

Wayne, Nebraska
July 14, 2016

The Wayne County Board of Equalization meeting was called to order by Chairman Burbach at 9:00 a.m. on Thursday, July 14, 2016, in the upstairs conference room of the Courthouse. Chairman Burbach, Members Larson and Rabe, Assessor Duffy, Sheriff Dwinell, and Clerk Finn were present. Notice of this meeting was published in the Wayne Herald, a legal newspaper, on July 7, 2016. A current copy of the Open Meetings Act was in the meeting room and accessible to the public.

A motion was made by Rabe and seconded by Larson to approve the agenda. Roll call vote: Rabe, Larson, Burbach-aye; motion carried.

Assessor Duffy submitted the following exhibits for the 2016 Wayne County Protest Hearings: the NE Assessor's Reference Manual; NE Ag Land Valuation Manual; 2016 Reports and Opinions of Property Tax Administrator for Wayne County; IAAO Book of Mass Appraisal of Real Property; the IAAO Property Assessment Valuation book, 2nd edition; County Board of Equalization manual; three books of sales for Wayne County of residential, commercial, and ag property; Wayne County's sales used to determine the value for 2016; a copy of the certification of the assessment roll for Wayne County filed with The Wayne Herald; the property valuation card for each of the protested properties; Residential Data Collection Book by Rick Stuart; Residential Quality, Condition & Effective Age Seminar Book by Rick Stuart; IAAO Course 2, Income Approach to Value; Houses, 3rd Edition by Henry S. Harrison; House Construction, Design & System, IAAO #937; Marshall & Swift Residential Square Foot Method, IAAO #960; and the Assessment Procedures Manual.

The following protests were heard:

Protest 16-01: Pt NE¼ 24-25-3, Dianne Lutt and Gloria Fisher. Protested land valuation \$804,395. Requested land valuation \$792,320. Reasons for requested change: Land prices have decreased or stayed the same. Farm prices on commodities have decreased along with rent received on land.

Assessor recommendation: Lower value from 804,395 to 793,545 (-10,850). Correct land use to add 2.12 more acres of waste and remove the 0.29 acres of unimproved acreage.

Protest 16-02: Pt NE¼ (Tax Lot 4) 36-25-3, Robert G. Neel was present at the hearing. Protested valuation \$153,015. Requested valuation \$144,000. Reason for requested change: Would like to see pictures Assessor took when out at the house. No improvements made, buildings are in need of major repair or torn down. Why keep raising taxes when there are no improvements? Looking at a Google map and raising taxes? Increased last year and this year. Foundation is falling, been trying to stabilize for five years, leaks in the roof. Have on the market for \$75,000 and finally got a nibble; you have it valued at \$153,000.

Assessor recommendation: Lower value from 153,015 to 128,045 (-24,970). After review of property, raise physical depreciation on house from 38% to 52% which would lower the value on the house from 86,665 to 64,805. Also, no value on buildings 2, 4 & 5. Lower the value of #1 from 865 to 300 and lower the value of #10 from 230 to 100. This lowers the total improvement value from 100,340 to 75,370.

Protest 16-03: S½ SW¼ 11-25-4, Merlin L. & Kathleen F. Frevert; Brian Frevert represented his parents at the hearing. Protested land valuation \$427,695, buildings \$59,175, total valuation \$486,870. Requested land valuation \$416,200, buildings \$54,215, total valuation \$470,415. Reason for requested change: Taxes are too high. A couple of years ago they got a raise in taxes and started looking at farm ground within 2-mile radius, theirs seemed to be highest. Other land in the area seems to be worth quite a bit less, some is irrigated some is not. This is all dry land. Just want to know what and why.

Assessor recommendation: Lower value from 486,870 to 475,045 (-11,825) After review of property, raise physical depreciation on house from 30% to 45% which will lower the value on the house from 58,005 to 46,180. This lowers the total improvement value from 59,175 to 47,350.

Protest 16-04: N½ SW¼ 11-25-4, Merlin L. & Kathleen F. Frevert; Brian Frevert represented his parents at the hearing. Protested land valuation \$443,375. Requested land valuation \$430,450. Reason for requested change: Dry land valued as high as irrigated. Taxes are too high. A couple of years ago they got a raise in taxes and started looking at farm ground within 2-mile radius, theirs seemed to be highest. Other land in the area seems to be worth quite a bit less, some is irrigated some is not. This is all dry land. Just want to know what and why.

Assessor recommendation: No change. The land use is drawn correctly.

Protest 16-05: E½ NW¼ 15-25-4, Merlin L. & Kathleen F. Frevert; Brian Frevert represented his parents at the hearing. Protested land valuation \$322,150. Requested land valuation \$319,840. Reason for requested change: Taxes are too high. A couple of years ago they got a raise in taxes and started looking at farm ground within 2-mile radius, theirs seemed to be highest. Other land in the area seems to be worth quite a bit less, some is irrigated some is not. This is all dry land. Just want to know what and why.

Assessor recommendation: Lower value from 322,150 to 320,205. (-1,945) Correct land use to add slightly more grass acres.

Protest 16-06: E½ NE¼ 13-27-3, Merlin L. & Kathleen F. Frevert; Brian Frevert represented his parents at the hearing. Protested land valuation \$369,630. Requested land valuation \$361,235. Reason for requested change: Taxes are too high. A couple of years ago they got a raise in taxes and started looking at farm ground within 2-mile radius, theirs seemed to be highest. Other land in the area seems to be worth quite a bit less, some is irrigated some is not. This is all dry land. Just want to know what and why.

Assessor recommendation: No change. The land use is drawn correctly.

Protest 16-07: Lot 6, East Ridge Addition to Wayne, E. Jewell Cavner. Protested building valuation \$182,360. Requested building valuation \$168,930. Reason for requested change: There should not be an increase in the valuation as I have lived here since 1993 and made no improvements and neighbors did not have an increase in their property valuation.

Assessor recommendation: Lower value from 197,705 to 184,370 (-13,335). Discovered an error in the pricing system. Correcting the error will lower improvement value from 182,360 to 169,025.

Protest 16-08: Pt SE¼ SE¼ & S½ NE¼ SE¼ & S½ N½ NE¼ SE¼ 32-25-2, Ardyth I. Molacek was present for hearing. Protested land valuation \$340,040. Requested land valuation (None listed). Reason for requested change: The land valuation has gone up since Paul Deck died and the land was deeded to me. No improvements since that time. No land has been sold around this property in years; it has all stayed with family. There is some very rough land in Wayne County and some very good land. This land should have reduction in value due to highline poles that must be farmed around.

Assessor recommendation: Lower value from 347,040 to 344,765 (-2,275). Correct land use. Add slight amount of waste where the road ditch extends past the 33' ROW that is drawn as road.

Protest 16-09: IOLL/Chicken Houses on Tax Lot 4, Pt NE¼ NW¼ 4-26-2, Farm Credit Leasing Services Corp. Brent Nelson, owner and operator of Wayne County Ag, was present at the hearing. Protested building valuation \$245,720. Requested building valuation \$114,085. Reason for requested change: Purchased in January 2015. The purchase price was based on a business model that could be sustained. Age of equipment and building is 20+ years. Efficiency was considered, there are two locations so it requires twice as many employees. Estimated they had 5-8 years before remodel. Taking all in to consideration, the price was based on 85 cents per bird. Currently the worth is more like 25 to 50 cents per bird. Approximately 60% of grocery stores, etc. have committed to going to cage free eggs

over the next ten years. This will take additional work and money to remodel. Willing to pay fair share, but not over what purchased facility for.

Assessor recommendation: Lower value from 245,720 to 114,465 (-131,255). After review of property, raise physical depreciation to 75% on chicken houses and raise economic depreciation to 40%.

Protest 16-10: IOLL/Chicken Houses on Tax Lot 2, Pt SE ¼ SW ¼ & Pt SW ¼ se1/4 19-26-3, Farm Credit Leasing Corp. Brent Nelson, owner and operator of Wayne County Ag, was present at the hearing. Protested building valuation \$332,410. Requested building valuation \$154,350. Reason for requested change: Purchased in January 2015. The purchase price was based on a business model that could be sustained. Age of equipment and building is 20+ years. Efficiency was considered, there are two locations so it requires twice as many employees. Estimated they had 5-8 years before remodel. Taking all in to consideration, the price was based on 85 cents per bird. Currently the worth is more like 25 to 50 cents per bird. Approximately 60% of grocery stores, etc. have committed to going to cage free eggs over the next ten years. This will take additional work and money for remodeling. Willing to pay fair share, but not over what purchased facility for.

Assessor recommendation: Lower value from 332,410 to 166,700 (-165,710). After review of property, raise physical depreciation to 75% on chicken houses and raise economic depreciation to 40%.

Protest 16-11: N¼ 1-26-1, Shirley Gubbels. Protested land valuation \$787,155. Requested land valuation \$500 (Less in taxes). Reason for requested change: Neighbors are paying a lot less.

Assessor recommendation: Lower value from 787,155 to 773,100 (-14,055). Correct land use to add some waste and grass acres. This would lower the land value from 742,105 to 728,050.

Protest 16-12: NW¼ NW¼ 17-25-5, Blaine Nelson. Protested building valuation \$231,525. Requested building valuation \$199,180. Reason for requested change: \$48,575 increase in building value in 1-year. Several old hog buildings should be reduced in value. Acreage appraised by 1st Realty one year ago at \$192,250.

Assessor recommendation: Lower value from 393,765 to 348,965 (-44,800). After review of the property, raise physical depreciation on house to 30% and lower the value of the detached garage from 7,790 to 660. Adjust siding & add central air conditioning. Reviewed the outbuildings and lower the value from 61,180 to 37,670. Lower the total improvement value from 231,525 to 186,725.

Protest 16-13: Lots 11 & 12, Block 4, Original Wayne, Mohummed H. Sadden. Protested building valuation \$135,800, total valuation \$150,800. Requested building valuation \$90,000, total valuation \$105,000. Reason for requested change: This property is located on Main Street and is considered "commercial". The building was built in 1960 and all of the original equipment (heating, air-conditioning, boiler, electrical, plumbing, etc.) remains a part of the building. It has only had periodic updating and has not been replaced. (Eight comparable properties in the business district were provided as evidence.)

Assessor recommendation: Lower value from 150,800 to 107,480 (-43,320). After review of property, raise economic depreciation to 50% like all other on Main Street in our new CAMA pricing. Give 10% functional depreciation to building for being priced as an office building but still having all the old bank equipment and vaults there. Lower value of improvements from 135,800 to 92,480.

Protest 16-14: Lots 1, 2, 3 & 4, Langenberg Subdivision in 34-25-1, Timothy M. Lurz. Protested building valuation \$266,455, total valuation \$310,155. Requested building valuation \$240,000, total valuation \$283,700. Reason for requested change: Property assessed as fully finished and 230 square feet is unfinished. Property is "unconventional house" and not as easily marketable, insurable, or compared to conventional houses sold and built in the area. Property is approximately 3500 square feet unpainted concrete basement above ground with a shed roof, no central air, and of which all but 1600 square feet is over 10 years old valued at \$266,000 for the buildings. (Three comparable properties were provided as evidence.)

Assessor recommendation: Lower value from 310,155 to 288,000 (-22,155). Give an extra 6% functional depreciation for the area of square footage that is not finished, and a slight reduction in quality to account for the plain outside features. Lower the value of the house from 237,985 to 215,830.

Protest 16-15: Lot 6, Block 1, Gary Donner's Addition, Wayne, Meadow View Estates. Megan Weaver, Executive Director of Wayne Community Housing Development corporation was present at hearing. Protested building valuation \$1,240,895, total valuation \$1,288,365. Requested building valuation \$457,830, total valuation \$505,300. Reason for requested change: Meadow View Estates is comprised of 16, two and three bedroom units owned and managed by Wayne Community Housing Development corporation. The complex provides low-income households with affordable rents subsidized by USDA Rural Development's Rental Assistance program. Recently received notice of valuation change that reported an increase in property value of more than 2.5 times the previous year's value from \$505,300 to \$1,288,365. The increase came without any significant improvements on the property. The projected property tax due will equal 25% of the organization's total annual operating budget.

Assessor's recommendation: Lower value from 505,300 to 436,325 (68,975). Property is a Section 42 Low Income Housing Project and must be valued using the income approach based on the income and expense data provided by property owner. This is in compliance with State Statute 77-1333. I recommend a change in value based on the information provided during the owner's testimony at the protest hearing, that the "Rental Subsidy" that was included as miscellaneous income was already reported with the "Potential Gross Income". With this corrected the value for 2016 would be 436,325.

Protest 16-17: Pt SE¼ (Tax Lots 3 & 6) 21-25-2, Timothy J. & Angela R. Umbarger. Protested building valuation \$91,595, requested building valuation \$81,595. Reason for requested change: Carport value too high.

Assessor's recommendation: Lower value from 119,970 to 108,355 (-11,615). After discussion with owner it was decided this more of a carport structure than a detached garage. Revalue the building as a carport and lower the improvement value from 91,595 to 79,980.

The meeting was recessed from 11:30 a.m. until 12:00 p.m.

The meeting reconvened. Duffy submitted her written recommendations. Upon review and discussion the board agreed the recommendations were fair. A motion was made by Larson and seconded by Rabe to adopt the Assessor's recommendations on Protests #16-01 through #16-15, and #16-17, and set the valuations accordingly. Roll call vote: Larson, Rabe, Burbach-aye; motion carried.

A motion was made by Larson and seconded by Rabe to adjourn. Roll call vote: Larson, Rabe, Burbach-aye; motion carried.

Debra Finn, Wayne County Clerk