

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

IN THE MATTER OF:	)	
	)	Case No. 25CP 0002
	)	
PETITION OF THE STANTON	)	FINDING AND ORDER
COUNTY, NEBRASKA BOARD OF	)	DENYING PETITION
EQUALIZATION TO ADJUST	)	
VALUES OF A CLASS OR SUBCLASS	)	
OF REAL PROPERTY.	)	

The Stanton County Board of Equalization (the County Board) petitioned the Tax Equalization and Review Commission (the Commission) to adjust the assessed values of the subclass of unimproved residential property in the village of Pilger in Stanton County for the 2025 tax year. The County Board asserted that assessed values of vacant lots within the village of Pilger were not arrived at using an appropriate methodology, thus resulting in a subclass of real property, vacant lots within the village of Pilger, that were not equalized with other residential properties in Pilger. The County Board requested that the Commission rollback assessed values for this subclass to the assessed values for the 2024 tax year or apply a per square foot methodology as calculated by the County Board.

The Commission received the petition on July 23, 2025, and issued an Order for Hearing and Notice of Hearing on July 25, 2025. A copy of the Order and Notice was served on the Stanton County Attorney, the Stanton County Clerk, the Stanton County Assessor, the Chairperson of the County Board, the Tax Commissioner, and the Property Tax Administrator.

The Commission held a hearing on the petition in Lincoln, Nebraska, on August 1 and August 4, 2025. Commissioners Robert W. Hotz, James D. Kuhn, and Steven A. Keetle heard the petition. Commissioner Hotz presided.

W. Burt Lammler, the Stanton County Attorney, appeared on behalf of the County Board.

## **I. ISSUES**

1. Whether failure to make the requested adjustment would result in values which are not equitable and in accordance with the law.<sup>1</sup>
2. Whether an order adjusting values may be issued.<sup>2</sup>

## **II. LAW**

1. Petitions concerning adjustments to the level of assessment of real property must be filed on or before July 26.<sup>3</sup>
2. The Commission must hear and act on a petition for adjustment of value by class or subclass brought by a county board of equalization on or before August 10.<sup>4</sup>
3. After a hearing, the Commission shall, within the powers granted in Neb. Rev. Stat. § 77-5023, enter its order based on the evidence presented to it at such hearing and the hearings held pursuant to Neb. Rev. Stat. § 77-5022 for that year.<sup>5</sup>
4. The Commission may issue an order adjusting values by a percentage and may exclude individual properties from the order adjusting values if the assessed values of those individual properties have already been adjusted by the Board as part of the protest proceedings.<sup>6</sup>
5. The burden of proof is on the petitioning county to show that failure to make an adjustment would result in values that are not equitable and in accordance with the law.<sup>7</sup>

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<sup>1</sup> Neb. Rev. Stat. § 77-1504.01(2) (Reissue 2018).

<sup>2</sup> Id., Neb. Rev. Stat. § 77-5023 (Reissue 2018).

<sup>3</sup> Neb. Rev. Stat. § 77-1504.01(1) (Reissue 2018).

<sup>4</sup> Neb. Rev. Stat. § 77-1504.01(2) (Reissue 2018).

<sup>5</sup> Neb. Rev. Stat. § 77-1504.01(3) (Reissue 2018).

<sup>6</sup> Id.

<sup>7</sup> Neb. Rev. Stat. § 77-1504.01(2) (Reissue 2018).

6. Any Commission order adjusting values must specify the percentage increase or decrease and the class or subclass of real property affected or any corrections or adjustments to be made to the class or subclass of real property.<sup>8</sup>
7. Any increase or decrease shall cause the level of value determined by the Commission to be at the midpoint of the applicable acceptable range.<sup>9</sup>
8. Any decrease or increase to a subclass of property shall also cause the level of value determined by the Commission for the class from which the subclass is drawn to be within the applicable acceptable range.<sup>10</sup>
9. The acceptable range for the median of the assessed-to-sales ratio for the residential class of real property is 92% to 100% of actual value.<sup>11</sup>

### III. ANALYSIS

#### **1. Whether failure to make the requested adjustment would result in values which are not equitable and in accordance with the law.**

The County Board presented a chart showing the sales prices of nine vacant lot sales that occurred in the village of Pilger between October 1, 2021, and September 30, 2024, prepared by Lee Ann Westerhaus based upon records of the County Assessor.<sup>12</sup> Ms. Westerhaus' analysis determined that the average value of these nine properties was \$0.39 per square foot. The County Board requested that all vacant land values in the village of Pilger<sup>13</sup> be assessed at \$0.39 per square foot.

Professionally accepted appraisal practice holds that land should be

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8. Neb. Rev. Stat. § 77-1504.01(3) (Reissue 2018).

9. Neb. Rev. Stat. § 77-5023(3) (Reissue 2018).

10. Neb. Rev. Stat. § 77-5023(4) (Reissue 2018).

11. Neb. Rev. Stat. § 77-5023(2) (Reissue 2018).

12. Exhibit 159

13 Residential properties, both improved and unimproved, make up residential Valuation Group 7 of Stanton County.

valued as if vacant.<sup>14</sup> The Nebraska Administrative code requires that assessment practice in Nebraska requires that “Land must be valued as though vacant and available to develop to its highest and best use. Land valuation must be conducted in the manner described in the sales comparison approach. When insufficient market data is available, an income approach such as a land residual technique can be used.”<sup>15</sup> No information regarding sales or assessments of improved residential parcels in the Village of Pilger or in Stanton County was presented in the hearing. Without this information, the Commission does not have all of the data necessary to determine the value of residential land in the Village of Pilger or to know how all residential land in the Village of Pilger was assessed.

The County Board offered various statistical reports regarding residential properties in Stanton County, including the subclass of the village of Pilger.<sup>16</sup> When vacant land sales are included in these statistical reports, alone or in combination with improved parcels, the qualitative measurements contained in the reports, more specifically the Coefficient of Dispersion (COD), the Price Related Differential (PRD), and the 95% Confidence Interval indicate that they are not sufficiently reliable to support an adjustment to a class or subclass.<sup>17</sup>

Sarah Scott, the Property Tax Administrator (the PTA), testified that determining land values by allocation is an acceptable method of determining land values. The PTA did not know which methodology the County Assessor used to determine land values in Stanton County. The PTA did not testify that residential land values in the Village of Pilger were assessed inappropriately.

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14. See, Appraisal Institute, *The Appraisal of Real Estate* 307 (15th ed. 2020).

15. Title 350 Neb. Admin. Code ch 50, §002.05A (7/17)

16. See, Exhibits 228-234.

17. See, *County of Douglas v. Nebraska Tax Equal. & Rev. Comm’n*, 296 Neb. 501, 510-11, 894 N.W.2d 308, 315-16 (2017) (citations omitted).

The County Board has not demonstrated that the valuation methodology used to assess the land component of residential parcels in the village of Pilger results in values that are not equitable and in accordance with the law.

## **2. Whether an order adjusting values may be issued.**

As noted above, Neb. Rev. Stat. § 77-5023(3) requires that any increase or decrease shall cause the level of value determined by the commission to be at the midpoint of the applicable acceptable range. Neb. Rev. Stat. § 77-5023(4) requires that any decrease or increase to a subclass of property also cause the level of value for the class from which the subclass is drawn to be within the applicable acceptable range.

The County Board offered statistical evidence to show that the requested adjustment would result in a level of value at the midpoint of the applicable acceptable range, and that the decrease would cause the level of value for the class from which the subclass is drawn to be within the applicable acceptable range.<sup>18</sup> As noted earlier in this order, the qualitative measurements contained in those statistics should not be relied upon to make an adjustment to a class or subclass of real property. Accordingly, the County Board has not established that the adjustment requested in its petition meets the statutory requirements.

For the foregoing reasons, the petition of the County Board must be denied.

## **IV. CONCLUSIONS OF LAW**

1. We cannot conclude that a failure to make the requested adjustment would result in values which are not equitable and in accordance with

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<sup>18</sup> See, Exhibits 228 -234.

- the law.
2. An order adjusting values may not be issued.

## **V. ORDER**

### **IT IS ORDERED THAT:**

10. The Petition of the Stanton County Board of Equalization to adjust the assessed values of vacant residential lots in the village of Pilger within Stanton County, Nebraska, is denied.
11. A copy of this Order shall be served upon the Stanton County Assessor by certified mail, and upon the Stanton County Clerk, the Chairperson of the Stanton County Board of Equalization, and the Stanton County Attorney, by regular mail.

**SIGNED AND SEALED** August 7, 2025.



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Robert W. Hotz, Commissioner

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James D. Kuhn, Commissioner

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Steven A. Keetle, Commissioner