

LEGISLATIVE BILL 30

Approved by the Governor February 15, 1985

Introduced by Carsten, 2; Hefner, 19

AN ACT relating to revenue and taxation; to amend sections 77-112, 77-201, 77-1301.01, and 77-1301.13, Reissue Revised Statutes of Nebraska, 1943; to provide for the valuation of agricultural and horticultural land for purposes of property taxation; to harmonize provisions; to provide an operative date; to repeal the original sections; and to declare an emergency.

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

Section 1. That section 77-112, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-112. (1) Except as provided in subsection (2) of this section, actual ~~Actual~~ value of property for taxation shall mean and include the value of property for taxation that is ascertained by using the following formula where applicable: ~~(1)~~ (a) Earning capacity of the property; ~~(2)~~ (b) relative location; ~~(3)~~ (c) desirability and functional use; ~~(4)~~ (d) reproduction cost less depreciation; ~~(5)~~ (e) comparison with other properties of known or recognized value; ~~(6)~~ (f) market value in the ordinary course of trade; and ~~(7)~~ (g) existing zoning of the property.

(2) The term actual value when applied to agricultural land and horticultural land for purposes of taxation shall mean that value determined pursuant to section 77-201.

Sec. 2. That section 77-201, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-201. (1) Except as provided in subsection (2) of this section, all ~~All~~ tangible property and real property in this state, not expressly exempt therefrom, shall be subject to taxation, and shall be valued at its actual value. Such actual value shall be taken and considered as the taxable value on which the levy shall be made.

(2) Agricultural land and horticultural land used solely for agricultural or horticultural purposes shall constitute a separate and distinct class of property for purposes of property taxation. For tax year 1985, agricultural land and horticultural land shall be valued using the agricultural land valuation manual issued by the Tax Commissioner pursuant to section 77-1330 for use in tax year 1984.

(3) For purposes of subsection (2) of this

section, agricultural land and horticultural land shall mean any parcel of land valued by the county assessor as agricultural land or horticultural land in the tax year prior to January 1, 1985, unless the principal use, zoning, or ownership of such land changes, at which time the classification of such land shall be reviewed by the county assessor.

(4) Nothing in subsection (2) of this section shall be construed to eliminate the requirement that county assessors utilize and implement soil surveys completed for tax year 1985.

Sec. 3. That section 77-1301.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-1301.01. The Tax Commissioner shall by rule establish standards for the reappraisal of all lands and improvements in the various counties. The standards established shall require that all reappraisals shall be based upon the use of appraisal manuals developed pursuant to section 77-1330; and shall be such as to assure the determination of actual value on a consistent basis in accordance with the formula formulas prescribed in ~~section~~ sections 77-112 and 77-201 and the equalization of values. The Tax Commissioner shall also establish standards for reappraisal contracts which shall, among other provisions, require that all such contracts shall require the use of appraisal manuals developed pursuant to section 77-1330, that no reappraisal contract shall be valid until approved in writing by the Tax Commissioner, and that payment of the final ten per cent of the contract price shall not be made until the reappraisal has been approved by the Tax Commissioner. The approval of the reappraisal by the Tax Commissioner shall be made only after the Tax Commissioner has held a public hearing regarding such approval. Such hearing shall be held in accordance with the provisions of Chapter 84, article 9.

Sec. 4. That section 77-1301.13, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-1301.13. (1) The agreement for reappraisal shall be such as to assure the determination of actual values on a consistent basis in accordance with the formula formulas prescribed in ~~section~~ sections 77-112 and 77-201.

(2) The agreement shall contain at least the following provisions:

(a) Procedures under which reappraisal shall be conducted;

(b) Qualifications for all persons performing the reappraisal;

(c) Type and amount of work which may be performed by county officials and their employees;

(d) Type and amount of work which may be performed by independent contractors under the direction

and control of one of the parties to the agreement;

(e) The time period in which work shall be performed by all parties;

(f) That a cadastral map and parcel numbering system pursuant to section 77-1301.04 be adopted;

(g) That payment for actual cost of any work performed under the agreement by independent contractors pursuant to the direction and control of the Tax Commissioner or state employees be made to the Tax Commissioner; and

(h) That the reappraisal be based upon the appraisal manuals developed pursuant to section 77-1330.

Sec. 5. This act shall become operative for all taxable years beginning on or after January 1, 1985.

Sec. 6. That original sections 77-112, 77-201, 77-1301.01, and 77-1301.13, Reissue Revised Statutes of Nebraska, 1943, are repealed.

Sec. 7. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.