

BEFORE THE NEBRASKA TAX EQUALIZATION AND REVIEW COMMISSION

IN THE MATTER OF EQUALIZATION
OF VALUE OF REAL PROPERTY
WITHIN CASS COUNTY FOR TAX
YEAR 2020

COUNTY NUMBER 13

FINDINGS AND
ORDER ADJUSTING VALUE

APPEARANCES FOR THE COUNTY:

Colin S. Palm, Cass County Attorney
Teresa Salinger, Cass County Assessor

The following findings of fact, conclusions of law, and order are adopted pursuant to a motion approved by a majority of the Nebraska Tax Equalization and Review Commission: Commissioners Steven A. Keetle and James D. Kuhn voted in favor of the motion, and Commissioner Robert W. Hotz voted against the motion.

The Commission, as part of its statewide equalization proceedings, finds that the level of value of certain real property in Cass County for tax year 2020 fails to satisfy the requirements of law. The Commission therefore orders an adjustment to bring the levels of value for Cass County into compliance with the law.

I. APPLICABLE LAW

1. The Commission is required to meet annually to equalize the assessed values and special values of all real property based on the abstracts submitted by the county assessors. The Commission must also equalize the values of real property valued by the state.¹
2. To achieve equalization, the Commission is authorized to increase or decrease the value of a class or subclass of real property in any county or taxing authority or of real property valued by the state so that all classes or subclasses of real property in all counties fall within an acceptable range.²
3. An acceptable range is the percentage of variation from a standard for valuation as measured by an established indicator of central tendency of assessment. Acceptable ranges are: (a) for agricultural land and horticultural land, 69% to 75% of actual value; (b) for lands receiving

¹ Neb. Rev. Stat. § 77-5022 (Reissue 2018).

² Neb. Rev. Stat. § 77-5023(1) (Reissue 2018).

special valuation, 69% to 75% of special valuation as defined in Neb. Rev. Stat. § 77-1343; and (c) for all other real property, 92% to 100% of actual value.³ The median has been adopted by the Commission as the preferred established indicator of central tendency.⁴

4. Any increase or decrease shall cause the level of value determined by the commission to be at the midpoint of the applicable acceptable range.⁵ 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.⁶
5. An assessment/sales ratio is a tool used under professionally accepted mass appraisal methods to measure and evaluate the level and uniformity of assessed values. The ratio is determined by dividing the assessed value of a parcel of real property by its sale price. The assessment/sales ratio is expressed as a percentage.⁷
6. Nebraska law requires the Property Tax Administrator to make annual comprehensive assessment ratio studies of the average level and degree of uniformity of the assessments as well as compliance with assessment requirements for each major class of real property subject to the property tax in each county.⁸
7. The annual reports and opinions of the Property Tax Administrator shall contain statistical and narrative reports informing the Commission of the level and quality of assessment of the classes and subclasses of real property within each county. A certification of the opinion of the Property Tax Administrator regarding the level of value and quality of assessment of the classes and subclasses of real property in each county shall also be included.⁹ The Property Tax Administrator may also make nonbinding recommendations for consideration by the Commission.¹⁰
8. The Commission may consider provisions of state and federal law, regulations, court cases, treatises, periodicals, and reference works identified in its rules, and any evidence admitted in the course of the statewide equalization proceedings. No other factual information may be

³ Neb. Rev. Stat. § 77-5023(2) (Reissue 2018).

⁴ 442 Neb. Admin. Code Ch. 9 § 004 (2011).

⁵ Neb. Rev. Stat. § 77-5023(3) (Reissue 2018).

⁶ Neb. Rev. Stat. § 77-5023(4) (Reissue 2018).

⁷ 442 Neb. Admin. Code Ch. 9 § 002.02 (2011).

⁸ Neb. Rev. Stat. § 77-1327(3) (Reissue 2018).

⁹ Neb. Rev. Stat. § 77-5027(3) (Reissue 2018).

¹⁰ Neb. Rev. Stat. § 77-5027(4) (Reissue 2018).

considered. The Commission may evaluate the evidence using its experience, technical competence, and specialized knowledge.¹¹

II. FINDINGS OF FACT

A. GENERAL

1. A statistical and narrative report informing the Commission and certifying the opinion of the Property Tax Administrator of the level of value and quality of assessments of real property in Cass County was timely received by the Commission.
2. The level of value for any class or subclass of real property described below is determined by its median assessment/sales ratio as indicated by the Reports and Opinions of the Property Tax Administrator unless that ratio is deemed unreliable, the sample from which it is drawn is not representative of the class or subclass, or the level of value has been determined by the Property Tax Administrator based on other generally accepted mass appraisal techniques.

B. RESIDENTIAL CLASS OF REAL PROPERTY

1. The level of value for the residential class of real property is 93% of actual value as indicated by the Reports and Opinions of the Property Tax Administrator.¹²
2. This level of value is within the applicable acceptable range.

Valuation Group 2 Subclass of the Residential Class of Real Property

3. The level of value for the Valuation Group 2 subclass of the residential class of real property in Cass County is 103.43% of actual value.¹³
4. This level of value is not within the applicable acceptable range.
5. A decrease in the amount of 7% to the assessed value must be made in order to bring the level of value indicated by the median for Valuation Group 2 to the midpoint of the acceptable range.

¹¹ Neb. Rev. Stat. § 77-5016 (Reissue 2018).

¹² Exhibit 13:20.

¹³ Exhibit 13:24.

6. If this adjustment is made, the level of value for Valuation Group 2, determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques, will be 96% of actual value.¹⁴

Valuation Group 3 Subclass of the Residential Class of Real Property

7. The level of value for the Valuation Group 3 subclass of the residential class of real property in Cass County is 89.98% of actual value.¹⁵
8. This level of value is not within the applicable acceptable range.
9. An increase in the amount of 7% to the assessed value must be made in order to bring the level of value indicated by the median for Valuation Group 3 to the midpoint of the acceptable range.
10. If this adjustment is made, the level of value for Valuation Group 3, determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques, will be 96% of actual value.¹⁶

Valuation Group 4 Subclass of the Residential Class of Real Property

11. The level of value for the Valuation Group 4 subclass of the residential class of real property in Cass County is 87.24% of actual value.¹⁷
12. This level of value is not within the applicable acceptable range.
13. An increase in the amount of 10% to the assessed value must be made in order to bring the level of value indicated by the median for Valuation Group 4 to the midpoint of the acceptable range.
14. If this adjustment is made, the level of value for Valuation Group 4, determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques, will be 96% of actual value.¹⁸

¹⁴ Exhibit 13:38. Rounding is used to determine whether or not an indicator of central tendency is within or at the midpoint of a prescribed range or a measure of the quality of assessment is within the prescribed range. 442 Neb. Admin. Code, Ch. 9 § 006.01 (2011).

¹⁵ Exhibit 13:24.

¹⁶ Exhibit 13:41.

¹⁷ Exhibit 13:24.

¹⁸ Exhibit 13:44.

Valuation Group 6 Subclass of the Residential Class of Real Property

15. The level of value for the Valuation Group 6 subclass of the residential class of real property in Cass County is 89.08 of actual value.¹⁹
16. This level of value is not within the applicable acceptable range.
17. An increase in the amount of 8% to the assessed value must be made in order to bring the level of value indicated by the median for Valuation Group 6 to the midpoint of the acceptable range.
18. If this adjustment is made, the level of value for Valuation Group 6, determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques, will be 96 of actual value.²⁰

Class and Subclass Levels of Value After Adjustments

19. The four adjustments described above will result in a level of value of 94% for the residential class of real property in Cass County, determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.²¹
20. After application of the adjustments described above, the level of value for the affected subclasses will be at the midpoint of the applicable acceptable range, and the level of value for the class from which the subclass is drawn will be within the applicable acceptable range.
21. For every other subclass of the residential class of real property: (a) the level of value is within the applicable acceptable range, (b) the number of sales for the subclass is insufficient to provide a reliable statistical study, or (c) an adjustment by a percentage of value is not supported by the evidence.

C. COMMERCIAL CLASS OF REAL PROPERTY

1. The level of value for the commercial class of real property is 99% of actual value as indicated by the Reports and Opinions of the Property Tax Administrator.²²
2. This level of value is within the applicable acceptable range.

¹⁹ Exhibit 13:24.

²⁰ Exhibit 13:47.

²¹ Exhibit 13:50.

²² Exhibit 13:20.

3. For each subclass of the commercial class of real property: (a) the level of value is within the applicable acceptable range, (b) the number of sales for the subclass is insufficient to provide a reliable statistical study, or (c) an adjustment by a percentage of value is not supported by the evidence.
4. No adjustment by a percentage of value of the commercial class of real property or a subclass thereof is supported by the evidence.

D. AGRICULTURAL LAND AND HORTICULTURAL LAND CLASS OF REAL PROPERTY NOT RECEIVING SPECIAL VALUATION

1. The level of value for the agricultural land and horticultural land class of real property not receiving special valuation is 75% of actual value as indicated by the Reports and Opinions of the Property Tax Administrator.²³
2. This level of value is within the applicable acceptable range.
3. For each subclass of the agricultural land and horticultural land class of real property not receiving special valuation: (a) the level of value is within the applicable acceptable range, (b) the number of sales for the subclass is insufficient to provide a reliable statistical study, or (c) an adjustment by a percentage of value is not supported by the evidence.
4. No adjustment by a percentage of value of the agricultural land and horticultural land class of real property not receiving special valuation or a subclass thereof is supported by the evidence.

E. AGRICULTURAL AND HORTICULTURAL LAND CLASS OF REAL PROPERTY RECEIVING SPECIAL VALUATION

1. The level of value for the agricultural land and horticultural land class of real property receiving special valuation is 75% of actual value as indicated by the Reports and Opinions of the Property Tax Administrator.²⁴
2. This level of value is within the applicable acceptable range.
3. For each subclass of the agricultural land and horticultural land class of real property receiving special valuation: (a) the level of value is within the applicable acceptable range,

²³ Exhibit 13:20.

²⁴ Exhibit 13:20.

- (b) the number of sales for the subclass is insufficient to provide a reliable statistical study, or
 - (c) an adjustment by a percentage of value is not supported by clear and convincing evidence.
4. No adjustment by a percentage of value of the agricultural land and horticultural land class of real property receiving special valuation or a subclass thereof is supported by clear and convincing evidence.

III. CONCLUSION OF LAW

An adjustment to the level of value of real property in Cass County is required by law.

V. ORDER

1. No adjustment shall be made to the levels of value for the commercial class or agricultural land and horticultural land class of real property within Cass County, or any subclass thereof, for tax year 2020.
2. The level of value for the Valuation Group 2 subclass of the residential class of real property in Cass County shall be adjusted by a 7% decrease so that the level of value indicated by the median of the subclass will be 96%. The ordered adjustment shall be made to all land and improvements however classified or coded within the Valuation Group 2 subclass of the residential class of real property as shown in Cass County's 2020 abstract of assessment.
3. The level of value for the Valuation Group 3 subclass of the residential class of real property in Cass County shall be adjusted by a 7% increase so that the level of value indicated by the median of the subclass will be 96%. The ordered adjustment shall be made to all land and improvements however classified or coded within the Valuation Group 3 subclass of the residential class of real property as shown in Cass County's 2020 abstract of assessment.
4. The level of value for the Valuation Group 4 subclass of the residential class of real property in Cass County shall be adjusted by a 10% increase so that the level of value indicated by the median of the subclass will be 96%. The ordered adjustment shall be made to all land and improvements however classified or coded within the Valuation Group 4 subclass of the residential class of real property as shown in Cass County's 2020 abstract of assessment.
5. The level of value for the Valuation Group 6 subclass of the residential class of real property in Cass County shall be adjusted by an 8% increase so that the level of value indicated by the median of the subclass will be 96%. The ordered adjustment shall be made to all land and

improvements however classified or coded within the Valuation Group 6 subclass of the residential class of real property as shown in Cass County's 2020 abstract of assessment.

6. A copy of this order shall be served on the Property Tax Administrator by personal delivery, the Cass County Assessor by certified mail, return receipt requested, the Cass County Clerk, the Chairperson of the Cass County Board of Equalization, and the Cass County Attorney via first class mail, sufficient postage prepaid.
7. On or before June 5, 2020, the Cass County Assessor shall recertify the abstract of assessment to the Property Tax Administrator. The abstract shall reflect that the ordered adjustments have been made as required by Neb. Rev. Stat. § 77-5029.
8. The Property Tax Administrator shall audit the records of the Cass Assessor to determine whether this order was implemented, as required by Neb. Rev. Stat. § 77-5029.
9. On or before August 1, 2020, the Property Tax Administrator shall certify to the Commission that this order either was or was not implemented by Cass County, as required by Neb. Rev. Stat. § 77-5029.
10. This order is effective the date it is signed and sealed.

Signed and Sealed: May 8, 2020

James D. Kuhn, Commissioner

Steven A. Keetle, Commissioner

Robert W. Hotz, Commissioner