

**2011 LANCASTER COUNTY BOARD OF EQUALIZATION
POLICIES AND PROCEDURES FOR
PROPERTY VALUATION PROTESTS**

The Lancaster County Assessor notified property owners in the county of their property valuation as required by Nebraska Revised Statute §77-1315. Property owners have until June 30 to file protests. These protests are to be heard by the Lancaster County Board of Equalization as required by Nebraska Revised Statute §77-1502.

The Lancaster County Board of Equalization plans to use the following procedures to hear the property valuation protests. The Board plans to use the Referee system for valuation recommendations as set out in Nebraska Revised Statute §77-1502.01. The Referee hearings will begin in mid-June, depending on the number of protests, and continue until completed. Documentation of the hearings and the Referee's reports will be returned to the Board of Equalization upon completion. The recommendations of the referee, along with potential additional information, will be submitted to the Lancaster County Board of Equalization, which will certify the values of all properties on, or before, August 10th or as required by Nebraska Law.

The procedures to be used are more fully described in the following discussion. The procedures are a general outline that is subject to change based upon the number of protests and other unforeseeable factors.

The Board has contracted with Great Plains Appraisal, to act as Referee Coordinator, with Wayne Kubert and Tom Kubert identified as Referee Coordinators. It will be their duty to recruit and coordinate the Referees as required to complete the hearings and valuation recommendations, with adequate time to allow the Board of Equalization to be completed by the previously identified statutory deadlines. Wayne Kubert and Tom Kubert may designate additional coordinators as necessary, with direct supervision by Wayne Kubert and Tom Kubert.

The selection and contractual obligations of the Coordinator and Referees are outlined in the following statements:

- Are to be experienced real estate appraisers that are properly credentialed to appraise real estate in Nebraska. Preference will be given to appraisers that are familiar with the Lincoln and Lancaster County market.
- All Referees will sign a contract with the Lancaster County Board of Equalization. A company that employs two or more appraisers that are hired as referees may contract all of their employees with a company contract. The terms of the Coordinator and Referee contracts are hereby made part of these procedures, and Referees will serve as independent contractors for Lancaster County.
- Referees are to be assigned protests based on their experience and knowledge. The Coordinator is to have the duty of assigning Referees, and any policies related to Referee assignments.
- The Coordinator and Referees shall coordinate with the Assessor's Office as much as possible to ensure corrections are made to records and to ensure value changes are consistent and equalized with other similar properties.
- The Coordinator and the Referees shall coordinate with the Lancaster County Clerk's Office in completing the protests and notifying the parties. However, the ultimate responsibility of documenting the protests and notifying the parties is with the Lancaster County Clerk's Office.
- The Coordinator will be responsible for final review of consistency and accuracy of all recommended values presented by the Referees. The final value recommended to the Lancaster County Board of Equalization will be that of the Referee Coordinator.

- The Coordinator and Referees are responsible to the Board of Equalization for any additional valuation duties that the Board of Equalization may require.
- The Referees and Coordinator, in coordinated effort with the Lancaster County Clerk's Office, shall keep daily log records of the hearings. All of the hearings shall be recorded and the tape submitted to the Clerk as soon as possible after the hearing. The Clerk's Office shall be responsible for maintenance, custody, and control of all records relating to the Board of Equalization at the conclusion of the referee system process.
- The Referee and the Coordinator shall complete the forms as approved by the Coordinator and Board of Equalization. The completed forms are necessary to form a completed file in the event the protest is appealed to the Tax Equalization and Review Commission.

PLEASE NOTE: Nebraska Revised Statute §77-1315(2) requires that taxpayers be provided with notice of the taxable value of their property only if that value has changed from the preceding year. If a taxpayer appeals a value for one year and that appeal has not yet been resolved by May 1 of the following year, the value for the latter year will likely not have changed from that of the preceding year, and as a result the taxpayer will likely not receive a value notice for the latter year. In spite of that fact, and irrespective of the ultimate outcome of the original appeal, neither the County Board nor the Tax Equalization and Review Commission will have authority to reduce the value for the latter year unless a separate protest is filed for that year as well.

Please direct questions regarding the 2011 Lancaster County Board of Equalization Policies and Procedures to the Lancaster County Clerk's Office at 555 South 10th Street, Room 108, Lincoln, NE 68508 or by calling (402)441-7481.

SCOPE OF APPRAISAL SERVICES TO BE PERFORMED BY THE REFEREES AND THE REFEREE COORDINATOR

In an effort to minimize the cost of the appraisal services that are to be performed by the Referees, the services are to be limited in nature. The Referees and the Coordinator are to consider the data, information and analysis presented by the Assessor's Office, and they are to consider all evidence submitted by the protestant at the hearing. In addition, they are to consider relevant market data available to them, note the date on the proper forms, and make relevant analysis using the data available. The written analysis will generally be limited to the approved Referee's forms. However, in complicated cases the Referee and/or Coordinator can include additional analysis, which will be submitted as part of the official record. The services requested are based on mass appraisal techniques modified only to estimate the value of an individual property.

The Referee's Report is to be prepared and/or reviewed by an individual acting in the capacity of a disinterested third party in the role of a Referee or Referee Coordinator.

The services related to referees appointed by the Lancaster County Board of Equalization are exempt from the Nebraska Real Property Appraiser Act. However, as required by the Nebraska Real Property Appraiser Act, each Referee's Report shall include the following disclosure prominently with such report: The opinion of value may not meet the minimum standards contained in the Uniform Standards of Professional Appraisal Practice and is not governed by the Real Property Appraiser Act.

Any opinions or recommendations by the Referee and/or Referee Coordinator(s) should not be used for any purpose or function requiring compliance with any section of either the Uniform Standards of Appraisal Practice or the Nebraska Real Property Appraiser Act. The services rendered by the Referee process are to be utilized only by the Lancaster County Board of Equalization Referee System, or its assigns. The reports are public documents and are available for review once filed in the County Clerk's Office at the conclusion of the Referee System process.

GENERAL POLICIES RELATING TO PROTESTS

The Lancaster County Board, in their capacity as the Lancaster County Board of Equalization, has hired professional appraisers as Referees to assist them in examining all protests. A Referee hearing will be set for each property protested. The purpose of a Referee hearing is to allow the protestant to provide information relating to the value of the property. Relevant information will also be provided to the Referee by the Lancaster County Assessor/Register of Deeds Office.

Protestants have the responsibility of presenting relevant evidence as to why the assessed value of the protested property should be adjusted. It is not the responsibility of the Referee to appraise each property, but rather to consider the information presented by the protestant and the Assessor/Register of Deeds and make a recommendation to the Board of Equalization. Therefore, it is important that the protestant provide relevant information that supports the requested valuation.

Examples of relevant information may include:

- Physical characteristics of the property.
- Market sales of similar properties in a similar area, or evidence of a recent “arms length” sale of this property.
- An appraisal of the property by a credentialed real estate appraiser if available.
- Costs of recent construction on the property that affects the value, or costs needed to update or change use, as applicable.
- Income, vacancy and expense data relating to commercial or investment property.
- Data showing different land uses or soil types. (Farmland only)
- Discounted cash flow data for development land.
- Any other evidence or data that reflects the market value of your property.

Income, vacancy, and expense data relating to a commercial property protest should include summaries of all relevant, and available, data. Verification of income and expense data will vary based on availability, complexity of the case, and the discretion/requirements of the Referee assigned.

GENERAL COMMENTS

After the hearing the Referee may inspect the property, *if necessary*, (this may include only an exterior inspection) and will review both the information presented by the owner and the Assessor/Register of Deeds office. The Referee will make a decision based on this information and other relevant market data, as appropriate. The Referee will complete a Referee’s Report. *PLEASE NOTE: The Assessor/Register of Deeds record will be presumed correct unless the necessary inspection(s) are completed by the Referee.*

The referees are to use their experience to interpret the data provided by the owner and the Assessor’s office. If necessary, referees may also use additional relevant market data to estimate the market value of the property.

Referees and the Coordinator are to declare a conflict of interest on:

- all properties they have appraised within the last three years;
- on all protests that include an appraisal report that they have completed
- on all protests for which they have provided real estate services within the last three years that may be perceived to create a conflict of interest;
- for all protests in which they may have, or may be perceived to have, a personal conflict.

NOTE: With prior approval of the Referee Coordinators the parties may waive any conflict of interest, and any such waivers shall be part of the record.

All appraisals offered as evidence are to be accepted by the referee. The appraisal is to be correlated by the referee and weighted based upon the relevance of the data. Older appraisals may be considered with diminished weight, depending on the market conditions and the experience of the referee.

Interior inspections of the protested property may be required when the owner/representative provides data relating to the value change that involves the interior of the property. The Assessor's record will be presumed correct unless the necessary inspection(s) are completed by the Referee.

In some cases the Lancaster County Assessor's Office is provided, or by other means obtains, information or data that relates to a protested property after the date the valuation notices are mailed. In these cases the Assessor's office may make a recommendation to the Referee. If applicable, this recommendation is to be in writing and is to be included in the protest file.

If a revised assessed value is appropriately documented in the protest file, and is agreed to by both the Assessor's Office and the protestant, then no review of the file will be completed by either the Referee or Referee Coordinator.

Owners or their representatives will be allowed time to present the data or information at the hearing. Generally this will be 8 minutes for residential properties, 10 minutes for apartments and 12 minutes for commercial properties. In complex cases the referee has discretion to allow additional time. The Referee Coordinator will review the completed Referee's Report and the final report will be forwarded to the Board of Equalization. The final value recommendation to the Board of Equalization will be that of the Referee Coordinator.

The Lancaster County Board of Equalization reserves the right to change, reconsider, or approve any of the values recommended by the Referee system. The final value certified by the Board of Equalization will be that of the Board of Equalization.

In the event of any real or perceived threat from a protestant to any public official and/or representative of the Board of Equalization, the protestant will be immediately suspended from the protest process and referred to the Lancaster County Sheriff's Department. At the discretion of the Board of Equalization and/or Referee Coordinator, such protest may be removed from the referee protest process and heard directly by the Board of Equalization or Referee Coordinator.

(Updated June 2011)