

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 723**

Introduced by Christensen, 44.

Read first time January 08, 2014

Committee:

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-1363 and 77-1371, Revised Statutes Cumulative  
3 Supplement, 2012; to change provisions relating to  
4 valuation of irrigated cropland and comparable sales; and  
5 to repeal the original sections.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-1363, Revised Statutes Cumulative  
2 Supplement, 2012, is amended to read:

3           77-1363 Agricultural land and horticultural land shall be  
4 divided into classes and subclasses of real property under section  
5 77-103.01, including, but not limited to, irrigated cropland, dryland  
6 cropland, grassland, wasteland, nurseries, feedlots, and orchards, so  
7 that the categories reflect uses appropriate for the valuation of  
8 such land according to law. Irrigated cropland shall be divided into  
9 subclasses of real property, including, but not limited to, ground  
10 water irrigated, surface water irrigated, ground and surface water  
11 irrigated, and limited capacity irrigated. Classes shall be  
12 inventoried by subclasses of real property based on soil  
13 classification standards developed by the Natural Resources  
14 Conservation Service of the United States Department of Agriculture  
15 as converted into land capability groups by the Property Tax  
16 Administrator. County assessors shall utilize soil surveys from the  
17 Natural Resources Conservation Service of the United States  
18 Department of Agriculture as directed by the Property Tax  
19 Administrator. Nothing in this section shall be construed to limit  
20 the classes and subclasses of real property that may be used by  
21 county assessors or the Tax Equalization and Review Commission to  
22 achieve more uniform and proportionate valuations.

23           Sec. 2. Section 77-1371, Revised Statutes Cumulative  
24 Supplement, 2012, is amended to read:

25           77-1371 Comparable sales are recent sales of properties

1 that are similar to the property being assessed in significant  
2 physical, functional, and location characteristics and in their  
3 contribution to value. When using comparable sales in determining  
4 actual value of an individual property under the sales comparison  
5 approach provided in section 77-112, the following guidelines shall  
6 be considered in determining what constitutes a comparable sale:

7 (1) Whether the sale was financed by the seller and  
8 included any special financing considerations or the value of  
9 improvements;

10 (2) Whether zoning affected the sale price of the  
11 property;

12 (3) For sales of agricultural land or horticultural land  
13 as defined in section 77-1359, whether a premium was paid to acquire  
14 property. A premium may be paid when proximity or tax consequences  
15 cause the buyer to pay more than actual value for agricultural land  
16 or horticultural land;

17 (4) Whether sales or transfers made in connection with  
18 foreclosure, bankruptcy, or condemnations, in lieu of foreclosure, or  
19 in consideration of other legal actions should be excluded from  
20 comparable sales analysis as not reflecting current market value;

21 (5) Whether sales between family members within the third  
22 degree of consanguinity include considerations that fail to reflect  
23 current market value;

24 (6) Whether sales to or from federal or state agencies or  
25 local political subdivisions reflect current market value;

1                   (7) Whether sales of undivided interests in real property  
2 or parcels less than forty acres or sales conveying only a portion of  
3 the unit assessed reflect current market value;

4                   (8) Whether sales or transfers of property in exchange  
5 for other real estate, stocks, bonds, or other personal property  
6 reflect current market value;

7                   (9) Whether deeds recorded for transfers of convenience,  
8 transfers of title to cemetery lots, mineral rights, and rights of  
9 easement reflect current market value;

10                  (10) Whether sales or transfers of property involving  
11 railroads or other public utility corporations reflect current market  
12 value;

13                  (11) Whether sales of property substantially improved  
14 subsequent to assessment and prior to sale should be adjusted to  
15 reflect current market value or eliminated from such analysis;

16                  (12) For agricultural land or horticultural land as  
17 defined in section 77-1359 which is or has been receiving the special  
18 valuation pursuant to sections 77-1343 to 77-1347.01, whether the  
19 sale price reflects a value which the land has for purposes or uses  
20 other than as agricultural land or horticultural land and therefor  
21 does not reflect current market value of other agricultural land or  
22 horticultural land; ~~and~~

23                  (13) Whether sales or transfers of property are in a  
24 similar market area and have similar characteristics to the property  
25 being assessed; and -

1           (14) For agricultural land or horticultural land as  
2 defined in section 77-1359 within a subclass of irrigated cropland  
3 delineated in section 77-1363, whether the difference in well  
4 capacity or in water availability due to federal, state, or local  
5 regulatory actions or limited source affected the sale of the  
6 property.

7           The Property Tax Administrator may issue guidelines for  
8 assessing officials for use in determining what constitutes a  
9 comparable sale. Guidelines shall take into account the factors  
10 listed in this section and other relevant factors as prescribed by  
11 the Property Tax Administrator.

12           Sec. 3. Original sections 77-1363 and 77-1371, Revised  
13 Statutes Cumulative Supplement, 2012, are repealed.