

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

Lancaster County notifies 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 ("Board") as required by Nebraska Revised Statute § 77-1502.

The Board uses 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 as early as mid-June, and documentation of the hearings and the Referee's reports will be returned to the Board upon completion. The recommendations of the referee will be submitted to the Board, which will determine the values of all properties on, or before, August 10 or as required by Nebraska Revised Statute § 77-1502.

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 a third party to act as Referee Coordinator (Coordinator). 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 to be completed by the previously identified statutory deadlines. The Coordinator may designate additional coordinators as necessary, with direct supervision by the Coordinator.

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

- Are to be experienced real estate professionals that are properly credentialed to appraise real estate in Nebraska and/or are experienced in real estate valuation issues. Preference will be given to referees that are familiar with the Lincoln and Lancaster County market.
- All Referees will sign a contract with the Board. 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 the Coordinator and Referees will serve as independent contractors for Lancaster County.
- Referees are to be assigned protests based on their experience and knowledge. The Coordinator(s) have the duty of assigning Referees, and developing and applying any policies related to Referee assignments.
- The Coordinator and Referees shall coordinate with Lancaster County 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 shall coordinate with Lancaster County in completing the protests and notifying the parties. However, the ultimate responsibility of documenting the protests and notifying the parties is with Lancaster County.
- The Coordinator will be responsible for final review of consistency and reasonableness of all recommended values presented by the Referees. The final value recommended to the Board will be that of the Coordinators.
- The Coordinator and Referees are responsible to the Board for any additional valuation duties that the Board may require per the Coordinator and Referee contracts.
- The Referees and the Coordinator shall complete the forms as approved by the Coordinator and the Board. 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 March 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.

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

In an effort to minimize the cost of 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 Lancaster County, and they are to consider all evidence submitted by the protestant. 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 Referees 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 review 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 Coordinator.

The services related to referees appointed by the Board are exempt from the Nebraska Real Property Appraiser Act pursuant to Nebraska Revised Statute § 76-2221(7). 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 Referees and/or Coordinator 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 Board, 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 its capacity as the Board, has hired real estate professionals as Referees to assist the Board in examining all protests. The purpose of a Referee hearing is to allow the protestant to provide information relating to the value of the property as of January 1 of the relevant tax year. A Referee hearing will be set for each property protested, subject to scheduling and policies of the Board. If a hearing is waived, or is not available, consideration of a protest will be limited to the written documentation submitted with the protest filed. Relevant information will also be provided to the Referee by representatives of Lancaster County.

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 County and to make a recommendation to the Board. Therefore, it is important that the protestant provide relevant information that supports the requested valuation. Any evidence to be considered by a Referee shall be received by the Lancaster County Clerk within seven days (including weekends and holidays) from the date the protest was submitted if a referee hearing was waived or before the hearing, during the hearing, or within seven days (including weekends and holidays) from the date of a referee hearing. Evidence not timely received will not be considered by the Referee. This deadline will be strictly enforced.

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 the protested property.
- A full and complete copy of an appraisal of the property by a credentialed real estate appraiser, if available.(copy of appraisal must be submitted to be considered)
- 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 the protested property.

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

GENERAL COMMENTS

During the protest process, the Referee may request to have a representative from the Lancaster County Assessor’s Office inspect the property, *if necessary*, and will review both the information presented by the owner and the existing Assessor’s property record and overall classification. The Assessor’s Office Staff may propose changes to the property record based on the inspection. 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 summarizing the Referee’s recommendation. *PLEASE NOTE: The Lancaster County records will be presumed correct unless the Referee requested inspection(s) demonstrate foundation for a change.*

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

Questions related to the data, analysis, and methodology of the Lancaster County Assessor’s Office’s assessment process should be directed to that Office and are not part of the property valuation protest process.

Any protest in which a Referee or any agent, employee, or business associate of Referee is involved on behalf of the protestant and related to the protest under review, either directly or indirectly, in any advisory, professional, or other capacity, shall not be heard by the involved Referee. In such cases, the Referee shall immediately declare a conflict of interest and shall inform the taxpayer that he or she will, at the discretion of the Coordinator, have the protest heard by a disinterested Referee, by the Coordinator, or directly by the Board pursuant to the provisions of Nebraska Revised Statute § 77-1502.

In addition Referees and the Coordinator are to declare a conflict of interest 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 and on all protests in which they may have, or may be perceived to have, a personal conflict.

NOTE: With prior approval of the Coordinator, 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.

If a hearing is scheduled, owners or their representatives will be allowed time to present the data or information provided ahead of time at the hearing. Generally this will be 15 minutes for residential use properties, 30 minutes for agricultural use properties and 45 minutes for commercial use properties. In complex cases the Referee or Coordinator has discretion to allow additional time.

The Coordinator will review the completed Referee's Report and the final report will be forwarded to the Board. The final value recommendation to the Board will be that of the Coordinator.

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

In the event of any real or perceived threat from a protestant to any public official and/or representative of the Board, 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 and/or Coordinator, such protest may be removed from the referee protest process and heard directly by the Board or Coordinator.

QUESTIONS / COMMENTS

Please direct questions regarding the 2023 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) 441-8724.

(Updated April 2023)