

Valuation hikes: A tale of two cities



ERIC GREGORY, Journal Star file

Most Lincoln residential properties – like these townhomes in northeast Lincoln – are seeing higher valuations as sale prices in the city continue to climb.

Housing sales have been red-hot in both Omaha and Lincoln, with homes often selling above their asking prices -- sometimes within days or even hours of going on the market.

And assessors in both Lancaster and Douglas counties have responded, updating property valuations to catch up with smoking sales.

Figures got posted last month. Initial total valuations, which could change, jumped 8.5 percent in Douglas County while Lancaster County residential values spiked an overall 12.5 percent.

Despite those superficial similarities, reactions have differed drastically from one county to the next.

In Omaha, homeowners flooded the offices of Assessor/Register of Deeds Diane Battiato and Douglas County commissioners with complaints, their consternation compounded by last year's state-mandated 7 percent increase in the value of homes in central and west Omaha.

The Douglas County Board has held meetings on the issue and passed a nonbinding resolution on Jan. 31 urging a 3 percent cap on increases.

Battiato rejected the cap, saying it would put the county's total valuations at 91.4 percent of market value, just short of the state's requirement that they be within 92 to 100 percent. Also, a cap would let fast-appreciating homes fall below their value on the market.

The Douglas County Board sought the intervention of Gov. Pete Ricketts, who ordered state Property Tax Administrator Ruth Sorensen to send a letter offering guidance on keeping values low yet within the acceptable range.

Bowing to political pressure, Battiato recently said she's considering options to ease taxpayers' distress.

In contrast, Lancaster County valuations have generated plenty of chatter, but no special hearings from the County Board, no resolutions and no public gubernatorial admonition. While more than 5,000 people signed up for informal meetings to review home values with an assessor, that figure is smaller than the 7,000 the assessor's office in Lincoln had predicted.

There will be another chance for formal protests of values in June.

Lancaster County's last full-scale reassessment happened two years ago and initially was scheduled to take place next year. It got bumped up to avoid a state mandated

adjustment like the one Omaha saw last year, Lancaster County Assessor Norm Agena has said.

Lincoln Realtor Rich Rodenburg talks real estate Saturday mornings on radio station KFOR-AM and said he's heard stories of valuation increases as high as 25 to 30 percent in Lancaster County. But most people acknowledge home sales are driving the market up, and the increase likely is warranted.

The complaints in Omaha are different, he said.

"There are people in Omaha who are going up in percentages like 40 percent and more. Those people are kind of up in arms," Rodenburg said.

With assessments done from scratch, changes in residential property valuations can differ wildly -- even houses across the street from each other -- some go up, some stay the same and others go down.

One woman's land near Omaha Westside High School went up almost 800 percent, from \$42,800 to \$337,600, according to a report from WOWT.

Douglas County Board Chairwoman Mary Ann Borgeson said taxpayers shouldn't suffer because of past or current mistakes by assessors.

"You can't expect the taxpayer to be on the hook for making up all the wrongs that were done in the past in one fell swoop," she said.

"It's not whether or not people can buy a house, it's whether they can stay in their house with these increases."

Beyond issues of sticker shock, the counties have different politics and personalities at play. Assessors are elected, answerable to voters, not commissioners.

“I’m not sure any of us commissioners would have a huge impact on (Lancaster Assessor) Norm Agena, frankly,” said Roma Amundson, a Lancaster County commissioner and real estate agent.

“Norm is doing his job. And he has a statutory responsibility and right to do it.”

Agena, who has said he plans to retire at the end of his current term, came to the defense of his counterpart in Douglas County, saying Battiato is doing her job and following state statute.

“The market has just changed up there. There isn’t anybody that has control of that but the buyers and sellers,” he said.

Taxes don’t figure into the calculations, he said. Local governments like cities, counties and schools approve budgets and set tax rates.

Even Omaha Mayor Jean Stothert, who filed re-election papers last month, has sounded off on the Douglas County valuations throwing her weight behind a 3 percent cap.

Meanwhile in Lincoln politicians have focused on tax rate cuts rather than having city government reap a windfall from the valuations.

Rob Ogden, the Lancaster County Assessor's chief field deputy, said years of work and attention to detail created a quality product and less problematic value adjustments here.

While the governor hasn't sent guidance to Lancaster County, his spokesman, Taylor Gage, said the advice doled out to Douglas County "is generally applicable to any county experiencing dramatic residential valuation increases.”

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