

Thompson, Joseph

From: Sorensen, Ruth
Sent: Monday, April 19, 2021 9:02 AM
To: Hotz, Rob
Cc: Keetle, Steve; Kuhn, Jim; Thompson, Joseph
Subject: RE: Saline Ag and Lancaster Ag

Commissioner Hotz,

Responses are below in **red**.

Please let me know if you have any further questions.

Ruth A. Sorensen

Property Tax Administrator/Property Assessment Division

Nebraska Department of Revenue

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From: Hotz, Rob <rob.hotz@nebraska.gov>
Sent: Saturday, April 17, 2021 2:59 PM
To: Sorensen, Ruth <ruth.sorensen@nebraska.gov>
Cc: Keetle, Steve <Steve.Keetle@nebraska.gov>; Kuhn, Jim <jim.kuhn@nebraska.gov>; Thompson, Joseph <joseph.thompson@nebraska.gov>
Subject: RE: Saline Ag and Lancaster Ag

Ms. Sorensen,

Page 16 of the report indicates, however, that "[t]he 2021 values were internally measured by the county assessor against sales from Lancaster County larger than 70 acres, **and surrounding counties** using the sales contained within the state sales file provided by the [Division]." The following is still unclear to the Commission:

1. From where did Lancaster County get the uninfluenced sales that it utilized to determine Special Valuation for Lancaster County sold and unsold agricultural parcels? **From both in the county and surrounding counties.**
2. If such sales came only from Lancaster County, does page 16 of the report need to be corrected? **No, they considered both**
3. If such sales came only from Lancaster County, where did they come from? **They considered both.**

4. If such sales came only from Lancaster County, we will need more explanation for how there could exist both uninfluenced and influenced parcels within the same market area. **“Smaller tracts are more marketable for residential and recreational uses, and larger tracts are more marketable for agricultural producers.”**

From: Sorensen, Ruth <ruth.sorensen@nebraska.gov>

Sent: Monday, April 12, 2021 8:53 AM

To: Hotz, Rob <rob.hotz@nebraska.gov>

Cc: Keetle, Steve <Steve.Keetle@nebraska.gov>; Kuhn, Jim <jim.kuhn@nebraska.gov>; Thompson, Joseph <joseph.thompson@nebraska.gov>

Subject: RE: Saline Ag and Lancaster Ag

Commissioner Hotz,

The 40 sales utilized in the Report & Opinion (report) statistics for Lancaster County are all sales that occurred within Lancaster County, as indicated on page 17 of the report. Annually, the Property Assessment Division (Division) will provide sales around Lancaster County to the county assessor for the county assessor's analysis. However, the Division is not aware of which sales the county assessor ultimately chooses to use for establishing values. The Lancaster County Average Acre Value Comparison on page 49 correctly displays Saline County Area 3 as the comparable market area. Although a small strip of Saline County Area 1 does border Lancaster County, this area is defined by the Saline County Assessor due to the lack of irrigation within the area. You will notice based on the registered wells on the Lancaster County map, that irrigation is more prevalent in the southwestern portion of Lancaster County than it is in Saline County Market Area 1.

I hope that clarifies your question, please let me know if you need additional information.

Thank you!

Ruth A. Sorensen

Property Tax Administrator/Property Assessment Division

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From: Hotz, Rob <rob.hotz@nebraska.gov>

Sent: Friday, April 9, 2021 2:41 PM

To: Sorensen, Ruth <ruth.sorensen@nebraska.gov>

Cc: Keetle, Steve <Steve.Keetle@nebraska.gov>; Kuhn, Jim <jim.kuhn@nebraska.gov>; Thompson, Joseph

<joseph.thompson@nebraska.gov>

Subject: Saline Ag and Lancaster Ag

Ms. Sorensen,

The average acre value comparisons reported for these two counties raises a question about which Saline market area(s) are used when Lancaster borrows sales from Saline for special valuation purposes. It has been our understanding that Lancaster uses its own uninfluenced sales in addition to borrowing sales from some of the surrounding counties. A Saline market area may be used for that purpose. If so, is it market area 3 or market area 1? Lancaster's average acre value comparison displays Saline's market area 3. Should it instead display Saline's market area 1? Please advise.

Robert W. Hotz, Chairman
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