



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF REVENUE
Douglas A. Ewald, Tax Commissioner
PROPERTY ASSESSMENT DIVISION, Ruth A. Sorensen, Administrator
PO Box 98919 • Lincoln, Nebraska 68509-8919
Phone: 402-471-5984 • Fax 402-471-5993
www.revenue.ne.gov/PAD

Real Property Valuations and Damage Due to Fires

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The Nebraska Department of Revenue, Property Assessment Division (Department), has received inquiries about how real property damaged by the 2012 wildfires will be assessed for valuation purposes in 2013.

All real property in Nebraska is subject to taxation and is assessed as of January 1, 12:01 a.m. This assessment is used as a basis of taxation until the next assessment year. [Neb. Rev. Stat. § 77-1301](#).

County assessors should take into account the damage and destruction due to the wildfires and make the necessary valuation changes for the January 1, 2013 assessment date. All parcels that were damaged by the wildfire should be reviewed by the county assessor to determine if the land still qualifies as agricultural and horticultural land. This may involve physically inspecting all of the parcels affected by the wildfires.

Agricultural and horticultural land. This land is recognized as a separate and distinct class of property that is inventoried by subclasses of real property based on soil classification standards developed by the Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture as converted into land capability groups by the Property Tax Administrator. The county assessor can use any number of classes or subclasses of real property to achieve uniform and proportionate valuations. [Neb. Rev. Stat. § 77-1363](#).

The damage or destruction of real property due to the wildfires will not be known until the spring growing season begins. The Department recognizes that the carrying capacity of this land may be diminished and the recovery period will be affected by the severity of the fire and availability of water.

To identify the agricultural and horticultural land parcels impacted by the wildfires and the extent of change or damage to those parcels, county assessors should physically inspect the parcels. In all instances, the county assessor should work with the land owner and/or farm operator, the local emergency management officer, and the local offices of NRCS and Farm Service Agency to determine the amount and extent of the actual market value change to the grazing land.

Fencing. Typically, fences are not considered in the valuation of agricultural and horticultural land. If the fences are part of a feedlot or corrals in a livestock production facility, the values should be adjusted to reflect the current condition of the improvements.

Loss of trees. Trees are generally not included in the valuation of agricultural and horticultural land. Unless the property valuation reflected value for trees in an orchard, tree-farm, or nursery, the loss of trees will not result in a reduction of value.

Subsequent years. When sales of parcels with wildfire damage are available, the assessed value should be adjusted to reflect 75% of the market value. Sales from other fire damaged areas may be used to determine whether adjustments are warranted. These adjustments should only be made if the county assessor determines that the wildfire affected the market value of the property.