

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

ROSE M. NELSON
APPELLANT,

CASE NO: 23R 0703

V.

DECISION AND ORDER
REVERSING THE DECISION
OF THE MORRILL COUNTY
BOARD OF EQUALIZATION

MORRILL COUNTY BOARD
OF EQUALIZATION,
BERNARD W. AND DEBRA J.
ADAMS
APPELLEE.

I. BACKGROUND

1. The Subject Property is an improved rural residential parcel in Morrill County, parcel number 200067810.
2. The Morrill County Assessor (the County Assessor) assessed the Subject Property at \$528,595 for tax year 2023.
3. Rose M. Nelson (the Taxpayer) protested this value to the Morrill County Board of Equalization (the County Board) and requested an assessed value of \$420,000 for tax year 2023.
4. The County Board determined that the taxable value of the Subject Property was \$420,000 for tax year 2023.
5. Rose M. Nelson appealed the determination of the County Board to the Tax Equalization and Review Commission (the Commission).
6. A Single Commissioner hearing was held on September 11, 2024, at Fairfield Inn and Suites by Marriott, 902 Winter Creek Drive, Scottsbluff, NE 69361, before Commissioner James D. Kuhn.
7. Bernard W. Adams was present at the hearing for the Taxpayer.

8. Robert M. Brenner, Attorney, and Rose M. Nelson (the Assessor) were present at the hearing.
9. Kirk M. Fellhoelter, Morrill County Attorney, was present for the County Board.

II. APPLICABLE LAW

10. All real property in Nebraska subject to taxation shall be assessed as of the effective date of January 1.¹
11. The Commission's review of a determination of the County Board of Equalization is de novo.²
12. 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
13. The order, decision, determination or action appealed from shall be affirmed unless evidence is adduced establishing that the

¹ Neb. Rev. Stat. § 77-1301(1) (Cum. Supp. 2020).

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, 759 N.W.2d 464, 473 (2009).

³ *Brenner v. Banner Cty. Bd. of Equal.*, 276 Neb. 275, 283, 753 N.W.2d 802, 811 (2008).

⁴ *Id.* at 283-84.

order, decision, determination, or action was unreasonable or arbitrary.⁵

14. Proof that the order, decision, determination, or action was unreasonable or arbitrary must be made by clear and convincing evidence.⁶
15. 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
16. The Commission's Decision and Order shall include findings of fact and conclusions of law.⁸

III. FINDINGS OF FACT & CONCLUSIONS OF LAW

17. The Assessor stated an exterior inspection of the Subject Property was conducted to ensure the Property Record File (PRF) was accurate. After the inspection, the Assessor recommended no change in assessment to the County Board. The County Board took action to adjust the value lower than the Assessor's assessment.
18. The Assessor provided the PRF for the Subject Property and provided PRFs for four comparable properties. The Assessor stated she increased rural residential property to stay in compliance with Neb. Rev. Stat. 77-5023 requiring residential properties to be assessed within the acceptable range of 92% to 100% of actual value.
19. The Appellee argued that the Assessor's 28% increase to rural residential property was based on a limited number of sales and did not feel that 6 sales were enough to warrant such an increase. The Board lowered the assessment to the value indicated by an independent appraisal that was provided by the Taxpayer at the protest hearing. The Taxpayer provided an independent appraisal done by Loren Gutwein on December 6, 2021.

⁵ Neb. Rev. Stat. § 77-5016(9) (Reissue 2018).

⁶ *Omaha Country Club v. Douglas Cty. Bd. of Equal.*, 11 Neb. App. 171, 174-75, 645 N.W.2d 821, 826 (2002).

⁷ *Josten-Wilbert Vault Co. v. Bd. of Equal. for Buffalo Cty.*, 179 Neb. 415, 418, 138 N.W.2d 641, 643 (1965) (determination of actual value); *Lincoln Tel. and Tel. Co. v. Cty. Bd. of Equal. of York Cty.*, 209 Neb. 465, 468, 308 N.W.2d 515, 518 (1981) (determination of equalized taxable value).

⁸ Neb. Rev. Stat. § 77-5018(1) (Reissue 2018).

20. The Taxpayer stated they built the Subject Property themselves and feel its worth what the appraisal states.
21. The independent appraisal showed an indicated value of \$420,000 using the sales comparison approach and a value of \$480,000 using the cost approach. The cost approach should have been a better indicator of the value of a newer dwelling. The cost approach is the best approach to use when a property is new or unique, the independent appraisal didn't seem to give any weight to the cost approach.
22. The Appellee did not provide any evidence to support a lower value for the Subject Property, however, "[T]he County Board need not put on any evidence to support its valuation of the property at issue unless the taxpayer establishes the Board's valuation was unreasonable or arbitrary."⁹
23. Competent evidence can be "evidence tending to show that the valuation" adopted by a county board of equalization is questionable. In this case, the Assessor provided evidence to support her valuation. The Assessor provided comparable properties and valuation methodology that conforms with generally accepted mass appraisal methods. The Assessor provided the residential correlation for Morrell County, showing that due to increasing sales prices as compared to assessments, an increase to all valuation groups in Morrell County was necessary to achieve equalization.
24. When an independent appraiser using professionally approved methods of mass appraisal certifies that an appraisal was performed according to professional standards, the appraisal is considered competent evidence under Nebraska law. Typically, an appraisal doesn't have an expiration date but an appraisal from more than a year prior to the assessment date of January 1, 2023, would be less relevant due to changing market conditions.
25. The Appellant has produced competent evidence that the County Board failed to faithfully perform its duties and to act on sufficient competent evidence to justify its actions.
26. The Appellant has adduced clear and convincing evidence that the determination of the County Board is arbitrary or unreasonable and the decision of the County Board should be vacated.

⁹ *Wheatland Indus. v. Perkins Cty. Bd. of Equal.*, 304 Neb. 638, 647, 935 N.W.2d 764, 771 (2019).

IV. ORDER

IT IS ORDERED THAT:

1. The decision of the County Board of Equalization determining the taxable value of the Subject Property for tax year 2023 is vacated and reversed.
2. The taxable value of the Subject Property for tax year 2023 is:

Total \$528,595

3. This Decision and Order, if no further action is taken, shall be certified to the Morrill County Treasurer and the Morrill County Assessor, pursuant to Neb. Rev. Stat. § 77-5018 (Reissue 2018).
4. Any request for relief, by any party, which is not specifically provided for by this Decision and Order is denied.
5. Each party is to bear its own costs in this proceeding.
6. This Decision and Order shall only be applicable to tax year 2023.
7. This Decision and Order is effective on September 10, 2025.

Signed and Sealed: September 10, 2025



James D. Kuhn, Commissioner