

**Title 350 - Nebraska Department of Property Assessment and Taxation
Chapter 93 - Tax Equalization and Review Commission Order Compliance
Audit Regulations**

Alphabetic Table of Contents

SUBJECT	STATUTORY AUTHORITY	SECTIONS
Definitions	77-702, R.R.S. 2003 and 77-5028 and 77-5029 R.S. Supp., 2006.)	002
Findings	77-702, R.R.S. 2003 and 77-5028 and 77-5029, R.S. Supp., 2006.)	004
Procedures	77-702, R.R.S. 2003 and 77-5028 and 77-5029, R.S. Supp., 2006.)	003
Purpose	77-702, R.R.S. 2003 and 77-5028 and 77-5029, R.S. Supp., 2006.)	001

DEC 29 2006

**Title 350 - Nebraska Department of Property Assessment and Taxation
Chapter 93 – Tax Equalization and Review Commission Order Compliance
Audit Regulations**

Numeric Table of Contents

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DEC 29 2006

Title 350 - Nebraska Department of Property Assessment and Taxation
Chapter 93 – Tax Equalization and Review Commission Order Compliance
Audit Regulations

REG-93-001 PURPOSE

001.01 The purpose of this regulation is to define terms, responsibilities of parties, and presentation of the audits for compliance by the Property Tax Administrator to the Tax Equalization and Review Commission following hearings for statewide equalization.

The Property Tax Administrator has a statutory obligation to make an examination of the records of any county that has been issued orders by the Tax Equalization and Review Commission, following hearings to raise or lower the valuation of any class or subclass of real property to achieve statewide equalization.

On or before June 5 of each year, the county assessor of any county adjusted by an order of the Commission shall recertify the County Abstract of Assessment Report for Real Property to the Property Tax Administrator. The Property Tax Administrator shall audit the records of the county assessor to determine whether the orders were or were not implemented as required pursuant to Neb. Rev. Stat. Section 77-5029. On or before August 1 of each year, the Property Tax Administrator shall certify to the Tax Equalization and Review Commission that any order issued pursuant to Neb. Rev. Stat. Section 77-5028 was or was not implemented by the county *assessor*.

(Neb. Rev. Stat. Section 77-702, R.R.S. 2003 and Neb. Rev. Stat. Sections 77-5028 and 77-5029, R.S. Supp., 2006.)

Title 350 - Nebraska Department of Property Assessment and Taxation
Chapter 93 – Tax Equalization and Review Commission Order Compliance
Audit Regulations

REG-93-002 DEFINITIONS

002.01 Audit shall mean a systematic investigation or evaluation of procedures or operations for the purpose of determining conformity with prescribed criteria.

002.02 Class or subclass of real property shall mean a collection of properties that share one or more common characteristics that are not found in properties outside the class or subclass.

002.02A For agricultural or horticultural land, class or subclass shall include, but is not limited to, irrigated cropland, dry cropland, grassland, wasteland, nurseries, feedlots, orchards, location, geographic characteristics, and market characteristics that are appropriate for the valuation of a class or subclass of agricultural or horticultural land at seventy-five (75%) percent of its market value. In the case of agricultural or horticultural land subject to special valuation assessment, seventy-five (75%) percent of its special value as if the land were available only for agricultural or horticultural purposes or used without regard to any other purpose or use that could be applied to the land.

002.02B For all other real property, class or subclass shall include, but not be limited to status, parcel type, zoning, location, city size, parcel size, geographic characteristics or market characteristics that are appropriate for the valuation of a class or subclass of real property at one hundred (100%) percent of its market value.

002.03 Market characteristics shall mean the social and economic factors in the market that affect the value of real property.

002.04 Geographic characteristics shall mean the physical characteristics of the earth, land, region, or site that may have an effect on value.

(Neb. Rev. Stat. Section 77-702, R.R.S. 2003 and Neb. Rev. Stat. Sections 77-5028 and 77-5029, R.S. Supp., 2006.)

DEC 29 2006

Title 350 - Nebraska Department of Property Assessment and Taxation
Chapter 93 - Tax Equalization and Review Commission Order Compliance
Audit Regulations

REG-93-003 PROCEDURES

003.01 After the county assessor has recertified the County Abstract of Assessment Report for Real Property, on or before June 5, following implementation of the order and before August 1 the Property Tax Administrator shall conduct an audit of any county that has been issued orders by the Tax Equalization and Review Commission.

003.02 The audit shall consist of an examination of any documents relating to the class or subclass ordered adjusted by the Tax Equalization and Review Commission.

003.02A The examination shall include but not be limited to the following:

(a) A review of the recertified abstract(s) including assessed value updates compared to the original that was filed with the Property Tax Administrator on or before March 19;

(b) A request for an electronic printout of land valuation tables, copies of electronic or hard copy property record cards displaying the value before the Tax Equalization and Review Commission order and the value after the order;

(c) Evidence that on or before June 1, notice of valuation changes were sent to the owner of record as of May 20, or lessee that is responsible for paying the property taxes pursuant to Neb. Rev. Stat. Section 77-202.11 reflecting the increase or decrease ordered by the Tax Equalization and Review Commission order; and

(d) A summary of the percentage change to a class or subclass between the original abstract that was filed on or before March 19 and the recertified abstract(s).

003.03 The audit shall include a minimum sample of twenty records for each class or subclass ordered adjusted by the Tax Equalization and Review Commission. The records for the affected class or subclass shall be chosen in as random a manner as possible. It may be at the discretion of the Property Tax Administrator to select additional records if he or she believes further investigation is needed.

DEC 29 2006

003.04 The records chosen for the random sample shall be identified on a worksheet that may be modified as needed to be inclusive of all necessary information to illustrate compliance with the order.

003.05 If after June 1 and prior to June 30 it is discovered that real property has not received the required adjustment as ordered, the county assessor and county board of equalization will be notified in writing by the Property Tax Administrator within seven days after such discovery.

(Neb. Rev. Stat. Section 77-702, R.R.S. 2003 and Neb. Rev. Stat. Sections 77-5028 and 77-5029, R.S. Supp., 2006.)

DEC 29 2006

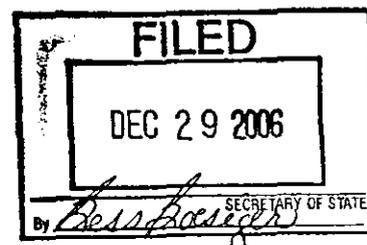
Title 350 - Nebraska Department of Property Assessment and Taxation
Chapter 93 - Tax Equalization and Review Commission Order Compliance
Audit Regulations

REG-93-004 FINDINGS

004.01 The Property Tax Administrator auditing a county for compliance with Commission orders shall prepare an audit report of the findings, determining whether the order issued by the Tax Equalization and Review Commission was implemented by the county *assessor*. The audit report shall be certified by the Property Tax Administrator to the Tax Equalization and Review Commission on or before August 1 each year pursuant to Neb. Rev. Stat. Section 77-5029. The report shall include findings regarding all classes or subclasses ordered changed by the Commission. A copy of all worksheets prepared in conjunction with the audit indicating the property records reviewed shall be attached to the report.

004.02 If, during the audit process, a county is discovered to have unacceptable assessment practices that would be evidenced through the examination of books, papers, records, or memoranda relating to the assessment of property, those matters may be addressed by the Property Tax Administrator as set forth in Neb. Rev. Stat. Section 77-1330.

(Neb. Rev. Stat. Section 77-702, R.R.S. 2003 and Neb. Rev. Stat. Sections 77-5028 and 77-5029, R.S. Supp., 2006.)



~~APPROVED~~

~~Dec 29 2006~~

~~David Heiseman~~

APPROVED

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David Heiseman
DAVID HEISEMAN

APPROVED
JON BRUNING
ATTORNEY GENERAL

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BY *[Signature]*
ASSISTANT ATTORNEY GENERAL