

COUNTY BOARD OF EQUALIZATION
SARPY COUNTY, NEBRASKA

RESOLUTION REGARDING METHOD OF SETTING FARM SITE VALUATION

WHEREAS, by virtue of Neb. Rev. Stat. §77-1501 (Reissue 2009) the County Board of Equalization is required to fairly and impartially equalize the values of all items of real property in the county so that all real property is assessed uniformly and proportionately; and,

WHEREAS, the requirement that taxes be assessed uniformly and proportionately does not preclude the result that property is assessed at less than actual value, *Konicek v. Board of Equalization*, 212 Neb. 648, 324 N.W.2d 815 (1982); and,

WHEREAS, the County Board of Equalization may meet between June 1 and July 25 of any year to consider and correct the assessment of property which has been undervalued, overvalued, or omitted pursuant to Neb. Rev. Stat. §77-1504 (Reissue 2009); and,

WHEREAS, Neb. Rev. Stat. §77-1330 (Reissue 2009) requires that the County Board of Equalization and the County Assessor abide by the "laws, rules regulations, manuals and directives" as provided by the Property Tax Administrator and the Tax Commissioner; and,

WHEREAS, on April 7, 2009 the Sarpy County Assessor adopted a revised Standard Operating Procedure for farm site valuation in order to comply with Property Assessment Directive 08-04; and,

WHEREAS, in reliance on statutes and the directives of the Tax Commissioner, the Sarpy County Assessor's Office conducted a county wide reappraisal of all real property affected by Property Assessment Directive 08-04 in the County for tax years 2009, 2010 and 2011; and,

NOW, THEREFORE, BE IT RESOLVED by the Sarpy County Board of Equalization that, in addition to the valuation of the parcels by the application of the April 7, 2009 Standard Operating Procedure of the Sarpy County Assessor concerning Farm Site Valuations to said parcels, it is respectfully requested that the Sarpy County

Assessor consider the calculation of the assessed values for said parcels as follows:

The Assessor shall examine all sales of unimproved land that are not served by a water and/or sanitary sewer system shared by other users and are between one-half acre and 10 acres in size.

Each sale shall be expressed as an average price per acre, with greater weight given to those sales of smaller parcels than those of larger parcels. Those sales shall be divided into market areas. The contributory value of the land component of site values shall be the per acre average for the appropriate market area sales.

Adjustments may be made to account for particular characteristics that are generally accepted as influencing the market price.

BE IT FURTHER RESOLVED that it is requested that Sarpy County Assessor prepare the necessary records to allow this Board to set assessed values using the method stated herein for the parcels at issue, and that the same be presented to the Board of Equalization for consideration prior to _____.

The above and foregoing Resolution was duly approved by a vote of the Sarpy County Board of Commissioners at a public meeting duly held in accordance with applicable law on this ____ day of March, 2012.

Chairman, Sarpy County Board

Sarpy County Clerk

COUNTY BOARD OF EQUALIZATION
SARPY COUNTY, NEBRASKA

RESOLUTION REGARDING METHOD OF SETTING FARM SITE VALUATION

WHEREAS, by virtue of Neb. Rev. Stat. §77-1501 (Reissue 2009) the County Board of Equalization is required to fairly and impartially equalize the values of all items of real property in the county so that all real property is assessed uniformly and proportionately; and,

WHEREAS, the requirement that taxes be assessed uniformly and proportionately does not preclude the result that property is assessed at less than actual value, *Konicek v. Board of Equalization*, 212 Neb. 648, 324 N.W.2d 815 (1982); and,

WHEREAS, the County Board of Equalization may meet between June 1 and July 25 of any year to consider and correct the assessment of property which has been undervalued, overvalued, or omitted pursuant to Neb. Rev. Stat. §77-1504 (Reissue 2009); and,

WHEREAS, Neb. Rev. Stat. §77-1330 (Reissue 2009) requires that the County Board of Equalization and the County Assessor abide by the "laws, rules regulations, manuals and directives" as provided by the Property Tax Administrator and the Tax Commissioner; and,

WHEREAS, Douglas A. Ewald, Tax Commissioner, issued Property Assessment Directive 08-04 on December 23, 2008; and,

WHEREAS, on April 7, 2009 the Sarpy County Assessor adopted a revised Standard Operating Procedure for farm site valuation in order to comply with Property Assessment Directive 08-04; and,

WHEREAS, in reliance on statutes and the directives of the Tax Commissioner, the Sarpy County Assessor's Office conducted a county wide reappraisal of all real property affected by Property Assessment Directive 08-04 in the County for tax years 2009, 2010 and 2011; and,

WHEREAS, based upon the evidence received in prior years and the methods used by other counties for the valuation of similar classifications of land, this Board is concerned that method used by the Sarpy County Assessor, while in compliance with the applicable law and regulations, may be overvaluing the land component of farm sites in Sarpy County.

NOW, THEREFORE, BE IT RESOLVED by the Sarpy County Board of Equalization that, in addition to the valuation of the parcels by the application of the April 4,

2009 Standard Operating Procedure of the Sarpy County Assessor concerning Farm Site Valuations to said parcels, it is respectfully requested that the Sarpy County Assessor also calculate values for said parcels as follows:

The Assessor shall examine all sales of unimproved land that are not served by a water and/or sanitary sewer system shared by other users and are between one-half acre and 10 acres in size.

Each sale shall be expressed as an average price per acre, with greater weight given to those sales of smaller parcels than those of larger parcels.

Those sales shall be divided into market areas. The contributory value of the land component of site values shall be the per acre average for the appropriate market area sales. Adjustments may be made to account for particular characteristics that are generally accepted as influencing the market price.

BE IT FURTHER RESOLVED that it is requested that Sarpy County Assessor prepare the necessary records correcting the values using the method stated herein for the parcels at issue, and that the same be presented to the Board of Equalization for final action prior to _____.

The above and foregoing Resolution was duly approved by a vote of the Sarpy County Board of Commissioners at a public meeting duly held in accordance with applicable law on this ____ day of March, 2012.

Chairman, Sarpy County Board

Sarpy County Clerk

We have been reviewing the various legislative proposals regarding site values and agricultural values, and trying to determine how those bills would change the assessed values. One of the difficulties has been how to achieve equalization with the sales data available, especially when dealing with parcels receiving special valuation ("greenbelt value").

Greenbelt parcels are not assessed at market value, and a market value is not otherwise assigned. When a greenbelt parcel is sold, there is no sales/assessment ratio that can be used to equalize values with non greenbelt parcels. While these sales can reflect the market, without a sales/assessment ratio, there is no useful data that can assist in equalization. It also makes it difficult to properly measure the accuracy of the assessment to the market.

In the past, these values were produced for greenbelt parcels as a recapture value. With the repeal of the recapture provisions, it was no longer required to maintain the market values.

We would propose that the Neb. Rev. Stat. §77-1344(4) to read as follows:

In addition to the special valuation placed on such land, the county assessor shall each year determine the actual value of such land as defined in 77-112. Such actual value shall not be assessed against the land, but shall be placed in the records for such land as kept by the county assessor. The special valuation and actual value placed on such land by the county assessor under this section shall be subject to equalization by the county board of equalization and the Tax Equalization and Review Commission.