

BEFORE THE NEBRASKA TAX EQUALIZATION AND REVIEW COMMISSION

Bel Fury Investments Group, LLC,
Appellant,

v.

Douglas County Board of Equalization,
Appellee.

Case Nos: 15R 0595, 16R 0424 & 17R 0562

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

Background

1. The Subject Property is a residential parcel improved with a 1,475 square foot one and one-half story residence and a legal description of: Mathews Sub Div Lot 8 Block 8 E 44 S 64 Ft Lt 7 & S 64 Ft 64 x 94, Omaha, Douglas County, Nebraska.
2. The Douglas County Assessor (the County Assessor) assessed the Subject Property at \$92,200 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 \$36,500 for tax year 2015.
4. The County Board determined that the taxable value of the Subject Property was \$92,200 for tax year 2015.
5. The County Assessor assessed the Subject Property at \$92,200 for tax year 2016.
6. The Taxpayer protested this value to the County Board and requested an assessed value of \$73,900 for tax year 2016.
7. The County Board determined that the taxable value of the Subject Property was \$92,200 for tax year 2016.
8. The County Assessor assessed the Subject Property at \$92,200 for tax year 2017.
9. The Taxpayer protested this value to the County Board and requested an assessed value of \$53,700 for tax year 2017.
10. The County Board determined that the taxable value of the Subject Property was \$92,200 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 September 26, 2018, at the Omaha State Office Building, 1313 Farnam, Room E, Omaha, Nebraska, before Commissioner Steven Keetle.
13. Scott W. Bloemer 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

22. The Subject Property was purchased at an auction in September of 2014 for \$36,467. The Taxpayer stated that at the time of the purchase the Subject Property had been neglected for a number of years, and as of the 2015 assessment date the property had been secured but no renovations or repairs had been conducted. As of the 2016 assessment the Taxpayer stated that the bathroom had been gutted and completely repaired, and a

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).

kitchen was added as the property did not have a proper kitchen with appliances, counters, or cupboards on the first floor in tax year 2015. The Taxpayer stated that the basement was not redone for tax year 2016 and the garage was unusable for tax year 2017.

23. For all three tax years the Taxpayer alleges that the condition rating of the Subject Property is too high and that, as a result, the assessment is too high.
24. The Taxpayer's information regarding condition indicated that some amount of functional depreciation may be appropriate for the Subject Property due to its features, such as a basement kitchen, but no information regarding the cost to improve the functionality or the impact of the possible functional depreciation on the value of the Subject Property was provided.
25. The information presented regarding the condition rating of the property supported the County's determination of a condition rating of average.
26. The Taxpayer further alleges for each of the tax years that the assessment of the Subject Property is not uniform or proportionate with other comparable property.
27. The Taxpayer notes that the Courts 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 Nebraska Constitution."⁹
28. Comparable properties share similar use (residential, commercial/industrial, or agricultural), physical characteristics (size, shape, and topography), and location.¹⁰
29. The Taxpayer presented the Property Record File (PRF) of a property located near the Subject Property and alleged that the Subject Property should be assessed at a per square foot amount nearer to that of this property for tax year 2015.
30. The property presented by the Taxpayer for the 2015 assessment year is a ranch style property, was built in 1890, and has an fair quality rating. The Subject Property is a one and one half story property, was built in 1929, and has an average quality rating.
31. The Commission finds that the property presented by the Taxpayer for the 2015 appeal is not comparable to the Subject Property.
32. The Taxpayer presented the Property Record File (PRF) of two properties located near the Subject Property and alleged that the Subject Property should be assessed at a per square foot amount nearer to that of this property for tax year 2016.
33. The first property presented by the Taxpayer for the 2016 assessment year is a ranch style property, was built in 1890, and has an fair quality rating. The Subject Property is a one and one half story property, was built in 1929, and has an average quality rating.
34. The Commission finds that the first property presented by the Taxpayer for the 2016 appeal is not comparable to the Subject Property.

⁹ See *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).

35. The second property presented by the Taxpayer for the 2016 assessment year is a one and one half story property, was built in 1929, and has an average quality rating.
36. The PRFs presented demonstrate that the differences in per square foot assessments between the Subject Property and the second property were due to differences in the characteristics of the properties such as age, amount and quality of basement finish, deck, patio, etc.
37. The Taxpayer presented the Property Record File (PRF) of four properties located near the Subject Property and alleged that the Subject Property should be assessed at a per square foot amount nearer to that of this property for tax year 2017.
38. The PRFs presented demonstrate that the differences in per square foot assessments between the Subject Property and the nearby properties were due to differences in the characteristics of the properties such as age, quality rating, amount and quality of basement finish, garages, deck, patio, etc.
39. The County Board presented information regarding all of the qualified sales that occurred in the economic area of the Subject Property for tax year 2015, 2016 and 2017 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.
40. 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*.
41. 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.
42. 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 years 2015, 2016, and 2017, are affirmed.
2. The taxable value of the Subject Property for tax year 2015 is:

Land	\$ 4,900
<u>Improvements</u>	<u>\$87,300</u>
Total	\$92,200

3. The taxable value of the Subject Property for tax year 2016 is:

Land	\$ 4,900
<u>Improvements</u>	<u>\$87,300</u>
Total	\$92,200

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

Land	\$ 4,900
<u>Improvements</u>	<u>\$87,300</u>
Total	\$92,200

5. 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).
6. Any request for relief, by any party, which is not specifically provided for by this Decision and Order is denied.
7. Each Party is to bear its own costs in this proceeding.
8. This Decision and Order shall only be applicable to tax years 2015, 2016 and 2017.
9. This Decision and Order is effective on January 17, 2020.

Signed and Sealed: January 17, 2020

Steven A. Keetle, Commissioner