

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

Bel Fury Investments Group, LLC,  
Appellant,  
  
v.  
  
Douglas County Board of Equalization,  
Appellee.

Case Nos: 16R 0415 & 17R 0551

Decision and Order Affirming the  
Determinations of the Douglas  
County Board of Equalization

**Background**

1. The Subject Property is a residential parcel improved with a 768 sq. ft. ranch style residence, with a legal description of: Laurel Park Lot 1 Block 0 Irreg E 50 Ft, Omaha, Douglas County, Nebraska.
2. The Douglas County Assessor (the County Assessor) assessed the Subject Property at \$22,700 for tax year 2016.
3. Bel Fury Investments Group, LLC, (the Taxpayer) protested this value to the Douglas County Board of Equalization (the County Board) and requested an assessed value of \$14,100 for tax year 2016.
4. The County Board determined that the taxable value of the Subject Property was \$22,700 for tax year 2016.
5. The County Assessor assessed the Subject Property at \$32,500 for tax year 2017.
6. The Taxpayer protested this value to the County Board and requested an assessed value of \$22,700 for tax year 2017.
7. The County Board determined that the taxable value of the Subject Property was \$32,500 for tax year 2017.
8. The Taxpayer appealed the determinations of the County Board to the Tax Equalization and Review Commission (the Commission).
9. A Single Commissioner hearing was held on September 26, 2018, at the Omaha State Office Building, 1313 Farnam, Room E, Omaha, Nebraska, before Commissioner Steven Keetle.
10. Scott W. Bloemer was present at the hearing for the Taxpayer.
11. Larry Thomsen, Senior Appraiser: Residential, of the Douglas County Assessor/Register of Deeds Office (the County Appraiser) was present for the County Board.

**Applicable Law**

12. All real property in Nebraska subject to taxation shall be assessed as of the effective date of January 1.<sup>1</sup>

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<sup>1</sup> See, Neb. Rev. Stat. §77-1301(1) (Reissue 2018).

13. The Commission's review of the determination of the County Board of Equalization is de novo.<sup>2</sup>
14. When considering an appeal a presumption exists that the "board of equalization has faithfully performed its official duties in making an assessment and has acted upon sufficient competent evidence to justify its action."<sup>3</sup> That presumption "remains until there is competent evidence to the contrary presented, and the presumption disappears when there is competent evidence adduced on appeal to the contrary. From that point forward, the reasonableness of the valuation fixed by the board of equalization becomes one of fact based upon all the evidence presented. The burden of showing such valuation to be unreasonable rests upon the taxpayer on appeal from the action of the board."<sup>4</sup>
15. 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.<sup>5</sup>
16. Proof that the order, decision, determination, or action was unreasonable or arbitrary must be made by clear and convincing evidence.<sup>6</sup>
17. A Taxpayer must introduce competent evidence of actual value of the Subject Property in order to successfully claim that the Subject Property is overvalued.<sup>7</sup>
18. The Commission's Decision and Order shall include findings of fact and conclusions of law.<sup>8</sup>

#### Findings of Fact & Conclusions of Law

19. For tax year 2016 the Taxpayer alleged that the per square foot assessed value of the Subject Property was not equalized with a comparable property.
20. The Taxpayer notes that the Nebraska Court of Appeals held in *Scribante* that "To set the valuation of similarly situated property, i.e. comparables, at materially different levels, i.e., value per square foot, is by definition, unreasonable and arbitrary, under the Nebraska Constitution."<sup>9</sup>
21. Comparable properties share similar use (residential, commercial/industrial, or agricultural), physical characteristics (size, shape, and topography), and location.<sup>10</sup>

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<sup>2</sup> See, Neb. Rev. Stat. §77-5016(8) (Reissue 2018), *Brenner v. Banner Cty. Bd. of Equal.*, 276 Neb. 275, 286, 753 N.W.2d 802, 813 (2008). "When an appeal is conducted as a 'trial de novo,' as opposed to a 'trial de novo on the record,' it means literally a new hearing and not merely new findings of fact based upon a previous record. A trial de novo is conducted as though the earlier trial had not been held in the first place, and evidence is taken anew as such evidence is available at the time of the trial on appeal." *Koch v. Cedar Cty. Freeholder Bd.*, 276 Neb. 1009, 1019 (2009).

<sup>3</sup> *Brenner* at 283, 811.

<sup>4</sup> *Id.*

<sup>5</sup> Neb. Rev. Stat. §77-5016(9) (Reissue 2018).

<sup>6</sup> *Omaha Country Club v. Douglas Cty. Bd. of Equal.*, 11 Neb. App. 171, 645 N.W.2d 821 (2002).

<sup>7</sup> Cf. *Josten-Wilbert Vault Co. v. Bd. of Equal. for Buffalo Cty.*, 179 Neb. 415, 138 N.W.2d 641 (1965) (determination of actual value); *Lincoln Tel. and Tel. Co. v. Cty. Bd. of Equal. of York Cty.*, 209 Neb. 465, 308 N.W.2d 515 (1981) (determination of equalized taxable value).

<sup>8</sup> Neb. Rev. Stat. §77-5018(1) (Reissue 2018).

<sup>9</sup> *Scribante v. Douglas County Board of Equalization*, 8 Neb.App. 25, 39, 588 N.W.2d 190, 199 (1999).

<sup>10</sup> See generally, International Association of Assessing Officers, *Property Assessment Valuation*, at 169-79 (3rd ed. 2010).

22. The Taxpayer presented the Property Record Files (PRF) of a property located near the Subject Property for tax year 2016.
23. Along with the PRFs the Taxpayer offered a chart that made adjustments to the assessed values of the comparable property to adjust for differences in the characteristics of the properties. The Taxpayer stated that these adjustments were based on the Taxpayer's experience in the real estate market and the information contained in the PRFs.
24. The County Board presented information regarding all of the qualified sales that occurred in the economic area of the Subject Property for tax year 2016 used in determining the value attributed to each of the characteristics of residential properties in those areas, including the Subject Property, to support the differences in per square foot assessed values between the Subject Property and the other properties presented.
25. The County Assessor indicated that the Subject Property was approximately 50 years newer than the other property presented and the primary difference between the properties would be the amount of depreciation due to their substantial difference in age.
26. The PRFs presented demonstrate that the differences in per square foot assessments between the Subject Property and the other property presented for tax year 2016 were due to differences in the characteristics of the properties such as age, size, etc.
27. The Taxpayer has not demonstrated that the valuations of similarly situated properties were set at materially different levels entitling the Subject Property to a reduction in assessed values under the court's determination in *Scribante* for tax year 2016.
28. For tax year 2017 the Taxpayer presented a single sale of a property located near the Subject Property and alleged that the sale demonstrated that the assessed value of the Subject Property was too high.
29. The County Board presented information regarding all of the qualified sales that occurred in the economic area of the Subject Property for tax year 2017 used in determining the value attributed to each of the characteristics of residential properties in those areas, including the Subject Property, to support the differences in per square foot assessed values between the Subject Property and the other properties presented.
30. The Nebraska Supreme Court has held that a single sale can in some instances provide evidence of market value; however, in the present case, the Commission was presented information regarding all of the sales of residential properties in the neighborhood which would weigh against the use of the single sales presented.<sup>11</sup> Additionally, the sale presented by the Taxpayer was not on the list of qualified sales in the Subject Property's economic area, and the circumstances of the sale were not disclosed.
31. The Taxpayer has not produced competent evidence that the County Board failed to faithfully perform its duties and to act on sufficient competent evidence to justify its actions.

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<sup>11</sup> See, *Firethorn Inv. v. Lancaster County Bd. of Equalization*, 261 Neb. 231, 240, 622 N.W.2d 605, 611 (2001)(Citations Omitted).

32. The Taxpayer has not adduced clear and convincing evidence that the determinations of the County Board are arbitrary or unreasonable and the decisions of the County Board should be affirmed.

ORDER

IT IS ORDERED THAT:

1. The Decisions of the County Board of Equalization determining the taxable value of the Subject Property for tax years 2016 and 2017, are affirmed.
2. The taxable value of the Subject Property for tax year 2016 is:

Land	\$ 800
<u>Improvements</u>	<u>\$21,900</u>
Total	\$22,700

3. The taxable value of the Subject Property for tax year 2017 is:

Land	\$ 900
<u>Improvements</u>	<u>\$31,600</u>
Total	\$32,500

4. This Decision and Order, if no further action is taken, shall be certified to the Douglas County Treasurer and the Douglas County Assessor, pursuant to Neb. Rev. Stat. §77-5018 (Reissue 2018).
5. Any request for relief, by any party, which is not specifically provided for by this Decision and Order is denied.
6. Each Party is to bear its own costs in this proceeding.
7. This Decision and Order shall only be applicable to tax years 2016 and 2017.
8. This Decision and Order is effective on January 17, 2020.

Signed and Sealed: January 17, 2020

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Steven A. Keetle, Commissioner