

MINUTES
LANCASTER COUNTY BOARD OF EQUALIZATION
TUESDAY, JANUARY 17, 2023
IMMEDIATELY FOLLOWING THE BOARD OF COMMISSIONERS MEETING
COUNTY-CITY BUILDING, ROOM 112

COMMISSIONERS: Christa Yoakum, Chair; Sean Flowerday, Vice Chair;
Roma Amundson, Matt Schulte, and Rick Vest

Advance public notice of the Board of Equalization meeting was posted on the County-City Building bulletin board and the Lancaster County Nebraska website, emailed to the media and published in the Lincoln Journal Star print and digital editions on January 13, 2023.

Commissioners present: Christa Yoakum, Chair; Sean Flowerday, Vice Chair; Roma Amundson; Matt Schulte and Rick Vest

Others present: Dave Derbin, Chief Administrative Officer; Kristy Bauer, Deputy Chief Administrative Officer; John Ward, Deputy County Attorney; Vicki Hansen, Real Estate Manager; Kristen Anderson, Deputy County Treasurer; Dan Nolte, Assessor/Register of Deeds; Cori Beattie, Deputy Assessor/Register of Deeds; Derrick Niederklein, Chief Field Deputy Assessor/Register of Deeds; Matt Hansen, County Clerk; Courtney Lyons, Deputy County Clerk; Leslie Brestel and Meggan Reppert-Funke, County Clerk's Office

The meeting was called to order at 9:36 a.m., and the location of the Nebraska Open Meetings Act was announced.

1) ELECTION OF OFFICERS

A. Election of 2023 Officers for the Lancaster County Board of Equalization

MOTION: Vest moved and Flowerday seconded to nominate Christa Yoakum as Chair.

MOTION: Vest moved and Amundson seconded to nominate Sean Flowerday as Vice Chair.

ROLL CALL: Vest, Amundson, Schulte, Flowerday and Yoakum voted yes. Motion carried 5-0.

2) MINUTES

A. Approval of the minutes of the Board of Equalization meeting held on Tuesday, January 3, 2023.

MOTION: Amundson moved and Flowerday seconded approval of the minutes. Flowerday, Vest, Amundson and Yoakum voted yes. Schulte abstained. Motion carried 4-0 with one abstention.

3) ADDITIONS AND DEDUCTIONS TO THE TAX ASSESSMENT ROLLS

MOTION: Flowerday moved and Amundson seconded approval of the additions and deductions to the tax assessment rolls.

Schulte inquired how the additions and deductions are determined. Dan Zieg, Deputy County Attorney, stated additions and corrections can be a result of a Tax Equalization and Review Commission (TERC) settlement, property splits and subdivisions.

Derrick Niederklein, Chief Field Deputy Assessor/Register of Deeds, added clerical errors or non-reported significant property improvements may also be shown on the additions and deductions.

ROLL CALL: Schulte, Flowerday, Vest, Amundson and Yoakum voted yes. Motion carried 5-0.

4) SECTION 42 HOUSING 2023 REAL PROPERTY VALUES DISCUSSION (See correlating item under 6A)

Zieg stated the Assessor determines real property values for Section 42 housing by using actual income and expenses. Additionally, there is a market cap rate that is determined by a committee. These methods are prescribed by state statutes. If the Assessor believes that the process results in a value less than actual value, the Assessor is required to present that information to the Board of Equalization. Zieg said the Assessor had some concerns after they were informed to assess the value at zero which does not accurately reflect market value. He presented a list compiled by the Assessor/Register of Deeds Office showing 2023 property and land values of Section 42 value (Exhibit 1). The Assessor uses both the land value and building values to determine a total property value. The total value is what is used for taxation.

Flowerday asked if properties with zero value are due to poor structure conditions that reduce the value of the land. Zieg answered the condition of the building does not always affect the value of the property. The property owners may be operating the building at a loss, which could be well below market value. Zieg presented a listing showing properties reporting appropriate income and expenses (Exhibit 2). Zieg reiterated the Assessor must present this information from which the Board must determine if they want to file a petition with TERC to have TERC redetermine the values of the properties shown in Exhibit 1.

Derrick Niederklein, Chief Field Deputy Assessor/Register of Deeds, stated the standard evaluation in Nebraska is to value properties at actual value. The statute that became effective in 2016 requires assessors to use a very specific formula to establish property values, and if the formula does not achieve the actual value, the assessor has a responsibility to bring it before the board of equalization. He presented a property card of a property that, if using the prescribed formula, would be valued at zero dollars (Exhibit 3).

Amundson clarified that the request is for the Board to file a petition with TERC. Zieg responded a petition to TERC is the recommendation of the County Attorney and the Assessor/Register of Deeds.

Schulte inquired how the property owners are reporting net income to the Assessor/Register of Deeds Office and if depreciation is considered a part of the property owners net revenue. Niederklein said the statute requires the property owner complete and file a prescribed form with the Nebraska Department of Revenue. Around September 1, the Department of Revenue reports a summary form to the Assessor/Register of Deeds Office. The law also requires the property owner to provide audited financials if available along with their form. He said approximately 50% of the filers provide audited financials. The audited financials do not highlight if the expenses are an expense of the property or of the owners. He added depreciation should not be considered an expense.

When asked about the property owners, Niederklein stated there is a variety of property owners for Section 42 housing ranging from nonprofits to investors. Zieg highlighted that though non-profit organizations may be exempt from paying property taxes, the actual property value is still needed.

MOTION: Amundson moved and Schulte seconded approval to file a petition with TERC of the Section 42 housing 2023 real property values. Amundson, Schulte, Flowerday, Vest and Yoakum voted yes. Motion carried 5-0.

5) PUBLIC HEARING

A. Motor Vehicle Tax Exemptions Applications (See correlating item 6B)

Wyuka Cemetery and Funeral Home	The Salvation Army
Trinity Lutheran Church - School	Gentle Shepherd Baptist Church
Food Bank of Lincoln Inc	Great Plains Annual Conference of The United Methodist Church

The Chair opened the public hearing.

No one appeared to testify on the motor vehicle tax exemption applications.

The Chair closed the public hearing.

6) **ACTION ON THE PRECEEDING ITEMS:**

A. Section 42 Housing 2023 Real Property Values

NOTE: Action on this item was taken during item 4.

B. Motor Vehicle Tax Exemptions Applications

MOTION: Amundson moved and Vest seconded approval of the motor vehicle tax exemption applications. Vest, Amundson, Schulte, Flowerday and Yoakum voted yes. Motion carried 5-0.

7) **PUBLIC COMMENT:** Those wishing to speak on items relating to County Board of Equalization business not on the agenda may do so at this time.

No one appeared for public comment.

8) **ADJOURNMENT**

MOTION: Vest moved and Amundson seconded to adjourn at 9:52 a.m. Flowerday, Vest, Amundson, Schulte and Yoakum voted yes. Motion carried 5-0.



Matt Hansen
Lancaster County Clerk

