of an application, the county assessor shall value the land as provided in section 77-1344 until the land becomes disqualified for such valuation by:

(1) Written notification by the applicant or his or her successor in interest to the county assessor to remove such special valuation;

(2) Except as provided in subsection (2) of section 77-1344, inclusion of the land within the corporate boundaries of any sanitary and improvement district, city, or village; ~~or~~

(3) The land no longer qualifying as agricultural or horticultural land; ~~or~~

(4) For land that consists of five contiguous acres or less, the owner or lessee of the land not being able to provide an Internal Revenue Service Schedule F documenting a profit or loss from farming for two out of the last three years.

Sec. 3. This act becomes operative on January 1, 2020.

Sec. 4. Original sections 77-1344 and 77-1347, Reissue Revised Statutes of Nebraska, are repealed.