

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

IN THE MATTER OF THE)	COUNTY NUMBER 13
EQUALIZATION OF VALUE)	FINDINGS AND ORDERS
OF REAL PROPERTY WITHIN)	(NO ADJUSTMENT AFTER
CASS COUNTY, NEBRASKA,)	SHOW CAUSE HEARING)
FOR TAX YEAR 2008)	

APPEARANCES FOR THE COUNTY:

Allen Sutcliffe
Cass County Assessor
145 N 4th St.
Plattsmouth, NE 68048

SUMMARY

The Tax Equalization and Review Commission, as part of its equalization proceedings held pursuant to Neb. Const. art. IV, §28, and Neb. Rev. Stat. §77-5022 *et. seq.*, (Reissue 2003, Cum Supp 2006 and Supp 2007), after a hearing pursuant to Neb. Rev. Stat. §77-5026 (Supp. 2007) finds that the levels of value for real property in Cass County for tax year 2008, satisfy the requirements of Neb. Const. art. VIII, §1, and Neb. Rev. Stat. §77-5023(2) (Supp. 2007). The Commission therefore does not enter an order adjusting the value of real property within Cass County.

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

Cass County (“County”), as required by Neb. Rev. Stat. §77-1514 (Cum. Supp. 2006), timely filed its Abstract of Assessment for 2008. 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 assessment of real property in Cass County for tax year 2008, as required by 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

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).

1. 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).

2. 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) (Supp. 2007).
3. 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) (Supp. 2007).
4. The median has been adopted by Commission as the preferred established indicator of central tendency. 442, Neb. Admin. Code, ch 9, §004 (10/07).
5. 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) (Supp. 2007).
6. The level of value for the special value of the agricultural land and horticultural land class of real property receiving special valuation and its subclasses may be determined through an income based methodology developed by the Property Tax Administrator pursuant to Neb. Rev. Stat. §77-1327(4) (Supp. 2007).
7. 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) (Supp. 2007).

8. 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, §005.02 (10/07).
9. The appropriate PRD range for all classes and subclasses of real property is between .98 and 1.03. 442 Neb. Admin. Code, ch 9, §005.03 (10/07).

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) (Supp. 2007). 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, §32 (10/07). 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) (Supp. 2007). The Commission may evaluate the evidence presented utilizing its experience, technical competence, and specialized knowledge.

Neb. Rev. Stat. §77-5016(5) (Supp. 2007).

**V.
FINDINGS OF FACT**

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

PROCEDURAL

1. A statistical and narrative report informing the Commission of the level of value and the quality of assessments of the classes and subclasses of real property for Cass County and certifying the opinion of the Property Tax Administrator regarding the level of value and the quality of assessment of real property in Cass County, for the tax year 2008 was timely received by the Commission. (E13).
2. The level of value for any class or subclass real property is indicated by its median assessment-sales ratio unless the 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 based on other generally accepted mass appraisal techniques.
3. The level of value for special value of the agricultural land and horticultural land class of real property receiving special valuation and its subclasses was determined through an income based methodology developed by the Property Tax Administrator pursuant to Neb. Rev. Stat. §77-1327(4) (Supp. 2007).

4. The Commission's Order to Show Cause and Notice of Hearing dated April 21, 2008, proposing an adjustment to the level of value of real property in Cass County was mailed to the County Clerk, County Assessor, and Chairperson of the County Board for Cass County on April 21, 2008.
5. A hearing on the Commission's order proposing an adjustment was held May 5, 2008.

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

THE CLASS

6. The level of value indicated by the median for the residential class of real property is 98% of actual or fair market value, the COD is 10.18, and the PRD is 103.04, as shown by the Reports and Opinions of the Property Tax Administrator. (E13:16).
7. The statistical studies of the level of value and the quality of assessments are reliable and representative of the level of value and the quality of assessments for the residential class of real property.
8. The level of value for the residential class of real property as indicated by the median is within the acceptable range set by state law as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.
9. The quality of assessment practices for the residential class of real property is appropriate as shown by the COD.
10. The quality of assessment practices for the residential class of real property is not appropriate as shown by the PRD.

11. A measure of the quality of assessment practices for the residential class of real property cannot be improved by a percentage adjustment to the level of value for the class of residential real property as required by Neb. Rev. Stat. §77-5023 (Supp. 2007). An adjustment by a percentage to the level of value of a subclass of the residential class of real property might improve a measure of the quality of assessment practices but an adjustment for that purpose is not warranted.

**Status: Improved, Unimproved & IOLL: IOLL subclass of the residential class
of real property**

12. The level of value indicated by the median for the Status: Improved, Unimproved & IOLL: IOLL subclass of the residential class of real property is 89.04% of actual or fair market value, the COD is 10.44, and the PRD is 99.64 as shown by the Reports and Opinions of the Property Tax Administrator. (E13:16).
13. The statistical studies of the level of value and the quality of assessments is not representative of the level of value and the quality of assessments for the Status: Improved, Unimproved & IOLL: IOLL subclass of the residential class of real property, because approximately one-half of the parcels in the subclass are mobile homes while none of the sales used to develop an indication of a level of value for the subclass were of mobile homes.
14. An increase in the amount of 7.82% was proposed by the Commission to bring the level of value indicated by the median for the Status: Improved, Unimproved & IOLL: Unimproved & IOLL: IOLL subclass of the residential class of real property to the

midpoint of the acceptable range as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques as required by Neb. Rev. Stat. §77-5023 (Supp. 2007). (E153)

15. The Commission after a hearing pursuant to Neb. Rev. Stat. §77-5026 (Supp. 2007), determines that no adjustment should be made.

COMMERCIAL CLASS OF REAL PROPERTY AND ITS SUBCLASSES

THE CLASS

16. The level of value indicated by the median for the commercial class of real property is 97% of actual or fair market value, the COD is 18.53, and the PRD is 116.98, as shown by the Reports and Opinions of the Property Tax Administrator. (E13:38).
17. The statistical studies of the level of value and the quality of assessments are reliable and representative of the level of value and the quality of assessments for the commercial class of real property.
18. The level of value for the commercial class of real property as indicated by the median, is within the acceptable range set by state law as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.
19. The quality of assessment practices for the commercial class of real property is appropriate as shown by the COD.
20. The quality of assessment practices for the commercial class of real property is not appropriate as shown by the PRD.

21. A measure of the quality of assessment practices for the commercial class of real property cannot be improved by a percentage adjustment to the level of value for the commercial class of real property as required by Neb. Rev. Stat. §77-5023 (Supp. 2007). An adjustment by a percentage to the level of value of a subclass of the commercial class of real property might improve a measure of the quality of assessment practices but an adjustment for that purpose is not warranted.

**Status: Improved, Unimproved & IOLL: Unimproved subclass of the commercial
class of real property**

22. The level of value indicated by the median for the Status: Improved, Unimproved & IOLL: Unimproved subclass of the commercial class of real property is 91.44% of actual or fair market value, the COD is 11.28, and the PRD is 95.11 as shown by the Reports and Opinions of the Property Tax Administrator. (E13:39).
23. The statistical studies of the level of value and the quality of assessments as shown in the Reports and Opinions Of the Property Tax Administrator are not reliable and representative of the level of value and the quality of assessments for the Location: Improved, Unimproved & IOLL: Unimproved subclass of the commercial class of real property, due to problems with the use of data within computer programs used to develop the statistical studies.
24. An increase in the amount of 5% was proposed by the Commission to bring the level of value indicated by the median for the Location: Improved, Unimproved & IOLL: Unimproved subclass of the commercial class of real property to the midpoint of the

acceptable range as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques as required by Neb. Rev. Stat. §77-5023 (Supp. 2007). (E152)

25. The Commission after a hearing pursuant to Neb. Rev. Stat. §77-5026 (Supp. 2007), determines that no adjustment should be made.

**RECAPTURE VALUE OF AGRICULTURAL LAND AND HORTICULTURAL LAND
CLASS OF REAL PROPERTY RECEIVING SPECIAL VALUATION**

THE CLASS

26. The level of value indicated by the median for recapture value of the agricultural land and horticultural land class of real property receiving special valuation is 73% of recapture value, the COD is 22.25, and the PRD is 104.59, as shown by the Reports and Opinions of the Property Tax Administrator. (E13:62).
27. The statistical studies of the level of value and the quality of assessment of recapture value are reliable and representative of the level of value and the quality of assessment for recapture value of the agricultural land and horticultural land class of real property receiving special valuation.
28. The level of value for recapture value of the agricultural land and horticultural land class of real property receiving special valuation as indicated by the median, is within the acceptable range set by state law as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.

29. The quality of assessment practices for recapture value of the agricultural land and horticultural land class of real property receiving special valuation is not appropriate as shown by the COD.
30. The quality of assessment practices for recapture value of the agricultural land and horticultural land class of real property receiving special valuation is not appropriate as shown by the PRD.
31. A measure of the quality of assessment practices for recapture value of the agricultural land and horticultural land class of real property receiving special valuation cannot be improved by a percentage adjustment to the level of value for the agricultural land and horticultural land class of real property receiving special valuation as required by Neb. Rev. Stat. §77-5023 (Supp. 2007). An adjustment by a percentage to the level of value of recapture value for a subclass of the agricultural land and horticultural land class of real property receiving special valuation might improve a measure of the quality of assessment practices but an adjustment for that purpose is not warranted.
32. The level of value of recapture for each subclass of the agricultural land and horticultural land class of real property receiving special valuation is either within the acceptable range, the number of sales for a subclass are insufficient to provide a reliable statistical study of the subclass, the median assessment-sales ratio has been determined to be unreliable, or an adjustment by a percentage of value is not appropriate based on the record before the Commission.

33. No increase or decrease by a percentage of recapture value for the agricultural land and horticultural land class of real property receiving special valuation, or a subclass thereof, is necessary.

**SPECIAL VALUE OF AGRICULTURAL LAND AND HORTICULTURAL LAND
CLASS OF REAL PROPERTY RECEIVING SPECIAL VALUATION**

THE CLASS

34. The level of value for special value of the agricultural land and horticultural land class of real property receiving special valuation is 73% of special value as shown by the Reports and Opinions of the Property Tax Administrator. (E13:59).
35. The statistical studies of the level of value for special value are reliable and representative of the level of value for special value of the agricultural land and horticultural land class of real property receiving special valuation.
36. The level of value for special value of the agricultural land and horticultural land class of real property receiving special valuation as indicated by the Property Tax Administrator's methodology is within the acceptable range set by state law as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.
37. The level of value of special value for each subclass of the agricultural land and horticultural land class of real property receiving special valuation is either within the acceptable range, the number of sales for a subclass are insufficient to provide a reliable statistical study of the subclass, the median assessment-sales ratio has been determined to

be unreliable, or an adjustment by a percentage of value is not appropriate based on the record before the Commission.

38. No increase or decrease by a percentage of special value for the agricultural land and horticultural land class of real property receiving special valuation, or a subclass thereof, is necessary.

VI.

CONCLUSIONS OF LAW

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

VII.

ORDER

IT IS THEREFORE ORDERED THAT:

1. No adjustment by a percentage by the Commission shall be made to the level of value for the residential class of real property in the County or a subclass thereof for tax year 2008.
2. No adjustment by a percentage by the Commission shall be made to the level of value for the commercial class of real property in the County or a subclass thereof for tax year 2008.
3. No adjustment by a percentage by the Commission shall be made to the level of value for recapture value of the agricultural land and horticultural land class of real property receiving special valuation in the County a subclass thereof for tax year 2008.

4. No adjustment by a percentage by the Commission shall be made to the level of value for special value of the agricultural land and horticultural land class of real property receiving special valuation in the County a subclass thereof for tax year 2008.
5. These Findings and Orders shall be served on the Property Tax Administrator of the State of Nebraska via personal delivery, the Cass County Assessor via Certified United States Mail, return receipt requested, the Cass County Clerk, the Chairperson of the Cass County Board and the Cass County Attorney via First Class United States Mail sufficient postage paid, on or before May 15, 2008, as required by Neb. Rev. Stat. §77-5028 (Supp. 2007).
6. This order is effective the date it is signed and sealed.

SIGNED AND SEALED May 14, 2008.

Nancy J. Salmon, Commissioner

Robert W. Hotz, Commissioner

William C. Warnes, Commissioner

Seal

Wm. R. Wickersham, Commissioner