

**ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021**  
**COMMITTEE STATEMENT**  
**LB2**

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**Hearing Date:** Wednesday February 10, 2021  
**Committee On:** Revenue  
**Introducer:** Briese  
**One Liner:** Change the valuation of agricultural land and horticultural land for certain school district taxes

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Albrecht, Bostar, Briese, Friesen, Flood, Lindstrom, Linehan, Pahls  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Oral Testimony:**

**Proponents:**

Senator Tom Briese  
Merlyn Nielsen  
Dennis Fujan

Don Cain Jr.

**Opponents:**

Jack Moles  
Jon Cannon  
Terry Keebler

**Neutral:**

**Representing:**

Introducer  
FAIR Nebraska  
Ag Leaders, Nebraska Soybean Growers, Nebraska Cattlemen, Nebraska Corn Growers, Nebraska Farm Bureau, Nebraska Pork Producers, Nebraska State Dairy Assoc., Nebraska Wheat Growers Assoc.  
Self, Independent Cattlemen of Nebraska

**Representing:**

NRCSA, NASB, STANCE, GNSA  
NACO  
NACO

**Representing:**

**Submitted Written Testimony:**

**Proponents:**

Ashley Kohls

**Opponents:**

Ron Sedlacek  
Rick Vest

**Neutral:**

**Representing:**

Nebraska Cattlemen

**Representing:**

Nebraska Chamber of Commerce  
Lancaster County Board of Commissioners

**Representing:**

**Summary of purpose and/or changes:**

LB2 would change the assessed value of agricultural and horticultural land used to retire school bonded indebtedness to be 30% of its actual value. The acceptable range for valuation purposes would be 24% to 30% of actual value.

Currently the assessed value of agricultural and horticultural land used to retire school bonded indebtedness is 75% of its actual value.

The bill would become operative on January 1, 2022. The reduction in the actual value for the retirement of school bonded indebtedness would only apply to bonds issued on or after January 1, 2022.

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**Explanation of amendments:**

The amendment does the following:

- Amends the annual increase in the Property Tax Credit Fund. Instead of the prior year amount plus the allowable growth percentage in section 77-6702 it will be prior year amount plus 3%.
- LB79 as amended was amended into LB2.
- The amendment changes the amount of agricultural and horticultural land that may be levied against to pay principal and interest on school district bonds from 30% of actual value to 50%.
- it replaces the acceptable range for assessment of such land it changes to 44%-50%.

The Committee voted to amend LB79 as amended into LB2.

8 Yes - Linehan, Lindstrom, Albrecht, Bostar, Briese, Flood, Friesen, Pahls

Portions/Provisions of LB79 are amended into LB2

LB79 was heard on February 10, 2021, at 1:30 PM in Room 1524

**In-Person Testimony****Proponents:**

- Senator Tom Briese, Introducer

**Opponents:**

- Renee Fry, OpenSky Policy Institute

**Neutral:**

- Jon Cannon, NACO

**Written Submitted Testimony****Proponents:**

- Bob Hallstrom, Nebraska Bankers Assoc., National Federation of Independent Business
- Ashley Kohls, Nebraska Cattlemen
- Mick Mines, Nebraska Corn Growers Assoc.

**Opponents: NONE****Neutral: NONE****Summary for LB79:**

LB79 sets a minimum amount of relief under the Property Tax Credit Act for tax year 2024 and each tax year thereafter as the amount of relief from the prior tax year increased by the allowable growth percentage in section 77-6702.

The allowable growth percentage in section 77-6702 is the percentage increase, if any, in the total assessed value of all real property in the state from the prior year to the current year, as determined by the Department of Revenue. In no case shall the allowable growth percentage exceed 5% in any one year.

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Lou Ann Linehan, Chairperson