

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 762

Introduced by Louden, 49.

Read first time January 04, 2012

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-1371, Reissue Revised Statutes of Nebraska; to change
3 provisions relating to comparable sales; and to repeal
4 the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-1371, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-1371 ~~Comparable~~ (1) Except as provided in subsection
4 (5) of this section, comparable sales are recent sales of properties
5 that are similar to the property being assessed in significant
6 physical, functional, and location characteristics and in their
7 contribution to value. When using comparable sales in determining
8 actual value of an individual property under the sales comparison
9 approach provided in section 77-112, the following guidelines shall
10 be considered in determining what constitutes a ~~comparable~~ qualified
11 sale:

12 ~~(1)~~ (a) Whether the sale was financed by the seller and
13 included any special financing considerations or the value of
14 improvements;

15 ~~(2)~~ (b) Whether zoning affected the sale price of the
16 property;

17 ~~(3)~~ (c) For sales of agricultural land or horticultural
18 land as defined in section 77-1359, whether a premium was paid to
19 acquire nearby property. Land within one mile of currently owned
20 property shall be considered nearby property;

21 ~~(4)~~ (d) Whether sales or transfers made in connection
22 with foreclosure, bankruptcy, or condemnations, in lieu of
23 foreclosure, or in consideration of other legal actions should be
24 excluded from comparable sales analysis as not reflecting current
25 market value;

1 ~~(5)~~-(e) Whether sales between family members within the
2 third degree of consanguinity include considerations that fail to
3 reflect current market value;

4 ~~(6)~~-(f) Whether sales to or from federal or state
5 agencies or local political subdivisions reflect current market
6 value;

7 ~~(7)~~-(g) Whether sales of undivided interests in real
8 property or parcels less than forty acres or sales conveying only a
9 portion of the unit assessed reflect current market value;

10 ~~(8)~~-(h) Whether sales or transfers of property in
11 exchange for other real estate, stocks, bonds, or other personal
12 property reflect current market value;

13 ~~(9)~~-(i) Whether deeds recorded for transfers of
14 convenience, transfers of title to cemetery lots, mineral rights, and
15 rights of easement reflect current market value;

16 ~~(10)~~-(j) Whether sales or transfers of property involving
17 railroads or other public utility corporations reflect current market
18 value;

19 ~~(11)~~-(k) Whether sales of property substantially improved
20 subsequent to assessment and prior to sale should be adjusted to
21 reflect current market value or eliminated from such analysis; and

22 ~~(12)~~-(l) For agricultural land or horticultural land as
23 defined in section 77-1359 which is or has been receiving the special
24 valuation pursuant to sections 77-1343 to 77-1347.01, whether the
25 sale price reflects a value which the land has for purposes or uses

1 other than as agricultural land or horticultural land and therefor
2 does not reflect current market value of other agricultural land or
3 horticultural land.

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

9 (3) If a sale is a qualified sale it shall be used to
10 determine whether the sale is a comparable sale.

11 (4) For purposes of this section:

12 (a) Arms-length transaction means a sale between two or
13 more parties, each seeking to maximize their positions from the
14 transaction; and

15 (b) Qualified sale means an arms-length transaction that
16 accurately reflects the attributes of the sale transaction rather
17 than the attributes of the property sold. Qualified sale does not
18 include:

19 (i) A sale of nearby agricultural land or horticultural
20 land when such land was acquired for the purpose of expanding a
21 preexisting, operational agricultural or horticultural business. Land
22 within one mile of a preexisting, operational agricultural or
23 horticultural business shall be considered nearby property; and

24 (ii) A sale of agricultural or horticultural land when
25 the sale transaction is a like-kind exchange under section 1031 of

1 the Internal Revenue Code if the closing date of the transaction to
2 acquire the like-kind property is within sixty days prior to the
3 final date for timely completion of the acquisition of like-kind
4 property pursuant to the requirements of section 1031.

5 (5) A sale of residential land located within a platted
6 and zoned residential subdivision is not land comparable to a farm
7 home site as defined in section 77-1359.

8 Sec. 2. Original section 77-1371, Reissue Revised
9 Statutes of Nebraska, is repealed.