

# Commissioner's Record No. 25

MADISON COUNTY, NEBRASKA

## BOARD OF EQUALIZATION

Madison, Nebraska

July 22, 2016

The Board of Equalization of Madison County, Nebraska met at 9:00 A.M.

Advance notice of meeting was published in the Friday, July 15, 2016 edition of The Norfolk Daily News. 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 Christian Ohl, Jim Prauner, and Ron Schmidt, County Assessor Jeff Hackerott, and County Clerk Nancy Scheer.

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

Protest #2016-103 Gary Miller, 2900 Rolling Hills Drive, Norfolk  
Green Meadow 2nd Addition Lot 3, Blk 2 Unit B

Chairman Schmidt opened the hearing at 9:00 A.M. Gary Miller appeared at the hearing and testified that this property was owned by a partnership for many years and he bought out his partner's share on April 30, 2015 for \$110,000. He stated that, in his opinion, it is overvalued at \$116,138. Chairman Schmidt asked how the price was determined and Mr. Miller responded that they looked at the sale prices of similar properties, they knew what they had invested in the property, and the partner made some money on the property while in the partnership. He also stated that he did not want to overpay for the property. Chairman Schmidt stated that the County needs to consider if the sale was an arms-length sales transaction. Mr. Miller agreed that it may not be considered an arms-length sales transaction because it was between partners; however, it was a legitimate sale because he would not overpay for it as a partner. He stated that they are not family members, but they had business interest together. He stated that the subject property is a middle unit in the building and in his opinion has less value than an end unit, and it does not have a basement. He stated that \$110,000 valuation is reasonable and that \$116,138 value set by the County stretches the actual value. County Assessor Jeff Hackerott reported that he has three sales of similar properties in this area including 301 North 32nd Street, Unit C, which sold on November 13, 2015 for \$125,000; 303 North 32nd Street, Unit A, which sold in 2012 for \$129,900; and 303 North 32nd Street, Unit C, which sold for \$125,000 in November, 2013. Chairman Schmidt closed the hearing at 9:04 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-104 Gary Miller, 2900 Rolling Hills Drive, Norfolk  
C B Durlands Second Addition Lots 23 & 24, Blk 4 & PT Vac Alley

Chairman Schmidt opened a hearing at 9:05 A.M. Gary Miller attended the hearing and testified that there was an error made on the transfer statement when the deed for this property was recorded. He explained that his mother owned this property and another property located on South 1st Street and she sold them to him as a combination package and the sale price was actually \$50,000 for each house and somehow the transfer statement showed that the price was \$100,000 for this individual property. He stated that his mother was the holder of this property prior to the previous buyers because he was an employee of the City of Norfolk; so, as a legitimate sale, it was actually just a transfer from the previous owners. He stated that the error was made on December 5, 2014 when the title was transferred to his name. He stated that the previous sale prior to his purchase was for approximately \$30,000; so, the \$50,000 was a legitimate number. County Assessor Jeff Hackerott confirmed that Mr. Miller's testimony is accurate and that the sales transaction included two properties and the attachment to the transfer statement never made it to the Assessor's office. Chairman Schmidt asked if the transfer of these properties were arms-length sale transactions and Mr. Hackerott responded that they may be market value; but, they are not arms-length sales. He explained that there is a willing buyer and a willing seller, but they are related parties. Mr. Miller clarified that the arms-length sales transaction happened when it went from the previous owner into his mother's name which was a legitimate transaction. He explained that when they transferred the ownership from his mother's name into his name there was no money exchanged. He said that his mom did not finance the property, but he did. He stated that the bank attached a note to the property, which was his note, even though it was in his mom's name. Chairman Schmidt closed the hearing at 9:09 A.M. Motion was made by Ohl and seconded by Prauner to set the 2016 property valuation at \$56,498. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-105 Gary Miller, 2900 Rolling Hills Drive, Norfolk  
Pasewalks Fifth Addition S 6.9 Ft Lot 1 & All Lot 2, Blk 3

Chairman Schmidt opened a hearing at 9:08 A.M. Gary Miller attended the hearing and testified that he paid \$115,000 for this property on July 1, 2015. He stated that the County's valuation is over 100% of what he paid and it was on the market and was a legitimate sale that was listed with a realtor. He said that the value should not be as high as his purchase price because his purchase price included realtor's fees. County Assessor Jeff Hackerott confirmed that Mr. Miller purchased the property on June 29, 2015 for \$115,000. Chairman Schmidt closed the hearing at 9:11 A.M. Motion was made by Ohl and seconded by Prauner to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-106 Gary Miller, 2900 Rolling Hills Drive, Norfolk  
Braaschs Suburban Lots S 88 Ft E 135 Ft W 490 Ft Lot 6

Chairman Schmidt opened a hearing at 9:11 A.M. Gary Miller was present and testified that he purchased this property on December 10, 2015 for \$126,500. He stated that this property was re-processed and was being sold by a bank. He stated that it was listed on the market for \$150,000 by a realtor, and when it didn't sell, the bank sold it privately. County Assessor Jeff Hackerott confirmed that the property was sold as a foreclosure by the bank. Mr. Miller stated that he would appreciate if the valuation would not be set at 100% of market because it was legitimately on the market. Chairman Schmidt closed the hearing at 9:14 A.M. Motion was made by Prauner and seconded by Ohl to consider the recent purchase price and set the 2016 property valuation at \$126,500. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2016-107 Gary Miller, 2900 Rolling Hills Drive, Norfolk  
Glenwood Addition Lot 13, Blk 8

Chairman Schmidt opened a hearing at 9:14 A.M. Gary Miller appeared at the hearing and testified that the subject property is a two unit multi-family duplex that is a rental property which he is owned for a number of years. He reported that the duplex is built on a slab and is located in a changing neighborhood. He stated that he should have previously protested the valuation; however, as a Norfolk City employee that was frowned upon. He stated that there are two units in the building and individually that would make each unit worth \$70,000. Mr. Miller stated he would be unable to get rent comparable to that nor could he could he sell it for that amount. Mr. Miller said that each unit has two bedrooms and one bathroom. Mr. Miller stated that, in his estimation, the rental properties are between the \$50,000 and \$65,000 range, making the value of this unit too high. He stated that as an individual unit each one would be \$72,000 based on the County's valuation. He stated that as a comparison, a unit that is located in Green Meadow Subdivision is a two-bedroom and valued at \$110,000 and one of these units at \$72,000 no way approaches the \$110,000 mark. County Assessor Jeff Hackerott reported that the building is a duplex with 980 square feet. He stated that the only sale that he could find was a duplex with a basement which sold for \$73,000 a unit. Mr. Miller stated that, in his estimation this duplexes is similar to the Galeta condos and they should be similarly valued which would be between the \$50,000 and \$60,000 range. Chairman Schmidt closed the hearing at 9:19 A.M. Motion was made by Prauner and seconded by Ohl to set the 2016 property valuation at \$132,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-108 Jared Faltys, 125 South 4th Street, Norfolk  
Green Meadow 2nd Addition Lot 1, Blk 2

Chairman Schmidt opened a hearing at 9:20 A.M. Jared Faltys appeared at the hearing and testified that he purchased the property after it had been listed on the market for 1,416 days, which is almost 4 years. He stated that the property was listed for \$144,000 and he purchased it for \$85,000. He stated that a square foot analysis shows that the sale was \$2.06 per square foot; so, he requested that the valuation be set at the sale price. He submitted copies of three comparable sales which reflected sale prices ranging between \$.42 and \$1.75 per square foot. County Assessor Jeff Hackerott stated that the assessment record reflects that the property was purchased on July 15, 2016 for \$85,000. Chairman Schmidt closed the hearing at 9:24 A.M. Motion was made by Prauner and seconded by Ohl to consider the recent purchase price and set the property valuation for 2016 at \$85,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-109 Scott Wragge, 412 South 2nd Street, Norfolk  
Pasewalks Addition NE1/4 Lot 4, Blk 4

Chairman Schmidt opened a hearing at 9:38 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property in July, 2014. He stated that the house was a bungalow style and then an addition was added onto the back. He stated that over half of the house is the new addition, with a two-car attached garage and an unfinished basement. He explained that the valuation change was a 5% increase on the house which was applied to other houses in the neighborhood. He reported that the house located across the street is newer, but smaller and only has a single car garage and sold for \$121,000. Chairman Schmidt closed the hearing at 9:41 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-110 Eric Luber, 818 South 7th Street, Norfolk  
Durlands Suburban Lots SW1/4 Lot 23

Chairman Schmidt opened a hearing at 9:42 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that the house is 1½ story that was built in 1961 and has some finish in the basement. He stated that the property also has a single car detached garage. He explained that the assessment record reflects that the house was purchased on December 22, 2015 for \$78,500 and that the house was a foreclosure. Chairman Schmidt closed the hearing at 9:44 A.M. Motion was made by Prauner and seconded by Schmidt to set the 2016 property valuation at \$96,177. Roll call vote: Ayes, Prauner and Schmidt. Abstaining, Ohl. Nays, none. Motion carried.

Protest #2016-111 Menards, Inc., 2311 Taylor Avenue, Norfolk  
N E A D 1st Addition Lot 2

Chairman Schmidt opened a hearing at 10:53 AM. No one appeared at the hearing to offer verbal testimony. County Clerk Nancy Scheer explained that Chad Zeznanski, representative for Menards, requested a telephonic hearing and was told that the Board Chairman would call to initiate the hearing. Chairman Schmidt called Mr. Zeznanski at 9:53 A.M. and reached a voice mail box advising the protestor to call back. No call was received. The written protest form was read. County Assessor Jeff Hackerott reported that the subject property is the Menard's store located in Norfolk. He stated that no documents or attachments were submitted to support the sales comparison approach, cost approach, or income approach in determining the property valuation. Chairman Schmidt closed the hearing at 10:55 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-112 Donald Mozer, 53971 843rd Road, Meadow Grove  
PT E1/2 SE1/4 13-24-4 62.45 AC

Chairman Schmidt opened a hearing at 9:55 A.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported the number of acres on the parcel from the assessment record. He explained that the main reason for the valuation difference was because he re-measured the acres and changed the dry crop from 14.55 acres to 33.9 acres. Chairman Schmidt closed the hearing at 9:57 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

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Protest #2016-113 Donald Mozer, 53971 843rd Road, Meadow Grove  
PT W1/2 SW1/4 18-24-3 38.52 AC

Chairman Schmidt opened a hearing at 9:58 A.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that the property consists of 38.52 acres. He reported that the parcel is planted to beans this year. He explained that the main reason for the valuation difference was because he re-measured the acres and changed the dry crop from 13.36 acres to 29.86 acres. He stated that grass acres were changed to dry crop. Chairman Schmidt closed the hearing at 10:00 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-114 James Lee, 14400 Metcalf Avenue, Overland Park, KS  
Carhart Second Addition Replat I Lot 1, Blk 1 2.26 AC

Chairman Schmidt opened a hearing at 10:27 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott explained that the subject property is Norfolk Homestead assisted living facility and has a mix of units including 21 small units, 10 medium units, and 4 large units. He reported that the protester used the Marshall and Swift cost approach to calculate a value of \$1,940,000. He stated that the County is using the income approach and the various rents associated with the different units in the facility. He reported that the structure was built by an organization called Norfolk Homestead LLC and the current owner K & E Health Management Inc. purchased the property in 2004 for \$2.4 million. Chairman Schmidt closed the hearing at 10:31 A.M. Motion was made by Ohl and seconded by Prauner to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-115 John and Jeanne Dittrich, 83905 537th Avenue, Meadow Grove  
PT SE1/4 6-23-4 155.22 AC

Chairman Schmidt opened a hearing at 10:09 A.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that the subject property is irrigated and located close to the Antelope County line. He explained that the assessed value is \$6,718 per acre which would make a market value of \$8,958 per acre. He stated that 123 acres on this parcel are Class I soil which is irrigated and another 12 acres are Class I soil that is dryland. He reported that the sales listed by Mr. Dittrich on the protest form are included in the sales study used to establish the 2016 valuations. He explained that the new sales included in the market study are not impacting the agricultural values to show a reduction for 2016 in most areas of the County. Chairman Schmidt closed the hearing at 10:14 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-116 Westside Plaza LLC, 500 North Dearborn Street, Suite 400, Chicago IL  
Westside Plaza Addition E 405 Ft Lot 1

Chairman Schmidt opened a hearing at 10:32 A.M. County Clerk Nancy Scheer reported that an email was received from Spero N. Kopitas requesting withdrawal of the protest. Chairman Schmidt closed the hearing at 10:33 A.M. Motion was made by Prauner and seconded by Ohl to accept withdrawal of the protest form. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

The Board considered the following property valuation protest which was tabled at the June 28, 2016 meeting:

Protest #2016-11 Charles & Elizabeth Orton, 501 East Eisenhower Avenue, Norfolk  
PT NE1/4 24-23-3

County Assessor Jeff Hackerott reported that no decision has been received from the Tax Equalization and Review Commission regarding the appeal of the 2015 valuation. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

The Board considered the following property valuation protest which was tabled at the July 6, 2016 meeting:

Protest #2016-32 Calvin and Peggy Sue Miller, 616 Roland Street, Norfolk  
Verges Additional Suburban Lots S1/2 Lots 3 & 4, Blk 2

Chairman Schmidt opened a hearing at 10:33 A.M. Calvin Miller was present at the meeting and requested a hearing since he was unable to attend on July 6, 2016 when the original hearing was scheduled. He requested a value of \$84,880 and stated that the property was incorrectly measured by the County. He stated that he compared building rates to everyone else on his block for the homes that are the same size as his. He stated that the valuation of his house increased \$18,099 versus homes that are comparable to his size located at 606, 616, 620, and 621 Roland Street which had values going up \$1,286 to \$2,388. He stated that the house located at 621 Roland Street is larger than his house and the value increased \$1,500. Mr. Miller stated that he went with a building increase of \$5,000 thinking that this would be very fair. He explained that he used the same method with the land valuation. He reported that the land value at 621 Roland Street increased \$1,386 and the valuation for his property at 616 Roland Street increased \$2,920. He stated that the land value for 606 Roland Street increased \$1,401 and the land value for 620 Roland Street increased \$1300. He said that he doesn't see how this is fair when the majority of houses are larger than his and have larger lot sizes. He stated that he is seeing a higher increase in what his fair market value is supposed be. Mr. Miller stated that he took the higher valuations of these and gave it an average of \$1,400 and that is how we came up with the valuation of \$84,880. He stated that these are homes that are equal to his size and he is not taking into consideration that he lives in a slab home area. He said that all homes that he used for comparison have basements that are on his block. Commissioner Prauner asked if any improvements have been made to the home and Mr. Miller responded that the County was out to inspect his house in 1998 when the last improvements were completed. Mr. Miller stated that the only improvements he made to the house were from the hail storm damage three years ago which included replacement of vinyl siding and shingles. He stated that he added a yard shed which the County measured as 14 foot by 12 foot when it was actually 10 foot by 16 foot with the concrete approach of 6 foot by 5 foot. He stated that the County record also listed a yard shed which was 5 foot by 4 foot; however, it was actually a woodstove. He reiterated that the only change that he made since the house was measured by the County in 1998 was the addition of a shed.

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He stated that the enclosed porch on the back side of the home was measured incorrectly and the actual living area of the house was about 64 square feet smaller than listed on the assessment record. County Assessor Jeff Hackerott reported that the homes within a 2 to 3 block area were built in the 1950s. He explained that most of the homes have approximately 1,000 square feet on the main floor except for one house which has 2,500 square feet on the main floor. He stated that the last renovation completed on the house was in 1998 which is when the County updated the assessment record. He explained that he inspected the property on July 21, 2016 and Mr. Miller was unable to meet him; but, he was given permission to re-measure and inspect the outside of the house. Mr. Miller reiterated the values of the surrounding houses. Commissioner Prauner asked if there were any sales in the neighborhood and Mr. Miller responded that many of the homes in his neighborhood that are selling are being purchased by realtors for rentals. He explained that he doesn't think he is being fairly treated on his property valuation when compared to other houses in his neighborhood for a market value. Chairman Schmidt closed the hearing at 10:48 A.M. Motion was made by Ohl and seconded by Prauner to set the 2016 property valuation at \$87,353. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

The Board of Equalization adjourned at 10:57 A.M.

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County Clerk Nancy Scheer

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Ron Schmidt, Chairman  
County Board of Equalization