

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

DIANE GISH,	)	
	)	
Appellant,	)	Case No. 07R-668
	)	
v.	)	DECISION AND ORDER
	)	REVERSING THE DECISION OF
DOUGLAS COUNTY BOARD OF	)	THE DOUGLAS COUNTY BOARD OF
EQUALIZATION,	)	EQUALIZATION
	)	
Appellee.	)	

The above-captioned case was called for a hearing on the merits of an appeal by Diane Gish ("the Taxpayer") to the Tax Equalization and Review Commission ("the Commission"). The hearing was held in the Commission's Hearing Room on the sixth floor of the Nebraska State Office Building in the City of Lincoln, Lancaster County, Nebraska, on February 19, 2009, pursuant to an Order for Hearing and Notice of Hearing issued December 10, 2008. Commissioners Warnes and Salmon were present. Commissioner Warnes was the presiding hearing officer. Commissioner Wickersham was excused from participation by the presiding hearing officer. A panel of three commissioners was created pursuant to 442 Neb. Admin. Code, ch. 4, §011 (10/07). Commissioner Hotz was absent. The appeal was heard by a quorum of a panel of the Commission.

Larry Foreman, attorney at law, appeared as legal counsel for the Taxpayer/Appellant, Diane Gish.

Thomas S. Barrett, a Deputy County Attorney for Douglas County, Nebraska, was present as legal counsel for the Douglas County Board of Equalization ("the County Board").

The Commission waived the appearance of the Taxpayer/Appellant upon motion by her attorney and without objection by the County.

The Commission took statutory notice, received exhibits, and heard testimony.

The Commission is required to state its final decision and order concerning an appeal, with findings of fact and conclusions of law, on the record or in writing. Neb. Rev. Stat. §77-5018 (Cum. Supp. 2006). The final decision and order of the Commission in this case is as follows.

### **I. ISSUES**

The Taxpayer has asserted that actual value of the subject property as of January 1, 2007, is less than actual value as determined by the County Board. The issues on appeal related to that assertion are:

Whether the decision of the County Board determining actual value of the subject property is unreasonable or arbitrary; and

The actual value of the subject property on January 1, 2007.

The Taxpayer has asserted that taxable value of the subject property as of January 1, 2007, is not equalized with the taxable value of other real property. The issues on appeal related to that assertion are:

Whether the decision of the County Board determining the equalized taxable value of the subject property is unreasonable or arbitrary;

Whether the equalized taxable value of the subject property was determined by the County Board in a manner and an amount that is uniform and proportionate as required by Nebraska's Constitution in Article VIII §1; and

The equalized taxable value of the subject property on January 1, 2007.

**II.  
FINDINGS OF FACT**

The Commission finds and determines that:

1. The Taxpayer has a sufficient interest in the outcome of the above captioned appeal to maintain the appeal.
2. The parcel of real property to which this appeal pertains ("the Subject Property") is described in the table below.
3. Actual value of the subject property placed on the assessment roll as of January 1, 2007, ("the assessment date") by the Douglas County Assessor, value as proposed in a timely protest, and actual value as determined by the County Board is shown in the following table:

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Description: LANDS SEC-TWN-RGE 13-16-12 IRREG NTHLY 1043.78 FT STRIP OF ABANDONED RR RWY NE 1/4, Douglas County, Nebraska.

	Assessor Notice Value	Taxpayer Protest Value	Board Determined Value
Land	\$168,700.00	\$24,100.00	\$72,300.00
Improvement	\$0.00	\$0.00	\$0.00
Total	\$168,700.00	\$24,100.00	\$72,300.00

4. An appeal of the County Board's decision was filed with the Commission.
5. The County Board was served with a Notice in Lieu of Summons and duly answered that Notice.
6. An Order for Hearing and Notice of Hearing issued on December 10, 2008, set a hearing of the appeal for February 19, 2009, at 9:00 a.m. CST.

7. An Affidavit of Service which appears in the records of the Commission establishes that a copy of the Order for Hearing and Notice of Hearing was served on all parties.
8. Actual value of the subject property as of the assessment date for the tax year 2007 is:

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Land	\$ 7,534.00
Improvements	0.00
Total	\$ 7,534.00

**III.  
APPLICABLE LAW**

1. Subject matter jurisdiction of the Commission in this appeal is over all questions necessary to determine taxable value. Neb. Rev. Stat. §77-5016(7) (Supp. 2007).
2. “Actual value is the most probable price expressed in terms of money that a property will bring if exposed for sale in the open market, or in an arm’s length transaction, between a willing buyer and a willing seller, both of whom are knowledgeable concerning all the uses to which the real property is adapted and for which the real property is capable of being used. In analyzing the uses and restrictions applicable to real property the analysis shall include a full description of the physical characteristics of the real property and an identification of the property rights valued.” Neb. Rev. Stat. §77-112 (Reissue 2003).
3. Actual value may be determined using professionally accepted mass appraisal methods, including, but not limited to, the (1) sales comparison approach using the guidelines in section 77-1371, (2) income approach, and (3) cost approach. Neb. Rev. Stat. §77-112 (Reissue 2003).

4. “Actual value, market value, and fair market value mean exactly the same thing.”  
*Omaha Country Club v. Douglas County Board of Equalization, et al.*, 11 Neb.App. 171, 180, 645 N.W.2d 821, 829 ( 2002).
5. Taxable value is the percentage of actual value subject to taxation as directed by section 77-201 of Nebraska Statutes and has the same meaning as assessed value. Neb. Rev. Stat. §77-131 (Reissue 2003).
6. All taxable real property, with the exception of agricultural land and horticultural land, shall be valued at actual value for purposes of taxation. Neb. Rev. Stat. §77-201(1) (Cum. Supp. 2006).
7. “Taxes shall be levied by valuation uniformly and proportionately upon all real property and franchises as defined by the Legislature except as otherwise provided in or permitted by this Constitution.” *Neb. Const.*, Art. VIII, §1.
8. Equalization to obtain proportionate valuation requires a comparison of the ratio of assessed to actual value for the subject property and comparable property. *Cabela's Inc. v. Cheyenne County Bd. of Equalization*, 8 Neb.App. 582, 597 N.W.2d 623 (1999).
9. Uniformity requires that whatever methods are used to determine actual or taxable value for various classifications of real property that the results be correlated to show uniformity. *Banner County v. State Board of Equalization*, 226 Neb. 236, 411 N.W.2d 35 (1987).
10. Taxpayers are entitled to have their property assessed uniformly and proportionately, even though the result may be that it is assessed at less than the actual value. *Equitable Life v.*

*Lincoln County Bd. of Equal.*, 229 Neb. 60, 425 N.W.2d 320 (1988); *Fremont Plaza v. Dodge County Bd. of Equal.*, 225 Neb. 303, 405 N.W.2d 555 (1987).

11. The constitutional requirement of uniformity in taxation extends to both rate and valuation. *First Nat. Bank & Trust Co. v. County of Lancaster*, 177 Neb. 390, 128 N.W.2d 820 (1964).
12. In the evaluation of real property for tax purposes, where buildings and improvements are taxable as a part of the real estate, the critical issue is the actual value of the entire property, not the proportion of that value which is allocated to the land or to the buildings and improvements by the appraiser. *Bumgarner v. Valley County*, 208 Neb. 361, 303 N.W.2d 307 (1981).
13. If taxable values are to be equalized it is necessary for a Taxpayer to establish by clear and convincing evidence that valuation placed on his or her property when compared with valuations placed on similar property is grossly excessive and is the result of systematic will or failure of a plain legal duty, and not mere error of judgement. There must be something more, something which in effect amounts to an intentional violation of the essential principle of practical uniformity. *Newman v. County of Dawson*, 167 Neb. 666, 94 N.W.2d 47 (1959).
14. A presumption exists that the County Board has faithfully performed its duties and has acted on competent evidence. *City of York v. York County Bd. Of Equalization*, 266 Neb. 297, 64 N.W.2d 445 (2003).
15. The presumption in favor of the county board may be classified as a principle of procedure involving the burden of proof, namely, a taxpayer has the burden to prove that

action by a board of equalization fixing or determining valuation of real estate for tax purposes is unauthorized by or contrary to constitutional or statutory provisions governing taxation. *Gordman Properties Company v. Board of Equalization of Hall County*, 225 Neb. 169, 403 N.W.2d 366 (1987).

16. The presumption disappears if there is competent evidence to the contrary. *Id.*
17. The order, decision, determination, or action appealed from shall be affirmed unless evidence is adduced establishing that the order, decision, determination, or action was unreasonable or arbitrary. Neb. Rev. Stat. §77-5016 (8) (Cum. Supp. 2006).
18. Proof that the order, decision, determination, or action was unreasonable or arbitrary must be made by clear and convincing evidence. See, e.g. *Omaha Country Club v. Douglas Cty. Bd. of Equal.*, 11 Neb.App. 171, 645 N.W.2d 821 (2002).
19. "Clear and convincing evidence means and is that amount of evidence which produces in the trier of fact a firm belief or conviction about the existence of a fact to be proved." *Castellano v. Bitkower*, 216 Neb. 806, 812, 346 N.W.2d 249, 253 (1984).
20. A decision is "arbitrary" when it is made in disregard of the facts and circumstances and without some basis which could lead a reasonable person to the same conclusion. *Phelps Cty. Bd. of Equal. v. Graf*, 258 Neb 810, 606 N.W.2d 736 (2000).
21. A decision is unreasonable only if the evidence presented leaves no room for differences of opinion among reasonable minds. *Pittman v. Sarpy Cty. Bd. of Equal.*, 258 Neb 390, 603 N.W.2d 447 (1999).

22. “An owner who is familiar with his property and knows its worth is permitted to testify as to its value.” *U. S. Ecology v. Boyd County Bd. Of Equalization*, 256 Neb. 7, 16, 588 N.W.2d 575, 581 (1999).
23. The 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. *Bottorf v. Clay County Bd. of Equalization*, 7 Neb.App. 162, 580 N.W.2d 561 (1998).
24. A Taxpayer, who only produced evidence that was aimed at discrediting valuation methods utilized by the county assessor, failed to meet the burden of proving that value of property was not fairly and proportionately equalized or that valuation placed upon property for tax purposes was unreasonable or arbitrary. *Beynon v. Board of Equalization of Lancaster County*, 213 Neb. 488, 329 N.W.2d 857 (1983).
25. A Taxpayer must introduce competent evidence of actual value of the subject property in order to successfully claim that the subject property is overvalued. Cf. *Lincoln Tel. and Tel. Co. v. County Bd. Of Equalization of York County*, 209 Neb. 465, 308 N.W.2d 515 (1981); *Arenson v. Cedar County*, 212 Neb. 62, 321 N.W.2d 427 (1982) (determination of equalized taxable value) *Josten-Wilbert Vault Co. v. Board of Equalization for Buffalo County*, 179 Neb. 415, 138 N.W.2d 641 (1965) (determination of actual value).

#### IV. ANALYSIS

The subject property is an unimproved vacant residential property consisting of 4.82 acres. (E3:1) The County Board of Equalization assessed the taxable valuation for 2007 for the subject property at \$72,300. The County Assessor had recommended a taxable value for 2007 at

\$168,700. (E3:2). There is no evidence by the Taxpayer that the subject property met the definition of agricultural and/or horticultural land since it was not being farmed and no agricultural products were being produced in a commercial manner. Neb Rev Stat 77-1359, (Cum Supp 2008).

The County provided as evidence the sale price of three alleged comparable parcels.

(E2:3) A table of these sales are shown below.

The table below lists the three sales of alleged comparable parcels to the subject property.

(E2:2).

	Parcel #	Sale Date	Sale Price	Land Size	Per Acre
Comparable1	12-31611021	7-22-05	\$110,000	3.94 acres	\$27,919
Comparable2	02-34650000	3-28-06	\$53,800	2.69 acres	\$20,000
Comparable3	02-34660000	3-28-06	\$174,125	9.95 acres	\$17,500

The Commission is not able to utilize the sale price per acre as a basis for determining how the County Board of Equalization calculated a taxable value for 2007 for the subject property. The use of even the lowest price per acre, \$17,500/acre would result in \$84,350. No evidence was provided to support the Board's determination of valuation of the subject property for 2007. The Commission finds that the Board's decision was arbitrary and unreasonable.

The Taxpayer has asserted that taxable value of the subject property as of January 1, 2007, is not equalized with the taxable value of other real property. The Taxpayer provided 7 alleged comparable parcels as evidence of his belief that the subject property was not equalized with the taxable value of other real property within the county. (E6 - E12). Of the seven alleged comparable parcels, three are not comparable to the subject property. The three which are not

comparable include that parcel shown as Exhibit 6 because it is classified and valued as agricultural land. The other two parcels which are not comparable are those parcels shown as Exhibits 11 and 12 because these parcels are improved residential parcels (have a house located on the parcel). In addition, the evidence provided by the Taxpayer for Exhibits 11 and 12 was not the property record cards for the alleged comparable parcels, but rather the “screen shots” from the Douglas County Assessor’s website.

The Commission’s Order for Hearing, item #13, expressly requires that the property record file be provided as evidence if a Taxpayer refers to any parcel which they wish to allege is comparable. The Commission’s Order for Hearing, item #13, cautions against the use of the “screen shots” from the Douglas County Assessor’s website because they are not complete and contain a disclaimer as to the accuracy of the information which they contain.

The Commission has shown below a listing of the information which is shown in the Taxpayer’s exhibits 6-12. The Commission notes that only those parcels as shown in Exhibits 7 to 10, are classified as residential vacant land. The property record files for these parcels were provided by the Taxpayer. (E7-E10).

Exhibit Number	Land Class	Size (Acres)	Value per Acre	Assessed Value
Exhibit 6:1*	Agricultural	6.7	\$375	\$640
Exhibit 7:1	Residential	.74	\$2,973	\$2,200
Exhibit 8:1	Residential	.64	\$1,563	\$1,000
Exhibit 9:1	Residential	.58	\$5,172	\$3,000
Exhibit 10:1	Residential	.65	\$6,615	\$4,300
Exhibit 11:1*	Residential	3.00	\$5,037	\$15,100

Exhibit 12:1*	(improved) Residential	9.00	\$7,527	\$67,740
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(\* Not Comparable to the subject property.)

The Commission notes that the legal description for those parcels shown in Exhibits 7 to 10 use the term “abandoned railroad right of way”. There was not any evidence provided that the nature of the land classification was incorrect. The Commission notes that the lowest valuation per acre for the alleged comparable parcels that qualify as vacant residential land is shown in Exhibit 8, \$1,563 per acre. Using the \$1,563 valuation per acre results in the taxable valuation for the subject property being \$7,534 (4.82 acres x \$1,563/acre). The Taxpayer had proposed that the average assessed valuations for the seven alleged comparable parcels, \$2,780, be used for a taxable valuation for the subject property for 2007 of \$8,580; however, this would neither be an approved professional method of valuation, nor are all seven parcels comparable to the subject property.

“Equalization is the process of ensuring that all taxable property is placed on the assessment rolls at a uniform percentage of its actual value. The purpose of equalization of assessments is to bring assessments from different parts of the taxing district to the same relative standard, so that no one part is compelled to pay a disproportionate share of the tax. Where it is impossible to secure both the standards of the true value of a property for taxation and the uniformity and equality required by law, the latter requirement is to be preferred as the just and ultimate purpose of the law. If a taxpayer's property is assessed in excess of the value at which others are taxed, then the taxpayer has a right to relief. However, the burden is on the taxpayer to show by clear and convincing evidence that the valuation placed upon the taxpayer's property when compared with valuation placed on other similar property is grossly excessive.” *Cabela's*

*Inc. v. Cheyenne County Bd. of Equalization*, 8 Neb.App. 582, 597, 597 N.W.2d 623, 635 (1999).

“The right of the taxpayer whose property alone is taxed at 100 per cent of its true value is to have his assessment reduced to the percentage of that value at which others are taxed even though this is a departure from the requirement of statute. The conclusion is based on the principle that where it is impossible to secure both the standards of the true value, and the uniformity and equality required by law, the latter requirement is to be preferred as the just and ultimate purpose of the law.” *Kearney Convention Center v. Buffalo County Board of Equalization*, 216 Neb. 292, 44 N.W.2d 620, 626 (1984).

The Commission finds that the valuation placed upon the Taxpayer’s property when compared with the valuation placed on other similar property is grossly excessive. In addition, the Commission finds that the County Board of Equalization did not comply with its plain duty to value comparable parcels similarly. *Zabawa v Douglas County Board of Equalization*, 17 Neb. App. 221, 757 N.W.2d 522 (2008).

The Commission finds that the Taxpayer has provided competent evidence to rebut the presumption that the County Board of Equalization faithfully performed its duties and had sufficient competent evidence for its decision. The Commission further finds that the Taxpayer did show by clear and convincing evidence that the determination of the County Board of Equalization was arbitrary or unreasonable and that taxable value of the subject property as of January 1, 2007, is not equalized with the taxable value of other real property in the county. The valuation of the subject property for 2007 is \$7,534.

**V.  
CONCLUSIONS OF LAW**

1. The Commission has subject matter jurisdiction in this appeal.
2. The Commission has jurisdiction over the parties to this appeal.
3. The Taxpayer has produced competent evidence that the County Board failed to faithfully perform its official duties and to act on sufficient competent evidence to justify its actions.
4. The Taxpayer has adduced sufficient, clear and convincing evidence that the decision of the County Board is unreasonable or arbitrary and the decision of the County Board should be Reversed.

**VI.  
ORDER**

**IT IS ORDERED THAT:**

1. The decision of the County Board determining actual value of the subject property as of the assessment date, January 1, 2007, is Reversed.
2. Actual value, for the tax year 2007, of the subject property is:

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Land	\$ 7,534.00
Improvements	<u>\$ 0.00</u>
Total	<u>\$ 7,534.00</u>

3. This decision, if no appeal is timely filed, shall be certified to the Douglas County Treasurer, and the Douglas County Assessor, pursuant to Neb. Rev. Stat. §77-5018 (Cum. Supp. 2008).
4. Any request for relief, by any party, which is not specifically provided for by this order is denied.
5. Each party is to bear its own costs in this proceeding.
6. This decision shall only be applicable to tax year 2007.
7. This order is effective for purposes of appeal on July 2, 2009.

Signed and Sealed. July 2, 2009.

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Nancy J. Salmon, Commissioner

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William C. Warnes, Commissioner

**SEAL**

**APPEALS FROM DECISIONS OF THE COMMISSION MUST SATISFY THE REQUIREMENTS OF NEB. REV. STAT. §77-5019 (CUM. SUPP. 2008), OTHER PROVISIONS OF NEBRASKA STATUTES, AND COURT RULES.**