FAX #2 to 402-471-7720 for TERC Chairperson Salmon

This statement is made in response to the email I received from the PTA today. I have included the email and the first two attachments to this FAX. The other two attachments sent and received were identical to and were repeats of the chart which I responded to on Tuesday.

In looking at the attachment labeled Hitchcock County Market Area 44.1 showing CREP sales in the region, the first and third sales were sales of land enrolled 100% in CRP acres. The second sale was a Dundy County sale which is a different market area than Hitchcock County. The fourth and eighth sales are from Lincoln County and Frontier County respectively, and are both two counties away from Hitchcock County. The fifth, sixth and seventh sales are the three sales that I presented on Monday. I believe these three are the only ones that reflect the Hitchcock County market area.

In regard to the water rights purchases, there is not sufficient data presented to conclusively establish a direct relationship to added value to a property. Adding a somewhat subjective value of water to a known value of land is not a reliable method for determining final value. Furthermore, the water under a CREP contract cannot be transferred during the term of that contract and therefore has a much lower value.

As I understand the mass appraisal method, when comparable sales are available, other methods, especially abstract methods, are not normally used in calculating the assessed value. I therefore believe that the three comparable sales that I presented Monday should be the only criteria used in determining the 2017 CREP values for Hitchcock County.

Respectfully submitted on April 18, 2017

Duane Dinnel
308.280.0373
ddinnel@chase3000.com

(FAX include 5 sheets total)

Please contact immediately at the phone number or email above if any of this FAX is unreadable. Attempt will be made to send clearer or enlarged image. Thank you.

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Subject **RE: 2017 values**
Sender Sorensen, Ruth <ruth.sorensen@nebraska.gov>
Recipient ddinnel@chase3000.com <ddinnel@chase3000.com>
Date 18.04.2017 11:01

- 44_crep_crp.pdf (398 KB)
- Water Rights.pdf (144 KB)
- Irrigated CREP Values - Southwest Nebraska.pdf (128 KB)

Mr. Dinnell –

It was good to see you yesterday! Thank you for attending and participating in the statewide equalization proceedings.

There are CREP sales from the entire region on the spreadsheet that you provided to the Tax Equalization and Review Commission. This is information for each of the county assessors in that district to consider. For Hitchcock County there was no weight given to the sales from Chase County. The Hitchcock County sales were given the most weight to establish values for 2017.

CREP sales in the region were selling for $1280 - $3800; the most pure sales were $2300 - $3800/acre. The water rights within the region were also analyzed which seemed to be selling for $2600-$2900, reducing that to 69-75% suggested that the water rights were worth $1900-2000.

The value of CREP is made up of two components irrigated right and grassland, the $1900-2000 was added to the $585 that grass is assessed for and that suggested a range of $2400-$2500. After looking at all the data, the lower value of $2400 per acre was established. The attached sample is limited but it achieves values within the acceptable range.

Attached is a pdf of the sales spreadsheet, as well as the water right spreadsheet.

I am also attaching an updated 2017 Average Acre Value Comparison CREP Land Southwest Nebraska. This comparison includes the irrigated values and the average CREP Land value. You will note how much higher irrigated land is valued than CREP. The comparison given to you yesterday contained the CREP values for these counties.

I am hopeful that this information will be helpful to you.

Please let me know if you have any questions.

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Ruth A. Sorensen
PROPERTY TAX ADMINISTRATOR
PROPERTY ASSESSMENT DIVISION

Nebraska Department of Revenue
PO Box 98919
301 Centennial Mall South
Lincoln, Nebraska 68509

Hitchcock County
Market Area 44.1

of Sales = 8

	1A1	1A	2A1	2A	3A1	3A	4A1	4A	1D1	1D	2D1	2D	3D1	3D	4D1	4D	3G1	3G	2G1	2G	3G1	3G	4G1	4G	Ctrl	Ctr
Current Values	3200	3200	2900	2900	2800	2800	2700	2700	1500	1475	1400	1400	1300	1300	1160	1160	585	585	585	585	585	585	585	585	994	994
Proposed Values	3200	3200	2900	2900	2800	2800	2700	2700	1500	1475	1400	1400	1300	1300	1160	1160	585	585	585	585	585	585	585	585	1125	1125
% adjustment	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	13%	13%
Total Acres By LCG	0	62	0	0	0	0	0	0	0	0	0	0	33	15	7	1	0	0	0	0	1	0	0	5	0	235

county number	book	page	sale date	location id	geo code	mkt area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	1D1	1D	2D1	2D	3D1	3D	4D1	4D	3G1	3G	2G1	2G	3G1	3G	4G1	4G	Ctrl	Ctr
44	70	340	1/5/2014	440024773	4287	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	145
29	57	119	3/21/2014	290025126	4547	1	0	0	0	0	0	0	0	0	0	0	0	0	28.5	14.78	7	0	0	0	0	0	0	0	0	0	0	0
43	37	286 38	3/12/2015	430018355	3815	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89.9
58	2015	1148	3/18/2015	109780	3575	1	0	0	0	0	0	0	0	0	0	0.02	0	0	4.27	0	0	1.13	0	0	0	0	1.15	0	0	4.54	0	0
44	73	182	10/16/2015	440076200	4087	1	0	62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	72	198	10/29/2015	440024888	4247	1	0	0	0	0	0	0	0	0	3	8	6	0	0	0	0	0	0	12	6	2	0	0	0	76	0	0
44	73	265	11/3/2015	440038706	4285	1	0	0	0	0	0	0	0	0	0	72	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0
32	2016	164	3/31/2016	320007546	4036	1	0	0	0	0	0	0	0	0	0	1.11	0	0	0	0	3.83	0.48	0	5.82	0	0	0.22	0	0.14	41.48	0	0

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994	994	994	994	994	994	2106
1125	1125	1125	1125	1125	1125	2400
13%	13%	13%	13%	13%	13%	14%

103	0	28	80	4	1	274	2186000

What if Statistics:

Median	70.08% AAD	10.45%
Mean	74.00% PRD	105.58%
Fw/ Mean	70.08% COD	14.92%

What if Statistics	
2194348	3131000

1307.55

Majority Land Use: 60%

	CRP	CREP/EQIP
Count	2	3
Median:	56.51%	70.79%
Avg Value	1125	2400

Clc1	Clc	Clc1	Clc	Clc1	Clc	CREP/EQIP	adj sale price	Per Acre sales price	total current year land value	total ag acres	What if Land Value	adj sales price	Mean Ratio	absolute difference	Total Ag Acres	% of acres Irrig	% of acres Dry	% of acres Grass	% of acres CRP	% of acres CREP	% of acres Acc	CRP Ratios	CREP/EQIP
0	0	13.12	0	0	0.77	0	150000	2203	115040	158.67	176728	330000	51.07%	19.01%	158.87	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	51.07%	
0	0	0	0	0	0	127	553500	3122	0	177.28	368134	553500	66.70%	3.38%	177.28	0.00%	28.36%	0.00%	0.00%	71.64%	0.00%		66.70%
102.8	0	14.82	80.28	4.25	0	0	530000	1816	265000	291.86	323343	530000	61.95%	8.13%	291.86	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	61.95%	
0	0	0	0	0	0	45.89	140000	2333	0	60	127556	140000	91.11%	21.05%	60	0.00%	9.03%	9.48%	0.00%	81.48%	0.00%		91.11%
0	0	0	0	0	0	98	612500	3828	400600	160	453600	612500	70.79%	0.71%	160	38.75%	0.00%	0.00%	0.00%	61.25%	0.00%		70.79%
0	0	0	0	0	0	63	215000	1282	179000	167.7	226255	215000	102.44%	32.34%	167.7	0.00%	5.46%	56.97%	0.00%	37.57%	0.00%		
0	0	0	0	0	0	71	480000	2757	250000	145.06	277467	400000	68.37%	0.71%	145.06	0.00%	49.37%	1.88%	0.00%	48.85%	0.00%		
0	0	0	0	0	0	93.5	330000	2248	0	146.78	258216	330000	78.25%	6.47%	146.78	0.00%	3.69%	32.54%	0.00%	63.77%	0.00%		78.59%

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COUNTY	BOOK	PAGE	DOC	SALEDATE	TOTALAMT	NONREALT	SALEAMT	ACCOUNTNO	AGTOTACR	$/acre	BUYER	SELLER	COMMENTS
33_Franklin	2834	621		10/30/2014	49000	0	49000	3240011216	46	1065	M.R.M.R.D.	DALE D & EVELYN Z WOLF REV TRUST	WATER RIGHTS ONLY##
43_Hayes	37	275	27	2/17/2015	103000	0	103000	4300064891	51.48	1300	SEWARD GEORGE L & DEBRA D	HAM KENNETH D & DONNA R	"PURCHASED LAND TO OBTAIN WATER RIGHTS, OWNERSHIP WILL RETURN TO GRANTOR AFTER 3 YEARS","
43_Hayes	37	277	27	2/27/2015	95000	0	95000	4300055950	38.33	2478	SEWARD GEORGE L & DEBRA D	DRIBEL JRANE & BEVERLY A	"PURCHASED LAND TO OBTAIN WATER RIGHTS. OWNERSHIP WILL RETURN TO GRANTOR AFTER 3 YEARS","
29_Dundy	57	542		3/30/2015	150000	0	150000	2900013982	62.4	2404	BAUMGARDNER BECKY A	WATER TRANSFER TO 2900013984	WATER TRANSFER
29_Dundy	57	523		3/31/2015	200000	0	200000	2900017506	44.47	2921	SEWARD GEORGE L	EDWARDS RONALD G	PURCHASED FOR WATER ALLOCATION-TO BE TRANSFERRED
29_Dundy	57	671		7/7/2015	252550	0	252550	2900022950	98.2	2570	OSBORN JRANE D	UNKNO - WATER TRANSFER	WATER TRANSFER ONLY
29_Dundy	57	676		7/7/2015	477850	0	477850	2900023825	92.2	5174	OSBORN JRANE D	UNKNO - WATER TRANSFER	WATER TRANSFER ONLY
29_Dundy	57	677		7/7/2015	477850	0	477850	2900023817	98	5130	OSBORN JRANE D	UNKNO - WATER TRANSFER	WATER TRANSFER ONLY
29_Dundy	57	679		7/7/2015	252550	0	252550	2900022959	98.2	2570	OSBORN JRANE D	UNKNO - CORR WATER TRANS	WATER TRANSFER CORRECTION
29_Dundy	57	642		8/17/2015	477850	0	477850	2900023817	185.2	2579	OSBORN JRANE D	UNKNO - WATER TRANSFER	SALE ALSO INCLUDES PARCELS: 2900023825 WATER TRANSFER ONLY

Median		2576
Mean		2898
	75%	3882
		2198

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