

## LEGISLATIVE BILL 777

Approved by the Governor April 11, 2008

Introduced by Hudkins, 21.

FOR AN ACT relating to revenue and taxation; to amend section 77-1359, Revised Statutes Cumulative Supplement, 2006; to redefine agricultural land and horticultural land; to provide an operative date; and to repeal the original section.

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

Section 1. Section 77-1359, Revised Statutes Cumulative Supplement, 2006, is amended to read:

77-1359 The Legislature finds and declares that agricultural land and horticultural land shall be a separate and distinct class of real property for purposes of assessment. The assessed value of agricultural land and horticultural land shall not be uniform and proportionate with all other real property, but the assessed value shall be uniform and proportionate within the class of agricultural land and horticultural land.

For purposes of sections 77-1359 to 77-1363:

(1) Agricultural land and horticultural land means a parcel of land, excluding any building or enclosed structure and the land associated with such building or enclosed structure located on the parcel, which is primarily used for agricultural or horticultural purposes, including wasteland lying in or adjacent to and in common ownership or management with other agricultural land and horticultural land; ~~Agricultural land and horticultural land does not include any land directly associated with any building or enclosed structure;~~

(2) Agricultural or horticultural purposes means used for the commercial production of any plant or animal product in a raw or unprocessed state that is derived from the science and art of agriculture, aquaculture, or horticulture. Agricultural or horticultural purposes includes the following uses of land:

(a) Land retained or protected for future agricultural or horticultural purposes under a conservation easement as provided in the Conservation and Preservation Easements Act except when the parcel or a portion thereof is being used for purposes other than agricultural or horticultural purposes; and

(b) Land enrolled in a federal or state program in which payments are received for removing such land from agricultural or horticultural production;

(3) Farm home site means not more than one acre of land contiguous to a farm site which includes an inhabitable residence and improvements used for residential purposes, and such improvements include utility connections, water and sewer systems, and improved access to a public road; and

(4) Farm site means the portion of land contiguous to land actively devoted to agriculture which includes improvements that are agricultural or horticultural in nature, including any uninhabitable or unimproved farm home site.

Sec. 2. This act becomes operative on January 1, 2009.

Sec. 3. Original section 77-1359, Revised Statutes Cumulative Supplement, 2006, is repealed.



**Hundredth Legislature - Second Session - 2008**  
**Introducer's Statement of Intent**  
**LB 777**

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**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** February 20, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

This bill will create a new definition of parcel called a multi use parcel. The parcel will be valued for property tax purposes based upon all of the uses the parcel is put to not just its primary use. This bill will correct a problem that has arisen due to the passage of LB 808 in 2006. The process for trying to determine what is the primary use of a parcel of land is one fraught with problems in attempting to quantify and qualify what primary purpose means. By creating the term multi use parcel and setting forth the means for valuing such a property a true and correct value for the entire parcel based upon its use will be achieved.

**Principal Introducer:**

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**Senator Carol Hudkins**