

**BEFORE THE NEBRASKA TAX EQUALIZATION
AND REVIEW COMMISSION**

IN THE MATTER OF THE)	
EQUALIZATION OF VALUE)	COUNTY NUMBER 3
OF REAL PROPERTY WITHIN)	FINDINGS AND ORDERS
ARTHUR COUNTY, NEBRASKA,)	(No Show Cause Hearing)
FOR TAX YEAR 2007)	

SUMMARY

The Tax Equalization and Review Commission, as part of its equalization proceedings held pursuant to Neb. Const. Art. IV, §28; Neb. Rev. Stat. §77-5022 *et. seq.*, (Reissue 2003, Cum. Supp. 2006); and 2007 Neb. Laws, LB 167, finds that the levels of value of real property in Arthur County for tax year 2007 satisfy the requirements of Neb. Const. Art. VIII, §1, and Neb. Rev. Stat. §77-5023(2) (Cum. Supp. 2006).

**I.
REPORT AND OPINION
OF THE PROPERTY TAX ADMINISTRATOR**

Arthur County (“County”), as required by Neb. Rev. Stat. §77-1514 (Cum. Supp. 2006), timely filed its Abstract of Assessment for 2006. The Property Tax Administrator ("Administrator"), based on that abstract and other information available to the Administrator, has filed certain statistical and narrative reports with the Nebraska Tax Equalization and Review Commission (“Commission”) and further has certified the Administrator's opinion regarding the level of value and the quality of assessments of real property in Arthur County for tax year 2007. Neb. Rev. Stat. §77-5027 (Cum. Supp. 2006).

**II.
REVIEW OF ASSESSMENT PRACTICES**

The level of value for any class or subclass of real property is indicated by its median assessment-sales ratio unless that ratio is deemed unreliable, the sample from which the ratio is

drawn is not representative of the class or subclass, or the level of value has been determined based on other generally accepted mass appraisal techniques.

The uniformity and proportionality of assessments (the “quality” of assessments), under professionally accepted mass appraisal methods, are measured through the use of the Coefficient of Dispersion (“COD”) and the Price Related Differential (“PRD”).

III. APPLICABLE LAW

1. The Commission is required to meet annually to equalize the assessed value, special value or recapture value of all real property as submitted by the county assessors on the abstracts of assessment and equalize the values of real property which is valued by the state. Neb. Rev. Stat. §77-5022 (Cum. Supp. 2006).
2. The Commission is required to raise or lower the valuation of a class or subclass of real property as necessary to achieve equalization. Neb. Rev. Stat. §77-5027 (Cum. Supp. 2006).
3. To achieve equalization the Commission is required to increase or decrease the value of a class or subclass of real property in any county or taxing authority or of real property valued by the state so that all classes or subclasses of real property in all counties fall within an acceptable range. Neb Rev. Stat. §77-5023(1) (Cum. Supp. 2006).
4. An acceptable range is the percentage of variation from a standard for valuation as measured by an established indicator of central tendency of assessment.

Neb. Rev. Stat. §77-5023(2) (Cum. Supp. 2006).

5. The median has been adopted by Commission as the preferred established indicator of central tendency. 442, Neb. Admin. Code, ch 9, §002.07 (01/07).
6. The acceptable ratio range for the median of the “Assessment-Sales Ratio” is from 69% to 75% of actual or fair market value for the class and subclasses of agricultural land and horticultural land not receiving special valuation pursuant to Neb. Rev. Stat. §77-1344; 69% to 75% of special valuation and 69% to 75% of recapture valuation for the class and subclasses of agricultural land and horticultural land receiving special valuation pursuant to Neb. Rev. Stat. §77-1344; and 92% to 100% of actual or fair market value for all other classes and subclasses of real property. Neb. Rev. Stat. §77-5023(2) (Cum. Supp. 2006). Whether or not the level of value determined by the Commission falls within the acceptable range may be determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques. Neb. Rev. Stat. § 77-5023(5) (Cum. Supp. 2006); 2007 Neb. Laws, LB 167, §9.
7. The appropriate COD range for the residential class and subclasses of real property is between 0 and 15 and the appropriate COD range for all other classes and subclasses of real property is between 0 and 20. 442 Neb. Admin. Code, ch 9, §005.04B (01/07).
8. The appropriate PRD range for all classes and subclasses of real property is between .98 and 1.03. 442 Neb. Admin. Code, ch 9, §005.04C (01/07).

IV. EVIDENCE BEFORE THE COMMISSION

The Commission may consider and utilize the provisions of the Constitution of the United States, the Constitution of Nebraska, the laws of the United States, the laws of Nebraska,

the Code of Federal Regulations, the Nebraska Administrative Code, any decision of the several courts of the United States or the State of Nebraska, and the legislative history of any law, rule, or regulation, without making the document a part of the record. The Commission may without inclusion in the record consider and utilize published treatises, periodicals, and reference works pertaining to the valuation or assessment of real or personal property or the meaning of words and phrases if the document is identified in the Commission's rules and regulations.

Neb. Rev. Stat. §77-5016(3) (Cum. Supp. 2006). The Commission pursuant to statute has identified various published treatises, periodicals and reference works for its consideration and utilization. 442 Neb. Admin. Code, ch 5, §29 (01/07). The Commission heard testimony and received exhibits. No other information or evidence, except that permitted by law, may be considered. Neb. Rev. Stat. §77-5016(3) (Cum. Supp. 2006). The Commission may evaluate the evidence presented utilizing its experience, technical competence, and specialized knowledge.

Neb. Rev. Stat. §77-5016(5) (Cum. Supp. 2006).

V.
FINDINGS OF FACT

The Commission finds and determines the following concerning classes and subclasses of real property in Arthur County:

A.
PROCEDURAL

1. A statistical and narrative report informing the Commission of the level of value and the quality of assessments of real property in Arthur County and certifying the opinion of the Property Tax Administrator regarding the level of value and the quality of assessment of

real property in Arthur County, for the tax year 2007 was timely received by the Commission. (E3).

2. The level of value for any class or subclass of real property is indicated by its median assessment-sales ratio unless that ratio is deemed unreliable, the sample from which it is drawn is not representative of the class or subclass, or the level of value has been determined by the Property Tax Administrator based on other generally accepted mass appraisal techniques.

**B.
RESIDENTIAL CLASS OF REAL PROPERTY
AND ITS SUBCLASSES**

3. The statistical studies for the residential class of real property are based on 10 sales of residential real property in a 3 year period. (E3:41). Those sales are insufficient to provide reliable statistical studies.
4. No increase or decrease by a percentage of the value of the residential class of real property or a subclass thereof is supported by clear and convincing evidence.

**C.
COMMERCIAL CLASS OF REAL PROPERTY
AND ITS SUBCLASSES**

5. The statistical studies for the commercial class of real property are based on 3 sales of commercial real property in a 3 year period. (E3:45). Those sales are insufficient to provide reliable statistical studies.
6. No increase or decrease by a percentage of the value of the commercial class of real property or a subclass thereof is supported by clear and convincing evidence.

D.
THE AGRICULTURAL LAND AND HORTICULTURAL LAND
CLASS OF REAL PROPERTY
NOT SUBJECT TO SPECIAL VALUATION AND ITS SUBCLASSES

7. The statistical studies for the real property class of agricultural land and horticultural land not subject to special valuation are based on 6 sales of agricultural land and horticultural land class of real property not subject to special valuation in a 3 year period. (E3:48).
Those sales are insufficient to provide reliable statistical studies.
8. No increase or decrease by a percentage of the value of the real property class of agricultural land and horticultural land not subject to special valuation or a subclass thereof is supported by clear and convincing evidence.

VII.
CONCLUSIONS OF LAW

1. The Commission has jurisdiction over Arthur County and the subject matter of this order.
2. No adjustment to the value of a class or subclass of real property in Arthur County is required by law.

VIII.
ORDER

IT IS THEREFORE ORDERED THAT:

1. No order proposing an adjustment of the value for a class or subclass of real property in Arthur County for tax year 2007, be entered and that no further proceedings be held to determine whether an adjustment should be made.
2. The Property Tax Administrator for the State of Nebraska, the Arthur County Assessor, the Arthur County Clerk, the Chairperson of the Arthur County Board, and the Arthur

County Attorney be notified of this order as required by Neb. Rev. Stat. §77-5028 (Cum. Supp. 2006); 2007 Neb. Laws, LB 167, §11.

SIGNED AND SEALED May 8, 2007.

Ruth A. Sorensen, Commissioner

Susan S. Lore, Commissioner

William C. Warnes, Commissioner

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Wm. R. Wickersham, Commissioner