

# Commissioner's Record No. 26

MADISON COUNTY, NEBRASKA

## BOARD OF EQUALIZATION SPECIAL MEETING

Madison, Nebraska

August 13, 2021

The Board of Equalization of Madison County, Nebraska met at 9:04 A.M.

Advance notice of special meeting was published in the Monday, August 9, 2021, edition of The Norfolk Daily News and posted on the Madison County website. A copy of said notice was mailed to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed. Chairman Ron Schmidt called the meeting to order and notified the public of the location of the information regarding the Open Meeting Act posted in the meeting room.

Present: Commissioners Eric Stinson, Ron Schmit, and Troy Uhler, County Clerk Anne Pruss, and County Assessor Jeff Hackerott.

Motion made by Uhler and seconded by Stinson to approve the agenda for the meeting. Roll call vote: Ayes, Ohl, Schmidt, and Uhler. Nays, none. Motion carried.

County Assessor Jeff Hackerott explained that once every four years, organizations are required to file a Form 451 exemption application form and the following three years a form can be submitted to re-affirm that the applicant is requesting continued exemption. This organization filed late and all Form 451 Exemptions applications must be file and submitted to the state by August 15, 2021 so this is why a special meeting was called. He reported that organizations qualify for exemption if the property is:

- 1) Owned by educational, religious, charitable or cemetery organizations
- 2) Used exclusively for educational, religious, charitable or cemetery organizations
- 3) Not owned or used for financial gain or profit to either the owner or user
- 4) Not used for the sale of alcoholic beverage for more than 20 hours per week; and
- 5) Not owned or used by an organization which discriminates in membership or employment based on race, color, or national origin

Chairman Schmidt opened a public hearing at 9:02 A.M. to receive testimony regarding exemption applications submitted by educational, religious, and charitable organizations. Mr. Brian Stuhr appeared at the hearing to testify on property owned by VSL Norfolk, LLC, dba Heritage of Bel Air:

*VSL Norfolk, LLC, dba Heritage of Bel Air, Parcel 590279343 (HERITAGE OF BEL  
AIR SECOND ADDITION LOT 1 (PARTIAL EXEMPTION - 9004), Norfolk*

Mr. Stuhr representing VSL Norfolk, LLC testified in support of the approval exemption application for their organization. Mr. Stuhr stated that in June he provided the County Assessor's office with their 451 form and the supporting documents to go with it. He explained that VSL Norfolk, LLC is owned by Better Senior Living which is a nonprofit organization. In order to become and stay as a nonprofit organization you have

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to show that the organization does not have financial distributions to officers, board of directors, etc. Mr. Stuhr reported in Nebraska there's case law through the Nebraska Supreme Court that states that nursing homes and assisted living facilities are tax exempt. Under that specific code there were five factors that needed to be met to satisfy that a property can be considered tax exempt. These five factors include ownership, exclusive use, no financial gain or profit, restricted liquor sales, and prohibited discrimination. Mr. Stuhr stated that in the supporting documents that he provided he lists how they were able to meet each of these factors. VSL Norfolk does not prescreen applicants for financial ability but their criteria for admission is solely based on the health care needs which is recognized as a charitable use. Due to the age, ill health, and physically disability they do meet the definition of a healthcare facility that the Nebraska law states. Mr. Stuhr stated that residents are able to stay in the facility regardless of their ability to pay. Currently, the facility is licensed for 108 residents to live there and 47 of those residents are Medicaid. Mr. Stuhr reported that 100% of their beds are Medicaid certified.

County Assessor Jeff Hackerott asked what Mr. Stuhr is requesting the exemption for. Mr. Stuhr reported that essentially the real estate and personal property tax exemption on just the state facility and not the independent living cottages. This property previously had debt and they could not essentially transfer over to the nonprofit and once the debt was removed they were able to move over to the nonprofit for partially of the year. Mr. Stuhr indicated in his documents that they have 12 other facilities in Nebraska that have been approved as tax exempt and most of them have been approved since 2017. Mr. Hackerott asked how their admission of residents is difference than other nursing homes besides not financially prescreening. Mr. Stuhr explained that when they receive a patient from a hospital or a home they fill out an application. On this application there is a financial section that is used to let them know if they are using Medicare and that a Medicaid application would need to be completed. There are some facilities that will not admit Medicaid but VSL Norfolk will take these residents on.

Chairman Uhlir asked what the advantage was of owning this in a nonprofit if you can't take any profits out. Mr. Stuhr stated that by being a nonprofit it gives them the ability to grow their facility. He explained that a lot of times being a parent company they have to take out a loan but once they are put into the nonprofit status they are able to take out debt. Mr. Stuhr reported that the employees within the facility still do receive wages. Mr. Hackerott questioned what charitable services VSL Norfolk provides. Mr. Stuhr stated by meeting the five factors that are required this automatically qualifies them as a charitable organization. He explained that as a company they do reinvest back such as they provide support to their team members if something tragic happens they will provide assistance. Also, holding a Medicare available status this is another qualification to being considered as charitable.

County Assessor Jeff Hackerott reported that he recommended approval of the application. Hearing was closed at 9:33 A.M.

After discussion, a motion was made by Stinson and seconded by Uhlir to accept the recommendations of the County Assessor and the approval of full exemption the foregoing exemption applications. Roll call vote: Ayes, Schmidt, Stinson, and Uhlir. Nays, none. Motion carried.

The Board of Equalization adjourned at 9:48 A.M.

ATTEST:

County Clerk Anne M. Pruss

Ronald Schmidt, Chairman  
County Board of Equalization