

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

IN THE MATTER OF EQUALIZATION  
OF VALUE OF REAL PROPERTY  
WITHIN SARPY COUNTY, NEBRASKA,  
FOR TAX YEAR 2014

COUNTY NUMBER 77

FINDINGS AND ORDERS  
(NO ADJUSTMENT AFTER SHOW  
CAUSE)

**APPEARANCES FOR THE COUNTY:**

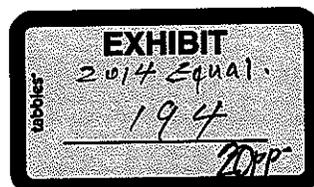
Dan Pittman, County Assessor for Sarpy County.  
Mike Smith, Deputy County Attorney for Sarpy County.

**SUMMARY**

The Tax Equalization and Review Commission, as part of its equalization proceedings, finds that the levels of value for real property in Sarpy County for tax year 2014, satisfy the requirements of Neb. Const. art. VIII, §1, and Neb. Rev. Stat. §77-5023(2) (Reissue 2009). The Commission, therefore, does not enter an order adjusting the value of real property within Sarpy County. The following findings, conclusions of law, and order are issued pursuant to a motion adopted by a majority of the Commission.

**I.  
APPLICABLE LAW**

1. The Commission is required to meet annually to equalize the assessed value or special value of all real property as submitted by the county assessors on the abstracts of assessment and equalize the values of real property which is valued by the state. Neb. Rev. Stat. §77-5022 (2012 Cum. Supp.).



**E 194:1**

2. 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 the sales price of that parcel. The assessment/sales ratio is expressed in terms of a percentage. 442 Neb. Admin. Code, ch. 9, §002.02 (06/11).
3. The Commission is required to raise or lower the valuation of a class or subclass of real property as necessary to achieve equalization. Neb. Rev. Stat. §77-5027 (2012 Cum. Supp.).
4. To achieve equalization the Commission is required 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. Neb. Rev. Stat. §77-5023(1) (Reissue 2009).
5. An acceptable range is the percentage of variation from a standard for valuation as measured by an established indicator of central tendency of assessment. Neb. Rev. Stat. §77-5023(2) (Reissue 2009).
6. The median has been adopted by the Commission as the preferred established indicator of central tendency. 442, Neb. Admin. Code, ch. 9, §004 (06/11).
7. The acceptable ratio range for the median of the assessment/sales ratio is from 69% to 75% of actual or fair market value for the class and subclasses of agricultural land and horticultural land not receiving special valuation pursuant to Neb. Rev. Stat. §77-1344; 69% to 75% of special valuation for the class and subclasses of agricultural land and horticultural land receiving special valuation pursuant to Neb. Rev. Stat. §77-1344; and

92% to 100% of actual or fair market value for all other classes and subclasses of real property. Neb. Rev. Stat. §77-5023(2) (Reissue 2009).

8. Whether or not the level of value determined by the Commission falls within the acceptable range may be determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques. Neb. Rev. Stat. § 77-5023(5) (Reissue 2009).
9. The Property Tax Administrator annually shall make and issue comprehensive assessment ratio studies of the average level of assessment, the degree of assessment uniformity, and the overall compliance with assessment requirements for each major class of real property subject to the property tax in each county. The comprehensive assessment ratio studies shall be developed in compliance with professionally accepted mass appraisal techniques and shall employ such statistical analysis as deemed appropriate by the Property Tax Administrator, including measures of central tendency and dispersion. The comprehensive assessment ratio studies shall be based upon the sales file as developed in subsection (2) of this section and shall be used by the Property Tax Administrator for the analysis of the level of value and quality of assessment for purposes of section 77-5027 and by the Property Tax Administrator in establishing the adjusted valuations required by section 79-1016. Such studies may also be used by assessing officials in establishing assessed valuations. Neb. Rev. Stat. §77-1327(3) (2012 Cum. Supp.).
10. On or before nineteen days following the final filing due date for the abstract of assessment for real property pursuant to section 77-1514, the Property Tax Administrator shall prepare and deliver to the Commission and to each county assessor his or her annual reports and opinions. For any county with a population of at least one hundred fifty

thousand inhabitants according to the most recent Federal Decennial Census, the reports and opinions shall be prepared and delivered on or before fifteen days following such final filing due date. Neb. Rev. Stat. §77-5027(2) (2012 Cum. Supp.).

11. The annual reports and opinions of the Property Tax Administrator shall contain statistical and narrative reports informing the commission of the level of value and the quality of assessment of the classes and subclasses of real property within the county and 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 the county.

Neb. Rev. Stat. §77-5027(3) (2012 Cum. Supp.).

#### **IV. EVIDENCE BEFORE THE COMMISSION**

The Commission may consider and utilize the provisions of the Constitution of the United States, the Constitution of Nebraska, the laws of the United States, the laws of Nebraska, the Code of Federal Regulations, the Nebraska Administrative Code, any decision of the several courts of the United States or the State of Nebraska, and the legislative history of any law, rule, or regulation, without making the document a part of the record. The Commission may without inclusion in the record consider and utilize published treatises, periodicals, and reference works pertaining to the valuation or assessment of real or personal property or the meaning of words and phrases if the document is identified in the Commission's rules and regulations. Neb. Rev. Stat. §77-5016(3) (2012 Cum. Supp.). The Commission pursuant to statute has identified various published treatises, periodicals and reference works for its consideration and utilization. 442 Neb. Admin. Code, ch. 5, §32 (06/11). The Commission heard testimony and received exhibits. No

other information or evidence, except that permitted by law, may be considered. Neb. Rev. Stat. §77-5016(3) (2012 Cum. Supp.). The Commission may evaluate the evidence presented utilizing its experience, technical competence, and specialized knowledge. Neb. Rev. Stat. §77-5016(5) (2012 Cum. Supp.).

**V.  
FINDINGS OF FACT**

The Commission finds and determines the following concerning classes and subclasses of real property in Sarpy County:

**PROCEDURAL**

1. A statistical and narrative report informing the Commission of the level of value and the quality of assessments of the classes and subclasses of real property for Sarpy County and certifying the opinion of the Property Tax Administrator regarding the level of value and the quality of assessments of real property in Sarpy County, for the tax year 2014 was timely received by the Commission. (E77).
2. The level of value for any class or subclass of real property is indicated by its median assessment/sales ratio unless the 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 based on other generally accepted mass appraisal techniques.
3. The level of value for special value of the agricultural land and horticultural land class of real property receiving special valuation and its subclasses was determined through a

methodology developed by the Property Tax Administrator pursuant to Neb. Rev. Stat. §77-1327(4) (2012 Cum. Supp.).

4. The Commission's Order to Show Cause and Notice of Hearing dated April 18, 2014, proposing an adjustment to the level of value of real property in Sarpy County was mailed to the County Clerk, County Assessor, and Chairperson of the County Board for Sarpy County on April 18, 2014.
5. A hearing on the Commission's order proposing an adjustment opened on April 24, 2014 and concluded on April 29, 2014.

## **RESIDENTIAL CLASS OF REAL PROPERTY AND ITS SUBCLASSES**

### **THE CLASS**

1. The level of value indicated by the median for the residential class of real property is 96% of actual or fair market value as shown by the Reports and Opinions of the Property Tax Administrator. (E77:6).
2. The statistical studies of the level of value are reliable and representative of the level of value for the residential class of real property.
3. The level of value for the residential class of real property as indicated by the median is within the acceptable range set by state law as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.
4. No increase or decrease by a percentage of the value for the residential class of real property, or a subclass thereof, is necessary.

**COMMERCIAL CLASS OF REAL PROPERTY  
AND ITS SUBCLASSES**

**THE CLASS**

1. The level of value indicated by the median for the commercial class of real property is 98% of actual or fair market value as shown by the Reports and Opinions of the Property Tax Administrator. (E77:6).
2. The statistical studies of the level of value are reliable and representative of the level of value for the commercial class of real property.
3. The level of value for the commercial class of real property as indicated by the median is within the acceptable range set by state law as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.
4. No increase or decrease by a percentage of the value for the commercial class of real property, or a subclass thereof, is necessary.

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

1. The Property Tax Administrator did not state an opinion regarding the level of value or the quality of assessments for the real property class of agricultural and horticultural land not receiving special valuation or a subclass thereof because the information available was an insufficient basis for an opinion.

2. No basis for the formation of an opinion concerning the level of value or the quality of assessments for the real property class of agricultural and horticultural land not receiving special valuation or a subclass thereof has been presented to the Commission.
3. No increase or decrease by a percentage of the value of the real property class of agricultural and horticultural land not receiving special valuation or a subclass thereof is necessary to achieve equalization.

**SPECIAL VALUE OF AGRICULTURAL LAND AND HORTICULTURAL LAND  
CLASS OF REAL PROPERTY RECEIVING SPECIAL VALUATION**

**THE CLASS**

1. The level of value indicated by the median for special value of the agricultural land and horticultural land class of real property receiving special valuation as shown by the Reports and Opinions of the Property Tax Administrator is 64% of special value. (E77:6).
2. An increase in the amount of 11.75% was proposed by the Commission to bring the level of value, as indicated by the median, for special value of the agricultural land and horticultural land class of real property receiving special valuation to the midpoint of the acceptable range as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques as required by Neb. Rev. Stat. §77-5023 (Reissue 2009). (E113:1).
3. The Commission, after a hearing pursuant to Neb. Rev. Stat. §77-5026 (Reissue 2009), determines that no adjustment should be made.
4. The Commission does not determine a level of value for the real property receiving special valuation.

**VI.  
VOTE**

The Findings and Order of the Commission were approved by a majority vote of the Commission after a motion and discussion at the hearing, with the following Commissioners voting to approve the order: Salmon and Hotz, and the following Commissioner voting not to approve the order: Freimuth.

**VII.  
CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over Sarpy County and the subject matter of this order.
2. No adjustment to the value of any class or subclass of real property in Sarpy County is required by law.

**VIII.  
ORDER**

**IT IS THEREFORE ORDERED THAT:**

1. No adjustment shall be made by the Commission to the level of value for the residential class of real property in the County or a subclass thereof for tax year 2014.
2. No adjustment shall be made by the Commission to the level of value for the commercial class of real property in the County or a subclass thereof for tax year 2014.
3. No adjustment shall be made by the Commission to the level of value for the agricultural and horticultural class of real property not receiving special valuation in the County or a subclass thereof for tax year 2014.

4. No adjustment shall be made by the Commission to the level of value for the agricultural and horticultural class of real property receiving special valuation in the County or a subclass thereof for tax year 2014.
5. These Findings and Orders shall be served on the Property Tax Administrator of the State of Nebraska via personal delivery, the Sarpy County Assessor via Certified First Class United States Mail, the Sarpy County Clerk, the Chairperson of the Sarpy County Board, and the Sarpy County Attorney via First Class United States Mail sufficient postage paid, on or before May 15, 2014, as required by Neb. Rev. Stat. §77-5028 (Reissue 2009).
6. This order is effective the date it is signed and sealed.

**SIGNED AND SEALED: May 6, 2014**

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*Robert W. Hotz, Commissioner*

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*Thomas D. Freimuth, Commissioner*

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*Nancy J. Salmon, Commissioner*

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**SUMMARY**

The Tax Equalization and Review Commission, as part of its equalization proceedings, finds that the levels of value for real property in Sarpy County for tax year 2014, satisfy the requirements of Neb. Const. art. VIII, §1, and Neb. Rev. Stat. §77-5023(2) (Reissue 2009). The Commission, therefore, does not enter an order adjusting the value of real property within Sarpy County. The following findings, conclusions of law, and order are issued pursuant to a motion adopted by a majority of the Commission.

**I.  
APPLICABLE LAW**

1. The Commission is required to meet annually to equalize the assessed value or special value of all real property as submitted by the county assessors on the abstracts of assessment and equalize the values of real property which is valued by the state. Neb. Rev. Stat. §77-5022 (2012 Cum. Supp.).

2. 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 the sales price of that parcel. The assessment/sales ratio is expressed in terms of a percentage. 442 Neb. Admin. Code, ch. 9, §002.02 (06/11).
3. The Commission is required to raise or lower the valuation of a class or subclass of real property as necessary to achieve equalization. Neb. Rev. Stat. §77-5027 (2012 Cum. Supp.).
4. To achieve equalization the Commission is required 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. Neb. Rev. Stat. §77-5023(1) (Reissue 2009).
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6. The median has been adopted by the Commission as the preferred established indicator of central tendency. 442, Neb. Admin. Code, ch. 9, §004 (06/11).
7. The acceptable ratio range for the median of the assessment/sales ratio is from 69% to 75% of actual or fair market value for the class and subclasses of agricultural land and horticultural land not receiving special valuation pursuant to Neb. Rev. Stat. §77-1344; 69% to 75% of special valuation for the class and subclasses of agricultural land and horticultural land receiving special valuation pursuant to Neb. Rev. Stat. §77-1344; and

92% to 100% of actual or fair market value for all other classes and subclasses of real property. Neb. Rev. Stat. §77-5023(2) (Reissue 2009).

8. Whether or not the level of value determined by the Commission falls within the acceptable range may be determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques. Neb. Rev. Stat. § 77-5023(5) (Reissue 2009).
9. The Property Tax Administrator annually shall make and issue comprehensive assessment ratio studies of the average level of assessment, the degree of assessment uniformity, and the overall compliance with assessment requirements for each major class of real property subject to the property tax in each county. The comprehensive assessment ratio studies shall be developed in compliance with professionally accepted mass appraisal techniques and shall employ such statistical analysis as deemed appropriate by the Property Tax Administrator, including measures of central tendency and dispersion. The comprehensive assessment ratio studies shall be based upon the sales file as developed in subsection (2) of this section and shall be used by the Property Tax Administrator for the analysis of the level of value and quality of assessment for purposes of section 77-5027 and by the Property Tax Administrator in establishing the adjusted valuations required by section 79-1016. Such studies may also be used by assessing officials in establishing assessed valuations. Neb. Rev. Stat. §77-1327(3) (2012 Cum. Supp.).
10. On or before nineteen days following the final filing due date for the abstract of assessment for real property pursuant to section 77-1514, the Property Tax Administrator shall prepare and deliver to the Commission and to each county assessor his or her annual reports and opinions. For any county with a population of at least one hundred fifty

thousand inhabitants according to the most recent Federal Decennial Census, the reports and opinions shall be prepared and delivered on or before fifteen days following such final filing due date. Neb. Rev. Stat. §77-5027(2) (2012 Cum. Supp.).

11. The annual reports and opinions of the Property Tax Administrator shall contain statistical and narrative reports informing the commission of the level of value and the quality of assessment of the classes and subclasses of real property within the county and 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 the county.

Neb. Rev. Stat. §77-5027(3) (2012 Cum. Supp.).

#### IV. EVIDENCE BEFORE THE COMMISSION

The Commission may consider and utilize the provisions of the Constitution of the United States, the Constitution of Nebraska, the laws of the United States, the laws of Nebraska, the Code of Federal Regulations, the Nebraska Administrative Code, any decision of the several courts of the United States or the State of Nebraska, and the legislative history of any law, rule, or regulation, without making the document a part of the record. The Commission may without inclusion in the record consider and utilize published treatises, periodicals, and reference works pertaining to the valuation or assessment of real or personal property or the meaning of words and phrases if the document is identified in the Commission's rules and regulations. Neb. Rev. Stat. §77-5016(3) (2012 Cum. Supp.). The Commission pursuant to statute has identified various published treatises, periodicals and reference works for its consideration and utilization. 442 Neb. Admin. Code, ch. 5, §32 (06/11). The Commission heard testimony and received exhibits. No

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## V. FINDINGS OF FACT

The Commission finds and determines the following concerning classes and subclasses of real property in Sarpy County:

### PROCEDURAL

1. A statistical and narrative report informing the Commission of the level of value and the quality of assessments of the classes and subclasses of real property for Sarpy County and certifying the opinion of the Property Tax Administrator regarding the level of value and the quality of assessments of real property in Sarpy County, for the tax year 2014 was timely received by the Commission. (E77).
2. The level of value for any class or subclass of real property is indicated by its median assessment/sales ratio unless the 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 based on other generally accepted mass appraisal techniques.
3. The level of value for special value of the agricultural land and horticultural land class of real property receiving special valuation and its subclasses was determined through a

methodology developed by the Property Tax Administrator pursuant to Neb. Rev. Stat. §77-1327(4) (2012 Cum. Supp.).

4. The Commission's Order to Show Cause and Notice of Hearing dated April 18, 2014, proposing an adjustment to the level of value of real property in Sarpy County was mailed to the County Clerk, County Assessor, and Chairperson of the County Board for Sarpy County on April 18, 2014.
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3. The level of value for the residential class of real property as indicated by the median is within the acceptable range set by state law as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.
4. No increase or decrease by a percentage of the value for the residential class of real property, or a subclass thereof, is necessary.

**COMMERCIAL CLASS OF REAL PROPERTY  
AND ITS SUBCLASSES**

**THE CLASS**

1. The level of value indicated by the median for the commercial class of real property is 98% of actual or fair market value as shown by the Reports and Opinions of the Property Tax Administrator. (E77:6).
2. The statistical studies of the level of value are reliable and representative of the level of value for the commercial class of real property.
3. The level of value for the commercial class of real property as indicated by the median is within the acceptable range set by state law as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.
4. No increase or decrease by a percentage of the value for the commercial class of real property, or a subclass thereof, is necessary.

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

1. The Property Tax Administrator did not state an opinion regarding the level of value or the quality of assessments for the real property class of agricultural and horticultural land not receiving special valuation or a subclass thereof because the information available was an insufficient basis for an opinion.

2. No basis for the formation of an opinion concerning the level of value or the quality of assessments for the real property class of agricultural and horticultural land not receiving special valuation or a subclass thereof has been presented to the Commission.
3. No increase or decrease by a percentage of the value of the real property class of agricultural and horticultural land not receiving special valuation or a subclass thereof is necessary to achieve equalization.

**SPECIAL VALUE OF AGRICULTURAL LAND AND HORTICULTURAL LAND  
CLASS OF REAL PROPERTY RECEIVING SPECIAL VALUATION**

**THE CLASS**

1. The level of value indicated by the median for special value of the agricultural land and horticultural land class of real property receiving special valuation as shown by the Reports and Opinions of the Property Tax Administrator is 64% of special value. (E77:6).
2. An increase in the amount of 11.75% was proposed by the Commission to bring the level of value, as indicated by the median, for special value of the agricultural land and horticultural land class of real property receiving special valuation to the midpoint of the acceptable range as determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques as required by Neb. Rev. Stat. §77-5023 (Reissue 2009). (E113:1).
3. The Commission, after a hearing pursuant to Neb. Rev. Stat. §77-5026 (Reissue 2009), determines that no adjustment should be made.
4. The Commission does not determine a level of value for the real property receiving special valuation.

**VI.  
VOTE**

The Findings and Order of the Commission were approved by a majority vote of the Commission after a motion and discussion at the hearing, with the following Commissioners voting to approve the order: Salmon and Hotz, and the following Commissioner voting not to approve the order: Freimuth.

**VII.  
CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over Sarpy County and the subject matter of this order.
2. No adjustment to the value of any class or subclass of real property in Sarpy County is required by law.

**VIII.  
ORDER**

**IT IS THEREFORE ORDERED THAT:**

1. No adjustment shall be made by the Commission to the level of value for the residential class of real property in the County or a subclass thereof for tax year 2014.
2. No adjustment shall be made by the Commission to the level of value for the commercial class of real property in the County or a subclass thereof for tax year 2014.
3. No adjustment shall be made by the Commission to the level of value for the agricultural and horticultural class of real property not receiving special valuation in the County or a subclass thereof for tax year 2014.

4. No adjustment shall be made by the Commission to the level of value for the agricultural and horticultural class of real property receiving special valuation in the County or a subclass thereof for tax year 2014.
5. These Findings and Orders shall be served on the Property Tax Administrator of the State of Nebraska via personal delivery, the Sarpy County Assessor via Certified First Class United States Mail, the Sarpy County Clerk, the Chairperson of the Sarpy County Board, and the Sarpy County Attorney via First Class United States Mail sufficient postage paid, on or before May 15, 2014, as required by Neb. Rev. Stat. §77-5028 (Reissue 2009).
6. This order is effective the date it is signed and sealed.

**SIGNED AND SEALED: May 6, 2014**

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*Robert W. Hotz, Commissioner*

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*Thomas D. Freimuth, Commissioner*

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*Nancy J. Salmon, Commissioner*