

August 6, 2012

DETERMINING WHETHER A SITE IS A “FARM HOME SITE”

Purpose

This directive provides guidance in determining whether a site is a farm home site; and if it is, how to classify and assess the farm home site.

Statutory Authority

[Neb. Rev. Stat. § 77-1359](#) states, in relevant part, as follows:

For purposes of this section and section 77-1363:

- (1) Agricultural land and horticultural land means a parcel of land, excluding land associated with a 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;

...

- (3) Farm home site means land contiguous to a farm site which includes an inhabitable residence and improvements used for residential purposes and which is located outside of urban areas or outside a platted and zoned subdivision; 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.

Procedure and Implementation

Farm home sites are a subclass of residential real property which must be valued uniformly and proportionately at actual value.

To classify a farm home site correctly, the county assessor must answer the following questions:

1. Is the home site contiguous to a farm site?
2. Is the farm site contiguous to agricultural or horticultural land?

3. Does the home site include an inhabitable residence and improvements used for residential purposes?
4. Is the home site located outside of urban areas or platted and zoned subdivisions?

If any one of these conditions is not met (not contiguous to a farm site, is not inhabitable, is not located outside of urban areas or platted and zoned subdivisions), the site cannot be classified as a farm home site.

County assessors have an obligation to determine the actual value of real property associated with a farm home site. In many cases, determining what real property is associated with the farm home site can be readily accomplished by a physical review and inspection of the property. This will allow the county assessor to determine what land is not actively devoted to agricultural or horticultural purposes and should be considered as part of the farm site and farm home site.

Because sales of parcels located in urban areas or in platted and zoned subdivisions do not contain farm home sites, those sales cannot be considered in determining the actual value of the farm home site. Determining the actual value of farm sites and farm home sites will require an analysis by the county assessor of how parcels of different sizes containing farm sites or farm home sites are selling.

Although this legislative change removes the one acre limitation for a farm home site, all home sites continue to be limited to one acre for purposes of the homestead exemption.

Enforcement

Pursuant to [Neb. Rev. Stat. § 77-1330](#) (2009), the Nebraska Department of Revenue may take corrective action if any county official violates any directive of the Department.

APPROVED:

/s

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August 6, 2012

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/s

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August 6, 2012