

BEFORE THE NEBRASKA TAX EQUALIZATION AND REVIEW COMMISSION

Bel Fury Investments Group, LLC,
Appellant,

v.

Douglas County Board of Equalization,
Appellee.

Case Nos: 15R 0594, 16R 0423,
& 17R 0566

Decision and Order Affirming the
Determinations of the Douglas
County Board of Equalization

Background

1. The Subject Property is a residential parcel improved with an 834 square foot ranch style residence, with a legal description of: Benson Lot 22 Block 28 50 X 128, Omaha, Douglas County, Nebraska.
2. The Douglas County Assessor (the County Assessor) assessed the Subject Property at \$47,800 for tax year 2015.
3. Bel Fury Investments Group, LLC, (the Taxpayer) protested this value to the Douglas County Board of Equalization (the County Board) and requested an assessed value of \$34,000 for tax year 2015.
4. The County Board determined that the taxable value of the Subject Property was \$47,800 for tax year 2015.
5. The County Assessor assessed the Subject Property at \$47,800 for tax year 2016.
6. The Taxpayer protested this value to the County Board and requested an assessed value of \$40,200 for tax year 2016.
7. The County Board determined that the taxable value of the Subject Property was \$47,800 for tax year 2016.
8. The County Assessor assessed the Subject Property at \$58,600 for tax year 2017.
9. The Taxpayer protested this value to the County Board and requested an assessed value of \$46,000 for tax year 2017.
10. The County Board determined that the taxable value of the Subject Property was \$57,000 for tax year 2017.
11. The Taxpayer appealed the determinations of the County Board to the Tax Equalization and Review Commission (the Commission).
12. A Single Commissioner hearing was held on January 24, 2019, at the Omaha State Office Building, 1313 Farnam, Room E, Omaha, Nebraska, before Commissioner Steven Keetle.
13. Scott W. Bloemer, Managing Member, was present at the hearing for the Taxpayer.
14. Larry Thomsen, Senior Appraiser: Residential, of the Douglas County Assessor/Register of Deeds Office (the County Appraiser) was present for the County Board.

Applicable Law

15. All real property in Nebraska subject to taxation shall be assessed as of the effective date of January 1.¹
16. The Commission's review of the determination of the County Board of Equalization is de novo.²
17. When considering an appeal a presumption exists that the "board of equalization has faithfully performed its official duties in making an assessment and has acted upon sufficient competent evidence to justify its action."³ That presumption "remains until there is competent evidence to the contrary presented, and the presumption disappears when there is competent evidence adduced on appeal to the contrary. From that point forward, the reasonableness of the valuation fixed by the board of equalization becomes one of fact based upon all the evidence presented. The burden of showing such valuation to be unreasonable rests upon the taxpayer on appeal from the action of the board."⁴
18. The order, decision, determination or action appealed from shall be affirmed unless evidence is adduced establishing that the order, decision, determination, or action was unreasonable or arbitrary.⁵
19. Proof that the order, decision, determination, or action was unreasonable or arbitrary must be made by clear and convincing evidence.⁶
20. A Taxpayer must introduce competent evidence of actual value of the Subject Property in order to successfully claim that the Subject Property is overvalued.⁷
21. The Commission's Decision and Order shall include findings of fact and conclusions of law.⁸

Findings of Fact & Conclusions of Law

1. For tax years 2015 and 2016 the Taxpayer alleged that the per square foot assessed value of the Subject Property was not equalized with comparable properties.
2. The Taxpayer notes that the Nebraska Court of Appeals held in *Scribante* that "To set the valuation of similarly situated property, i.e. comparables, at materially different levels, i.e., value per square foot, is by definition, unreasonable and arbitrary, under the

¹ See, Neb. Rev. Stat. §77-1301(1) (Reissue 2018).

² See, Neb. Rev. Stat. §77-5016(8) (Reissue 2018), *Brenner v. Banner Cty. Bd. of Equal.*, 276 Neb. 275, 286, 753 N.W.2d 802, 813 (2008). "When an appeal is conducted as a 'trial de novo,' as opposed to a 'trial de novo on the record,' it means literally a new hearing and not merely new findings of fact based upon a previous record. A trial de novo is conducted as though the earlier trial had not been held in the first place, and evidence is taken anew as such evidence is available at the time of the trial on appeal." *Koch v. Cedar Cty. Freeholder Bd.*, 276 Neb. 1009, 1019 (2009).

³ *Brenner* at 283, 811.

⁴ *Id.*

⁵ Neb. Rev. Stat. §77-5016(9) (Reissue 2018).

⁶ *Omaha Country Club v. Douglas Cty. Bd. of Equal.*, 11 Neb. App. 171, 645 N.W.2d 821 (2002).

⁷ Cf. *Josten-Wilbert Vault Co. v. Bd. of Equal. for Buffalo Cty.*, 179 Neb. 415, 138 N.W.2d 641 (1965) (determination of actual value); *Lincoln Tel. and Tel. Co. v. Cty. Bd. of Equal. of York Cty.*, 209 Neb. 465, 308 N.W.2d 515 (1981) (determination of equalized taxable value).

⁸ Neb. Rev. Stat. §77-5018(1) (Reissue 2018).

Nebraska Constitution.”⁹

3. Comparable properties share similar use (residential, commercial/industrial, or agricultural), physical characteristics (size, shape, and topography), and location.¹⁰
4. For tax year 2015 the Taxpayer presented the Property Record Files (PRF) of two properties located near the Subject Property.
5. Along with the PRFs the Taxpayer offered a chart that made adjustments to the assessed values of the comparable properties to adjust for differences in the characteristics of the properties. The Taxpayer stated that these adjustments were based on the Taxpayer’s experience in the real estate market and the information contained in the PRFs.
6. The County Board presented information regarding all of the qualified sales that occurred in the economic area of the Subject Property for tax years 2015 and 2016 used in determining the value attributed to each of the characteristics of residential properties in those areas, including the Subject Property, to support the differences in per square foot assessed values between the Subject Property and the other properties presented.
7. The properties presented by the Taxpayer as comparable for tax year 2015 are located in different subdivisions and neighborhoods than the Subject Property and were built in 1919 and 1930; the Subject Property was built in 1948.
8. The PRFs presented demonstrate that for tax year 2015 the differences in per square foot assessments between the Subject Property and the other properties presented were due to differences in the characteristics of the properties such as age, quality of construction, condition rating, heating and cooling systems, basement and basement finish, garage size, fireplace, porch type and size, etc.
9. For tax year 2016 the Taxpayer presented the PRFs of two properties located near the Subject Property that were different than the properties presented for tax year 2015.
10. One of the properties presented by the Taxpayer as comparable for tax year 2016 is a one and one half story property while the Subject Property is a ranch. The presented properties were built in 1902 and 1919 while the Subject Property was built in 1948.
11. The PRFs presented demonstrate that for tax year 2016 the differences in per square foot assessments between the Subject Property and the other properties presented were due to differences in the characteristics of the properties such as age, condition rating, style of construction, etc.
12. For tax year 2017 the Taxpayer did not challenge the assessed value of the improvements on the Subject Property, but the Taxpayer alleged that the assessed land value of the Subject Property was too high and that the result was that the Subject Property was assessed at a higher relative value than a comparable property on a per square foot basis.
13. The Taxpayer presented the PRFs for several properties whose lots the Taxpayer alleged were comparable to the Subject Property.

⁹ *Scribante v. Douglas County Board of Equalization*, 8 Neb.App. 25, 39, 588 N.W.2d 190, 199 (1999).

¹⁰ See generally, International Association of Assessing Officers, *Property Assessment Valuation*, at 169-79 (3rd ed. 2010).

14. The County Appraiser stated that the County Assessor's office did a land value study for the 2017 tax year that reallocated the value attributed to the land component of many residential properties in Douglas County. As a result of this land value study, lot values were different depending on the location of the property.
15. The County Appraiser stated that the properties presented by the Taxpayer were all located in a different subdivision and neighborhood than the Subject Property.
16. The County Board presented a list of sales of property in the economic area of the Subject Property for tax year 2017; this economic area contained the subdivision in which the Subject Property is located as well as the subdivision of the other properties presented by the Taxpayer. This list of sales demonstrated that the characteristics, sales prices, and assessed values on a per square foot basis of the properties are different in the Subject Property's subdivision than they are in the subdivision of the other properties presented.
17. The Commission finds that the properties presented by the Taxpayer for tax year 2017 are not comparable to the Subject Property for purposes of determining land valuation.
18. The Taxpayer has not demonstrated that the valuations of similarly situated properties were set at materially different levels entitling the Subject Property to a reduction in assessed values under the court's determination in *Scribante*.¹¹
19. The Taxpayer has not produced competent evidence that the County Board failed to faithfully perform its duties and to act on sufficient competent evidence to justify its actions.
20. The Taxpayer has not adduced clear and convincing evidence that the determinations of the County Board are arbitrary or unreasonable and the decisions of the County Board should be affirmed.

ORDER

IT IS ORDERED THAT:

1. The Decisions of the County Board of Equalization determining the taxable value of the Subject Property for tax year 2015, 2016 and 2017 are affirmed.
2. The taxable value of the Subject Property for tax year 2015 and 2016 is:

Land	\$ 6,400
<u>Improvements</u>	<u>\$41,400</u>
Total	\$47,800

3. The taxable value of the Subject Property for tax year 2017 is:

¹¹ See *Scribante v. Douglas County Board of Equalization*, 8 Neb.App. 25, 39, 588 N.W.2d 190, 199 (1999).

Land	\$ 7,000
<u>Improvements</u>	<u>\$50,000</u>
Total	\$57,000

4. This Decision and Order, if no further action is taken, shall be certified to the Douglas County Treasurer and the Douglas County Assessor, pursuant to Neb. Rev. Stat. §77-5018 (Reissue 2018).
5. Any request for relief, by any party, which is not specifically provided for by this Decision and Order is denied.
6. Each Party is to bear its own costs in this proceeding.
7. This Decision and Order shall only be applicable to tax years 2015, 2016, and 2017.
8. This Decision and Order is effective on January 17, 2020.

Signed and Sealed: January 17, 2020

Steven A. Keetle, Commissioner