

PROCEEDINGS OF THE KNOX COUNTY BOARD OF EQUALIZATION

July 9, 2020
Center, Nebraska
10:00 a.m.

A regular meeting of the Knox County Board of Equalization was held in the Boardroom at the Knox County Courthouse in Center, Nebraska on the date of July 9, 2020 at 10:00 a.m. Present were Supervisors Martin J. O'Connor District #1, Patrick J. Liska District #2, Virgil H. Miller District #3, James Sokol, Jr. District #4, Kevin D. Mackeprang District #5, Danny R. Schlote District #6, and James J. Borgmann District #7. Absent was none. Chairman Borgmann presiding.

Chairman Borgmann announced to the public that a copy of the Public Open Meeting Act was posted in the Boardroom.

Notice of the meeting was given in advance thereof by publication in the Niobrara Tribune newspaper, as shown by the Affidavit of Publication attached to these minutes.

Notice of this meeting was simultaneously given to all members and a copy of their acknowledgment and receipt of notice and agenda is attached to these minutes. All proceedings hereafter shown were taken while the convened meeting was opened to the attendance of the public.

The minutes of the June 25, 2020 meeting were read and approved by Chairman Borgmann.

County Assessor McManigal and the Board reviewed the protest hearing process.

The Board reviewed a Form 425 filed by Jeff and Karla Uhlir regarding a house fire. The Board tabled action until the special July 13, 2020 meeting/public hearing.

There was no public comment on agenda items nor on non-agenda items.

Chairman Borgmann moves the Board of Equalization recess at 10:26 a.m. until 11:30 a.m. for the public hearing to hear testimony on filed Forms 422.

The Knox County Board of Equalization reconvened at 11:34 a.m. with all members present.

Chairman Borgmann opened the advertised public hearing at 11:34 a.m. to hear testimony and to read into record the filed Forms 422 Property Valuation Protest. Present were the Board, County Assessor McManigal, Deputy Assessor Beckmann and County Clerk Fischer.

The hearing process was read into record and County Clerk Fischer swore in County Assessor McManigal. The following is the order of protests heard during the hearing:

Protest #1 - 2020 - Loren L. Sievers, 5411 AVE A, Crofton NE 68730, Parcel ID Number 540010106, no legal description shown on Form 422. Chairman Borgmann read the protest form into record. No one appeared at the hearing to offer verbal testimony. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, that the property is located in Kohles Acres where there was a 30% valuation increase because of a market study in that area, the valuation is between 92% and 100% of the market value, and the first valuation notice was mailed out at the higher rate but was given a 10% break due to economics on a second mailing.

Chairman Borgmann moves the Board of Equalization recess for lunch at 12:00 p.m. and the hearing remains open.

The Knox County Board of Equalization reconvened at 12:43 p.m. with all members present.

Protest #2 - 2020 - Neil C. and Lisa D. Timmerman, 3703 133rd ST, Urbandale IA 50323-2175, Parcel ID Number 540010071, no legal description shown on Form 422. Chairman Borgmann read the protest form into record. Protestors were present via Zoom, were sworn in and gave testimony that included that the home does not have a basement but has a crawl space, valuation when addition was put on the house in 2016 increased appropriately, and land has problems with erosion. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, that the property is located in Kohles Acres where there was a 30% valuation increase because of a market study in that area, the valuation is between 92% and 100% of the market value, and the first valuation notice was mailed out at the higher rate but was given a 10% break due to economics on a second mailing.

Protest #3 - 2020 - Sandra Robertson, 1106 Sunshine BLVD, Bellevue NE 68103, Parcel ID Number 540010870, no legal description shown on Form 422. Chairman Borgmann read the protest form into record. No one appeared at the hearing to offer verbal testimony. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed and included that changes may be considered as larger tracts are being sold in the Devils Nest Subdivision.

Protest #4 - 2020 - AngieLynn Garfield, 1106 Sunshine BLVD, Bellevue NE 68103, Parcel ID Number 540010869, Lot 15, Block 1, Devils Nest. Chairman Borgmann read the protest form into record. No one appeared at the hearing to offer verbal testimony. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed and included that changes may be considered as larger tracts are being sold in the Devils Nest Subdivision.

Protest #8 - 2020 - Scott Swanson, PO Box 551, Sulphur Springs TX 75482, Parcel ID Number 540008468, no legal description was on Form 422. Chairman Borgmann read the protest form into record. No one appeared at the hearing to offer verbal testimony. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed.

Protest #5 – 2020 – Daniel J. Costello, PO Box 2238, Sioux Falls SD 57101-2238, Parcel ID Number 540001320, E. 200' Ls S. 75' of Block 51, Whited Addition to Bloomfield. Chairman Borgmann read the protest form into record. Jared Vilhauer associated with Costello Property Management attended the hearing via telephone. Also present via telephone was Joe Wilson, Commercial Appraiser with Tax Valuation, Inc. They discussed together the tough economics at the Washington Apartments in Bloomfield and looked at the income approach. Due to the two parties not always being able to hear each other, it was agreed that Mr. Wilson and Mr. Vilhauer would talk with each other and report back to the County Assessor before the Board makes a decision on the protest. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed.

Protest #6 – 2020 and Protest #7 - 2020 - Dennis W. Dannelly and Debra Allemann-Dannelly, PO Box 370, Genoa NE 68640, Parcel ID Numbers 540011657 and 540011658, Lot 13 (Protest #5) and Lot 14 (Protest #6), Elkhorn Ridge, Crofton NE 68730. Chairman Borgmann read the protest form into record. Dennis Dannelly was present, sworn in and gave testimony that included a water line broke that put over 100,000 gallons of water between the lots and into the hillside causing landslides, that Lot 13 (Protest #6) is empty and unusable due to the landslide, requested valuation less than \$1,000; and on Lot 14 (Protest #7) the garage completely collapsed, that he would like to move the house, and the land would be unusable. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed and included that the empty lot did receive a 90% adjustment.

Protest #33 – 2020 – Mitchell Johnson, 88920 550 AVE, Crofton NE 68730, Parcel ID Number 540003807, TR SWSW 5.96 acres in Section 26, T32N, R2W. Chairman Borgmann read the protest form into record. Mitchell Johnson was present via telephone, was sworn in and gave testimony that included the increase to his property was \$36,110 and gave comparisons of neighboring parcels. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed along with improvements were made to the property that were not known to the Assessor's Office so the valuation was changed to reflect the improvements.

Protest #15 – 2020 - Mike and Janet Schmitt, 104 Moccasin ST, PO Box 274, Elgin NE 68636, Parcel ID Number 540004537, #3 PT SWNW, PT NWSW, PT SWSW (N of RD) 51.41 Acres in Section 3, T32N, R7W. Chairman Borgmann read the protest form into record. Mike and Janet Schmitt were present, Mike Schmitt was sworn in and gave testimony that the property was flooded in 2011 and is covered with sand. Currently the property is classified as recreational and Mr. Schmitt asked the classification be changed to ag, and, there is visible siltation remaining from the flood. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed and that classification change could be considered if pictures are presented and field checks are done. Also, a reduction was already made to the house through the Over/Under process due to plumbing.

Protests #9 – 2020, #10 – 2020 and #11 - 2020 - Leon Grothe, 53367 894 RD, Niobrara NE 68760, Parcel ID Number 540005443 NW1/4 of Section 5, T31N, R3W 159.58 acres (Protest #9); 540009856 TR N1/2 of Section 1, T32N, R5W 5.10 acres in Section 5, T31N, R5W (Protest #10); and 540005446 SW1/4 Is. .12 acres to County & Is. tr, S1/2SESW – 144.27 acres - of Section 5, T31N, R3W. Chairman Borgmann read the protest forms into record. Leon Grothe was present, sworn in and gave testimony that the house is a 50-year house being 30 ft. x 67 ft., that he built a house in Denver CO that was 3,000 sq. ft. at the same dollars per sq. ft. as the old smaller house in Knox County with the exception that a 50 ft. x 100 ft. building is attached to the Knox County house, it is depreciated out, he could buy a new steel building for less than the value of the older building and asked if there is a comparison for the sale of crop to grass. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, the house was moved in 2003, sheetrock replaced and the valuation included the labor and was based on small tract valuations, and the biggest change was that the renter removed shelter belts, plowed the pastures and planted corn.

Protests #12 - 2020; #13 - 2020; and #14 - 2020 – Jeff Uhlir, 51261 886 RD, Verdigre NE 68783, Parcel ID Number 540008871 W1/2NW, SW1/4 (249 acres) of Section 11, T32N, R8W (Protest #12); 540008863 E1/2E1/2 (160 acres) of Section 10, T32N, R8W (Protest #13); and 540004692 W1/2SE1/4 (480 acres) of Section 9, T31N, R8W. Chairman Borgmann read the protest forms into record. Jeff Uhlir was present, sworn in and gave testimony where he sees valuations rise and markets decrease, his farm has been in the family for 150 and it is up to him to try to keep it, soil classification changed from LB372, contacted Senator Erdmann about legislation, Dr. Jerry Green was contacted who reviewed his valuations, reviewed information from Ruth Sorensen, one soil type raised his valuation and the rest of that is swamp, the property doesn't produce 500 lbs. grass so should be valued as waste, and sale comparisons. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, everything is based on market, reviewed grass acres where some of the wettest grass acres are valued at the lowest grass classification, soil conversions were done in 2017 and 2019, and reviewed sales.

Protest #16 – 2020 – Emile F. Scoville, 549 Kian AVE, Crofton NE 68730, Parcel ID Number 540010175 All of Block 8, except 30 ft. x 36 ft., Dale's Addition to Kohles Acres. Chairman Borgmann read the protest form into record. Emile F. Scoville was present, her representative Tom Verzani was sworn in and gave testimony about valuation comparisons and sales in the Kohles Acres subdivisions, the garage located on one corner of the property does not belong to Ms. Scoville. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, valuation is based on market and size of house, square footage and age, and type of house, many of the houses are fair or average, sales show houses are being

sold higher than valued, properties in Kohles Acres increased by 30% but the Assessor's Office dropped it to 20%, and hard to review the houses as many of the owners are not there when the Assessor's Office comes to do reviews.

Protest #32 – 2020 – Randy Albrecht 5510 AVE D, Crofton NE 68730, Parcel ID Number 540010075 W 100 ft. of Block 3, Kohles Acres. Chairman Borgmann read the protest form into record. Randy Albrecht was present via telephone, sworn in and gave testimony that his valuation increased \$81,000 one year and then \$56,100, concerns about taxes going up, has not made major improvements since it was purchased, and questioned why valuation increases were in Kohles Acres and not as much in other subdivisions. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, the market is determined by sales, each subdivision is a separate market area so sales and valuations are not the same in each subdivision, there are buyers for the properties so properties are not abandoned when sold, that the property is located in Kohles Acres where there was a 30% valuation increase because of a market study in that area, the valuation is between 92% and 100% of the market value, and the first valuation notice was mailed out at the higher rate but was given a 10% break due to economics on a second mailing.

Protest #18 – 2020 – Roger R. and Joyce A. Tacey, 54716 862 RD, Osmond NE 68765, Parcel ID number 540004548 #2 NWNE, SWNE, E1/2SW, NWSE, S1/2SE being 250.50 acres in Section 32, T32N, R7W. Chairman Borgmann read the protest form into record. Roger R. and Joyce A. Tacey were present, Roger R. Tacey was sworn in and gave testimony that he was not there to protest the value the Assessor has set but is protesting the property and how it is and what the land is, has bad roads to get to it, number of grass acres is less, areas are so steep you cannot walk there, seven dams broke in the 2019 flooding, and looking what will the taxes will be since it is in the Verdigre School District that will come out of unification this year. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, and, that some adjustment had been made previously where more trees were added.

Protests #29 - 2020, #30 – 2020 and #31 - 2020 – Andrew and Danielle Stech, 54537 863 RD, Osmond NE 68765, Parcel ID Numbers 540007934 SW1/4 being 160 acres in Section 17, T29N, R4W (Protest #29); 540007945 PT of SE1/4 being 55.9 acres in Section 19, T29N, R4W; and 540013031 PT of SE1/4 being 63.51 acres in Section 19, T29N, R4W. Chairman Borgmann read the protests form into record. Andrew Stech was present, sworn in and gave testimony being that he requested valuations be lower than what he showed on his protest forms, there is a discrepancy between Market Areas 1 and 2, he believes the line should be moved over so his land could be included in Market Area 2 instead of Market Area 1, he compiled sales comparisons for both market areas, he purchased land that sold for less than valued, and drilled test holds for wells and they can't find water. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, soil surveys were applied last November, and the market area line was determined by such things such as topography and rain fall and the Property Tax Division assisted in drawing the market lines.

Chairman Borgmann moves the Board recess at 6:00 p.m. for dinner.

The Knox County Board of Equalization reconvened at 6:30 p.m. with all members present. Also present were Co. Assessor McManigal, Deputy Assessor Beckmann and County Clerk Fischer.

Protests #19 - 2020, #20 - 2020 and #21 - 2020 – Valerie Livingston, 51089 871 RD, Orchard NE 68764, Parcel ID Numbers 540007006SE1/4 of Section 11, T29N, R8W (Protest #19); 540006998 E1/2E1/2 of Section 10, T29N, R8W; and 540007086 SE1/4 of Section 30, T29N, R8W. Chairman Borgmann read the protest forms into record. Valerie Livingston was present, sworn in and gave testimony that according to LB372 her farm site area should be reduced, she purchased pasture and one piece is landlocked making it difficult to get to it so she has permission from her neighbor to drive to the pasture, comparison of neighbors' valuations, valuations in Holt County compared to Knox County, presented additional information that the valuation should be decreased, presented revised requested valuations on her submitted protest forms, limited number of cattle pairs can be run, her taxes are costing her around \$110 per pair, anticipate taxes to go up as the Verdigre School is no longer in the unification, and requested that valuations be adjusted back to last year's valuations before the soil survey was implemented in November. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, everything is based on markets as per the annual market studies, and each county has different valuations and increases because they have different markets.

Protests #22 – 2020, #23 – 2020, #24 – 2020, #25 – 2020, #26 – 2020, #27 – 2020 and #28 - 2020 – Steve Brunette, 2705 W Oak ST, Sioux Falls SD 57105, Parcel ID Numbers 540008821 E1/2NE being 80.07 acres in Section 2, T32N, R8W (Protest #22); 540008818 – NWSW being 40 acres in Section 1, T32N, R8W (Protest #23); 540008823 NEW, S1/2SW, SWSE being 160 acres in Section 2, T32N, R8W (Protest #24); 540008869 W1/2NE, E1/2NW, SE1/4 being 320 acres in Section 11, T32N, R8W (Protest #25); 540008817 W1/2NW being 80 acres in Section 1, T32N, R8W (Protest #26); 540008826 NWSE being 40 acres in Section 2, T32N, R8W (Protest #27); and 540008825 E1/2SE being 80 acres in Section 2, T32N, R8W (Protest #28). Steve Brunette was present via Zoom, sworn in and gave testimony by asking questions whether it is a declining or inclining market and about the sales roster, implication irrigation values used as grass values, comparison sales and ag land values. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed, everything is based on markets as per the annual market studies, and the waste acres were reviewed along with other classification of acres on these properties.

Protest #17 - 2020 – Verdigre Stockyards, PO Box 158, Verdigre NE 68783, Parcel ID Number 540003587, no legal description shown on Form 422. Chairman Borgmann read the protest form into record. No one appeared at the hearing to offer verbal testimony. Co. Assessor McManigal read into record evidence that the value is set by market and sales, regulations provided by the Property Tax Division and all statutes were followed.

Chairman Borgmann closed the public hearing at 7:43 p.m.

Chairman Borgmann adjourned the Knox County Board of Equalization at 7:44 p.m. on July 9, 2020 until 9:30 a.m. on Monday, July 13, 2020 for a special meeting/public hearing and until 10:00 a.m. on Thursday, July 30, 2020 for a regular meeting.

I, Joann M. Fischer, Knox County Clerk, do hereby certify that the County Board of Equalization minutes are correct to the best of my knowledge.

ATTEST:

KNOX COUNTY BOARD OF EQUALIZATION

Joann M. Fischer, Knox County Clerk

By _____
James J. Borgmann, Chairman
