

Testimony for the hearing April 19,2010 on Fillmore County Assessment for 2010

To Members of the Tax Equalization and Review Commission:

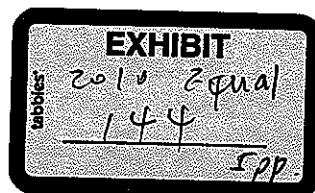
I am here today in behalf of my county board and myself. We feel our measurement of agland should have been reported as a median of 72 as calculated by our appraiser, Jerry Knoche, and not 70 as reported by the Property Tax Division. It is not the fact that 70 places Fillmore County out of the required range, but due to the lack of timeliness of providing sufficient information during the process of setting agricultural land values for Fillmore County. I would submit the following time line for Property Tax not providing information in a timely manner and thereby using insufficient and suspect data to establish their level of value estimate.

To my nearest recollection, my liaison, Jim Haug, was in my office November 17<sup>th</sup> to go over a few differences on my assessed value update. I had a call at approx 11:00 on the 17<sup>th</sup> from Jim in Thayer Co and he wanted to stop on his way back to Lincoln. I told him I had an appointment @ 12:30 and he arrived around 11:30. We reviewed the values that were different and he left the survey and said he'd be back to go over the survey. I received my assessed value update audit in the mail Dec. 17<sup>th</sup>. I was not contacted again regarding the survey until March 2<sup>nd</sup>. Due to conflicts in scheduling and the fact he thought it would take a whole day, we scheduled him to come out March 9<sup>th</sup>. I scanned and e-mailed my survey after he called so he could get that taken care of and we could go over it when he was here on the 9<sup>th</sup>. March 9<sup>th</sup> was the first I knew of the borrowing of sales for our county. In my attachment to the Reports and Opinions, I listed those sales and the information I gathered from the assessors in those counties. I find it interesting that although the # of borrowed sales is listed in our Reports and Opinions, the sales used are not. As of today (April 15<sup>th</sup>), I have been told by another assessor they still don't know what sales were used. In my opinion, that is just wrong.

We set our values in December on the ag land. If there is a process, like this, that is going to change how we value any class of property or if we are going to borrow sales, my opinion is it needs to be in place prior to us setting our values. Not only that, we need to know what the procedure is and the time line for the appeal process and to whom.

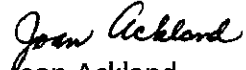
I received an e-mail from Ruth Sorenson March 29<sup>th</sup>, which is also in the reports and opinions. In that e-mail, she says she has directed her staff to reexamine the comparability of the sales used for Fillmore County to assure that the sales are representative of the Fillmore County market activity and to share this continued analysis with me. I have heard nothing from anyone regarding that e-mail and since there were 4 sales presented to me and my median with those sales was 70, I am assuming those are still the 4 sales in our file.

Our paper had a small article about the state borrowing sales from other counties, and I had an irate taxpayer come in and wonder if they were going to use that \$8,000 sale in Seward Co. , just another situation that has to be diffused at the county level when we are not provided with any information on this new procedure.



My request is that you set our median at 72 which is where we have calculated it using Fillmore County sales information and provides the best equalization for our county.

Thank You!



Joan Ackland

Fillmore County Assessor

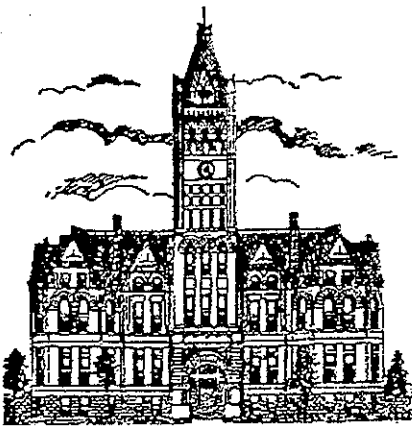
Attachments:

Letter to the Fillmore County Board for the April 13<sup>th</sup> board meeting

Exhibit 30 – page 55 Borrowing of Sales from Surrounding Counties

Shows Sales borrowed and Area they are in

Exhibit 30 – page 56 Response from Property Tax Administrator Ruth A Sorensen



# Fillmore County Assessor

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**JOAN ACKLAND**  
Assessor

**LYNN MUSSMAN**  
Deputy

**PENNY WILLIAMS**  
Clerk

April 13, 2010

## Fillmore County Board:

The Property Tax Administrator has determined the following assessment ratios and other statistical measures for Fillmore County, NE for 2010 to be as follows:

<u>Property Class</u>	<u>Assessment-Sales Median Ratio</u>	<u>Coefficient of Dispersion (COD)</u>	<u>Price Related Differential (PRD)</u>
Agricultural	70%	18.12	108.46
Commercial	99%	21.07	113.81
Residential	99%	10.66	103.22

My disagreement is with the ag median, as I think it should've been certified as 72. Do you want me to go to TERC and argue this, or not?

Joan Ackland  
Fillmore County Assessor

BORROWING OF SALES FROM SURROUNDING COUNTIES

Process for agland measurement for 2010 – What really is the procedure, how are the results going to be reported to TERC and what are the procedures if we decide to appeal?

I am writing this objection regarding the department borrowing sales from surrounding counties because of the uncertainty and inconsistency of the procedure. I was concerned that I was not called till March 2 to set up an appointment to go over the sales that were going to be added from surrounding counties. Due to scheduling conflicts, my Liaison, Jim Haug, and I set up an appointment for March 9th. That was 9 working days prior to the abstract becoming due. I expressed this concern to my liaison, when he came for his visit. I knew the department was working on this process with other counties; but assumed they were not going to borrow any for my county because I hadn't heard from anyone.

Our Appraiser, Jerry Knoche, worked on our ag values in December and with the increase in ag values for 2010 felt our median was at 72 and proceeded in that manner. Now after receiving the borrowed sales, my median drops to 70.

How is this going to be reported to TERC??? Will it be the 72 or the 70? I realize with either figure I am in the range this year, but what is the procedure if your analysis is outside of the range?

Four (4) sales were borrowed from surrounding counties to help with the "measurement" in our county. One sale from York Co, one sale from Saline County and two sales from Thayer County. After visiting with the assessors in those counties regarding the sales, I will state what my findings were:

*Sales are in:*

York Co.- ½ grass ½ dry – 80 acres – only sale of that kind Ann has in her county. It is not representative of land sales in either county by size or usage. (Ann Charlton is the York Co. Assessor)

*Area 1  
1 sale*

Saline Co – Private sale, 80 acres, 12 miles from our county line – visited with Brandi Kelly (Saline Co. Assessor)

*Area 2  
1 sale*

Thayer Co - 40 acre sale bought at auction by the adjoining landowner. The other sale was bought as dry with the intent of putting irrigation on it, which they did, and the sale was coded as a 3 (substantially changed) and is not being used in their statistics as per Karla. (Karla Joe is the Thayer Co. Assessor) This sale is not used in Thayer Co., but good enough for Fillmore Co?

*Area 2  
2 sales*

I had visited with Karla Joe (Thayer Co. Assessor) and Ann Charlton (York Co. Assessor) regarding our 2010 ag values and felt we were in line with our values across county lines. The county board and I feel Saline County is a different market area.

This is my 24<sup>th</sup> year as Assessor and during my tenure, I have attempted to do my best in regard to the valuations in the county I was elected to represent – Fillmore County. We have used the information from Fillmore County to assist us in establishing values for all property classes. By using information from other counties that is not representative of Fillmore County, it would not only be unfair to Fillmore County taxpayers, but it does not improve the assessment in our county.

Thank you for letting me voice my opinion on this matter.

Joan Ackland  
Fillmore County assessor

**From:** Sorensen, Ruth

**Sent:** Monday, March 29, 2010 3:47 PM

**To:** 'Joan Ackland'; Dix, Larry; Haug, Jim; cathy.gusman@pat.ne.gov; Karla Joe; Brandi Kelly; Ann Charlton ; Bob Mueller ; Dennis Kimbrough ; Jerry Galusha ; Ray Capek ; Steve Yates ; Larry Cerny ; Amy Nelson ; Keetle, Steve; Marilyn Hladky; Beth Ferrell; Allen Sutcliffe; Arliss Brown ; Patty Milligan ; Vicki Donoghue ; Jonathan Bailey ; roger Morrissey; Norm H. Agera; Dan Pittman ; Regina Cummings

**Subject:** RE: Borrowing of Sales

Joan --

Thank you for submitting comments for the 2010 Reports and Opinions of the Property Tax Administrator for Fillmore County. Pursuant to REG-17-003.05, you have met the regulatory deadline for submitting such comments.

I would like to take this opportunity to briefly address the comments you submitted. The concept of borrowing sales is part of a continuing effort to assure equalized levels of value for property within a county and bordering counties. In reviewing the market activity in Fillmore County, it appears the agricultural land values have experienced increases over the three year study period.

The purpose of the expanded agricultural land analysis is to ensure that all counties meet the uniform and proportionate requirement of the Nebraska Constitution. There are instances where the statistical inferences in one county are heavily weighted to the older part of the study period. When this level of value is compared to an adjoining county where the majority of the sales activity is heavily weighted in the more current part of the study period, the result between the two counties would differ. I am sure you agree that this result does not comply with the Nebraska Constitution.

The opinion and presentation that I will offer to the Tax Equalization and Review Commission will be based on the best information available to me, from both you and the liaisons, that assures uniform and proportionate valuation throughout the State of Nebraska.

I apologize for the timing of the information being shared with you. As a result of the information you brought to my attention, I have directed my staff to reexamine the comparability of the sales used for Fillmore County to assure that the sales are representative of the Fillmore County market activity, and to share this continued analysis with you

Thank you again for your comments as I do appreciate the input your 24 years of service brings to the assessment process in Nebraska.

Please let me know if you have any questions or further concerns.

**Ruth A. Sorensen**

Property Tax Administrator

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