FAX #2 to 402-471-7720 for TERC Chairperson Salmon

This statement is made in response to the email I received from the PTA today. I have included the email and the first two attachments to this FAX. The other two attachments sent and received were identical to and were repeats of the chart which I responded to on Tuesday.

In looking at the attachment labeled Hitchcock County Market Area 44.1 showing CREP sales in the region, the first and third sales were sales of land enrolled 100% in CRP acres. The second sale was a Dundy County sale which is a different market area than Hitchcock County. The fourth and eighth sales are from Lincoln County and Frontier County respectively, and are both two counties away from Hitchcock County. The fifth, sixth and seventh sales are the three sales that I presented on Monday. I believe these three are the only ones that reflect the Hitchcock County market area.

In regard to the water rights purchases, there is not sufficient data presented to conclusively establish a direct relationship to added value to a property. Adding a somewhat subjective value of water to a known value of land is not a reliable method for determining final value. Furthermore, the water under a CREP contract cannot be transferred during the term of that contract and therefore has a much lower value.

As I understand the mass appraisal method, when comparable sales are available, other methods, especially abstract methods, are not normally used in calculating the assessed value. I therefore believe that the three comparable sales that I presented Monday should be the only criteria used in determining the 2017 CREP values for Hitchcock County.

Respectfully submitted on April 18, 2017

Duane Dinnel
308.280.0373
ddinnel@chase3000.com

(FAX include 5 sheets total)

Please contact immediately at the phone number or email above if any of this FAX is unreadable. Attempt will be made to send clearer or enlarged image. Thank you.
Subject: RE: 2017 values
Sender: Sorensen, Ruth <ruth.sorensen@nebraska.gov>
Recipient: ddinell@chase3000.com <ddinell@chase3000.com>
Date: 18.04.2017 11:01

- 44_crep_crp.pdf (398 KB)
- Water Rights.pdf (144 KB)
- Irrigated CREP Values - Southwest Nebraska.pdf (128 KB)

Mr. Dinnell –

It was good to see you yesterday! Thank you for attending and participating in the statewide equalization proceedings.

There are CREP sales from the entire region on the spreadsheet that you provided to the Tax Equalization and Review Commission. This is information for each of the county assessors in that district to consider. For Hitchcock County there was no weight given to the sales from Chase County. The Hitchcock County sales were given the most weight to establish values for 2017.

CREP sales in the region were selling for $1280 - $3800; the most pure sales were $2300 - $3800/acre. The water rights within the region were also analyzed which seemed to be selling for $2600-$2900, reducing that to 65-75% suggested that the water rights were worth $1900-2000.

The value of CREP is made up of two components irrigated right and grassland, the $1900-2000 was added to the $585 that grass is assessed for and that suggested a range of $2400-$2500. After looking at all the data, the lower value of $2400 per acre was established. The attached sample is limited but it achieves values within the acceptable range.

Attached is a pdf of the sales spreadsheet, as well as the water right spreadsheet.

I am also attaching an updated 2017 Average Acre Value Comparison CREP Land Southwest Nebraska. This comparison includes the irrigated values and the average CREP Land value. You will note how much higher irrigated land is valued than CREP. The comparison given to you yesterday contained the CREP values for these counties.

I am hopeful that this information will be helpful to you.

Please let me know if you have any questions.

Ruth A. Sorensen
PROPERTY TAX ADMINISTRATOR
PROPERTY ASSESSMENT DIVISION
Nebraska Department of Revenue
PO Box 98919
301 Centennial Mall South
Lincoln, Nebraska 68509

RECEIVED
APR 18 2017
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**Total**

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- Total Non CRP: 0.38 acres
- Total Value: 0
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- Non CRP Percentage: 0%
- Total Percentage: 0%