

Office of  
**Lincoln County Assessor**  
**Mary Ann Long**  
Julie Stenger – Deputy



301 North Jeffers, RM 110A  
North Platte, NE 69101-3997  
308-534-4350

May 7, 2010

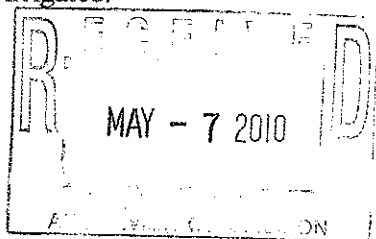
RE: Show-Cause Hearing for Lincoln County  
Increase Market Area 2 by +5.29%  
Increase Market Area 4 by +7.88%

**To Tax Equalization and Review Commission:**

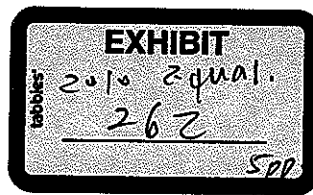
Lincoln County has worked very diligently along with other counties in the attempt to have more equalized values across county borders. This year the Tax Equalization and Review Commission have issued an order to increase Market Area 2 by 5.29% and Market Area 4 by 7.88%. Included with our evidence are two spreadsheets; one named "2010 Certified Agricultural Values for Lincoln County and Counties Bordering Lincoln County" which has our current certified values. The other spreadsheet is named "2010 TERC Adjusted Agricultural Values for Lincoln County and Counties Bordering Lincoln County". These are being presented to the board to show how our values compare to other neighboring counties. The six counties that border Lincoln County are McPherson and Logan Counties to the North, Custer and Dawson Counties to the East, Frontier and Hayes Counties to the South and Keith and Perkins Counties are to the West. Although all land classes are currently proposed to be increased, we will be discussing each type, irrigated, dryland and grassland, separately. Upon reviewing the sales used when the 2010 agricultural values were set, it has come to our attention that three sales are now substantially changed due to new improvements being built on the properties. We would request the Commission consider not using these for the measurement of the level of value for our agricultural land values.

**Market Area 2:**

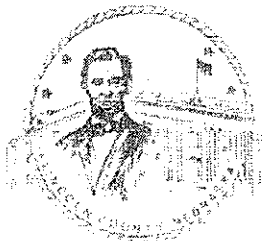
Lincoln County's Market Area 2 consists of a little more than one-fourth of the county north of the North and South Platte rivers. This area was established nearly 25 years ago since it coincided well with soils of Logan and McPherson Counties as defined in Title 350 Chapter 14 Reg. 003.01B. The major portion of this area is pasture land of sandy soils on uplands. Silty and sandy soils on uplands, loamy and sandy soils on uplands and silty soils on smooth uplands exist on the eastern and northern borders of the county as well as along the Birdwood Creek which runs north of the North Platte River between Hershey and Sutherland. Small areas of loamy and sandy soils on uplands, well-to excessively drained and silty soils on tableland broad ridges can be found on our borders with Custer and Logan Counties. These areas are farmed or used to harvest forage for livestock. There are many large ranches of thousands of acres that have been in families for generations. In this Market Area, the land use is 91% grassland, 3% dryland and 6% irrigated.



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The counties that border this area from west to east are Keith, McPherson, Logan and Custer Counties. For irrigated ground, all the values from Custer, Dawson, and Logan Counties are pretty comparable with Logan County being the most comparable to Lincoln County's Market Area 2. Keith County's values are lower but this area has very little irrigated or dryland due to its topography and poor quality soil types. McPherson County is also significantly different from Lincoln County but the majority of this county is sand hills with very little being irrigated or dryland so the comparison cannot be made in this case. Keith County's Market Area 1 and McPherson County is very comparable in both use and soil types and would best be compared to our majority land use in Market Area 2 which is grassland.

For dryland in Market Area 2, Custer, Keith, Logan and McPherson are all pretty comparable with Dawson County being the highest out of the five counties. Dawson County's Market Area 1 includes the area running along the Platte River which takes into account the better soil types that would be found predominately in Lincoln County's Market Area 1.

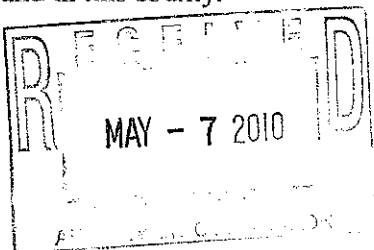
The grassland in Market Area 2 is very comparable across the borders of our neighboring counties except for Dawson County. Again Dawson County's Market Area 1 includes the area running along the Platte River and would include Hay Meadow ground which would be found in Lincoln County's Market Area 1 as well. These two counties differ due to the different Market Area splits.

#### **Market Area 4:**

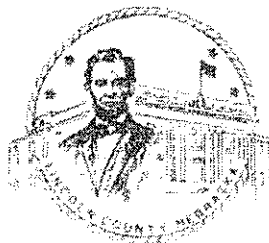
Lincoln County's Market Area 4 is situated south of the Platte River in eastern Lincoln County and is comprised of nearly four-fifths rough broken land, loess association. This soil type is fine grained material dominantly of silt-sized particles deposited by wind on dissected uplands, suitable only for pasture of narrow valleys and steep canyon walls supporting major infestations of volunteer red cedar trees. The remaining one fifth consists of silty soils on smooth uplands occurring along the Frontier County line as well as extending northwesterly from the corner of the Dawson County line into the area. These areas are more conducive to cultivation. In this Market Area, the land use is 90% grassland, 7% dryland and 3% irrigated.

The neighboring counties to Market Area 4 are Dawson County and Frontier County. Dawson County's Market Area 1 is not comparable to Market Area 4 due to the topography of Dawson County's Market Area 1 being more of rolling hills and river valley. Market Area 4 is steep canyons and is only comparable to Dawson County's Market Area 2 and Frontier County.

When comparing across county lines in this Market Area it shows a great comparability to Dawson County's Market Area 2 in the upper land classes of irrigated ground but significantly drops with soil type. Frontier County has been affected by the Middle Republican Natural Resources District litigation with Kansas over water restrictions which reduces the value of the land in this county.



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The dryland in these counties are very comparable in value with Lincoln County's Market Area 4 values being in the middle of both Dawson and Frontier County's range of values. Again only Dawson County's Market Area 2 is comparable to Lincoln County's Market Area 4.

The majority land use in Market Area 2 is grassland and again the values, when comparing across county lines, are all within the ranges of Dawson and Frontier Counties. Again, only Dawson County's Market Area 2 is comparable to Lincoln County's Market Area 4.

**Reconciliation:**

In conclusion, if Market Area 2 and Market Area 4 were to be adjusted by any percentage, the attempt to equalize values across county lines would be lost. Since both of these areas consist of 91% and 90% grassland, respectively, it would be very difficult to say that all land classes need to be adjusted with the minimal amount of irrigated and dryland acres within this Market Area. Therefore, we feel that no adjustments appear to be needed when comparing values across county lines as well as land class usage.

**Sales Used to Set Values:**

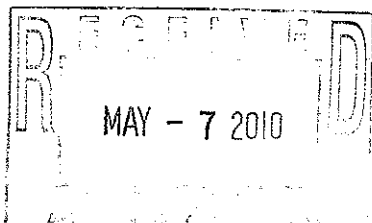
The West Central District works together every year in the attempt to equalize agricultural land values across county lines. Lincoln County has set agricultural land values for all five Market Areas taking into account the neighboring counties. Market Area 1 originally had 23 sales at the time of the agricultural analysis. After our pick-up work was completed, one of these sales in Market Area 1 was found to be substantially changed. This sale was of a small parcel of land that was combined with the adjoining land that the buyers had already owned. Therefore, the statistics reflect 22 sales rather than 23 for Market Area 1.

Market Area 2 had 34 sales that were used in our agricultural analysis; however, our liaison used only 33 sales and borrowed one sale from a neighboring county. If the one sale wasn't excluded, then the sample wasn't representative of what was actually within Market Area 2. The statistics reflect the 34 sales used to set agricultural land values rather than the 33 sales stated in the R & O.

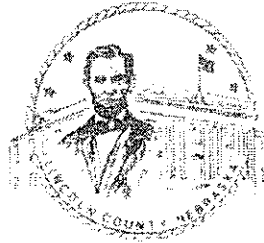
Market Area 3 originally had 12 sales which was also the same number that Lincoln County used to set their agricultural land values. The statistics reflect these sales.

Market Area 4 is showing 19 sales in the R & O however, Lincoln County used 24 sales to set their agricultural land values. Again, our liaison needed to remove these five sales in order to balance the sample to be representative of the actual land usage in Market Area 4. The statistics reflect 24 sales rather than the 19 found in the R & O.

Market Area 5 originally had 34 sales at the time of the agricultural analysis. Again, after pick-up work was completed, two sales were found to have been substantially changed due to improvements being built on the properties after the sales had occurred. Therefore, the statistics reflect 32 sales rather than 34 sales for Market Area 5.



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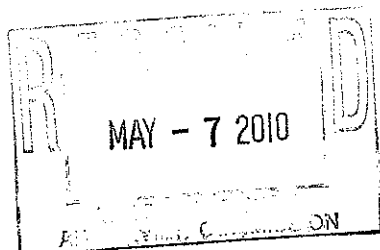
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It is common practice that the total number of sales used by the County to set values is not always the same number of sales that are used for measurement purposes. This is the case here and that is why there is a difference in the number of sales from the statistics submitted as evidence versus what was submitted with the R & O for 2010.

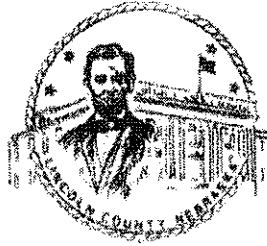
**Reconciliation:**

In conclusion, when using the actual number of arms length transactions that the county used originally to set their agricultural land values excluding any borrowed sales, our statistics are all within the "acceptable range" of 69-75% of market value for all five market areas as well as for the county as a whole. Market Area 1 is at 69.55%, Market Area 2 is at 69.51%, Market Area 3 is at 70.51%, Market Area 4 is at 70.27% and Market Area 5 is at 71.51%. Lincoln County as a whole comes in at 71%. These statistics can be found on the PAD 2010 R&O Statistics pages included as evidence to the Commission.

We appreciate your time and consideration in this matter.




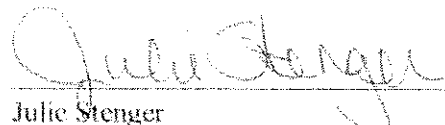
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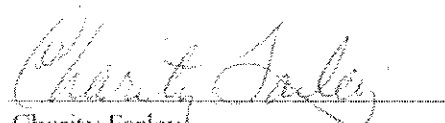


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Respectfully Submitted,

  
Mary Ann Long  
Lincoln County Assessor

  
Julie Stenger  
Lincoln County Deputy Assessor

  
Charity Farley  
Lincoln County Lead Appraiser

