

LEGISLATIVE BILL 9

Approved by the Governor May 5, 2021

Introduced by Blood, 3; Sanders, 45.

A BILL FOR AN ACT relating to real property; to amend sections 16-118 and 77-1344, Revised Statutes Cumulative Supplement, 2020; to change provisions relating to annexation of land and the special valuation of agricultural or horticultural land within cities and villages; to repeal the original sections; and to declare an emergency.
Be it enacted by the people of the State of Nebraska,

Section 1. Section 16-118, Revised Statutes Cumulative Supplement, 2020, is amended to read:

16-118 For purposes of sections 16-117 and 16-130:

(1) Lands ~~lands~~, lots, tracts, streets, or highways shall be deemed contiguous although a stream, embankment, strip, or parcel of land not more than two hundred feet wide lies between the same and the corporate limits; and ~~and~~

(2) In counties in which at least three cities of the first class are located, lands, lots, tracts, streets, or highways shall be deemed contiguous although property owned by the federal government lies between the same and the corporate limits, so long as the lands, lots, tracts, streets, or highways sought to be annexed are adjacent to or contiguous with the property owned by the federal government. The annexation of any lands, lots, tracts, streets, or highways described in this subdivision shall not result in any change in the service area of any electric utility without the express agreement of the electric utility serving the area comprising such annexed lands, lots, tracts, streets, or highways at the time of annexation, except that at such time following the annexation of the lands, lots, tracts, streets, or highways as the city lawfully annexes sufficient intervening area so as to directly connect the lands, lots, tracts, streets, or highways to the primary area of the city, such lands, lots, tracts, streets, or highways shall, solely for the purposes of section 70-1008, be treated as if they had been annexed by the city on the date upon which the intervening area had been formally annexed.

Sec. 2. Section 77-1344, Revised Statutes Cumulative Supplement, 2020, 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 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 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:

(a) The ~~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;

(b) The land is subject to air installation compatible use zone regulations; or

(c) The land is within a flood plain.

(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. 3. Original sections 16-118 and 77-1344, Revised Statutes Cumulative Supplement, 2020, are repealed.

Sec. 4. Since an emergency exists, this act takes effect when passed and approved according to law.