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Upper Republican Natural Resources District v. Dundy County Board of Equalization

Supreme Court of Nebraska - June 15, 2018 - N.W.2d - 300 Neb. 256 - 2018 WL 2994350

County board of equalization appealed decision of the Nebraska Tax Equalization and Review Commission regarding proposed tax exempt status of land purchased by Natural Resources District as part of a ground water integrated management plan and leased for grazing and grain storage.

The Supreme Court of Nebraska held that:

- Only issue before Commission was whether parcels were being used for a public purpose as required for property tax exemption, and
- Land was being used for a public purpose and thus was entitled to property tax exemption.

Only issue raised on appeal to Nebraska Tax Equalization and Review Commission was whether Natural Resources District's parcels were being used for a public purpose as required for property tax exemption, and thus Commission could not consider questions beyond whether the parcels were being used for a public purpose, including whether the parcels were leased at fair market value and whether assessment of tax to surface lessees would violate due process.

Land which Natural Resources District purchased as part of a ground water integrated management plan and converted from irrigation use to grassland was being used for a public purpose and thus was entitled to property tax exemption, even if District leased much of the land for grazing and grain storage; district continually used property's underground aquifer, pipelines, and wells to carry out its water management duties, water management use of the property was significant not only in its physical scope but also in its benefit to the public, District implemented plan on property for reseeding of prairie and continuously maintained the ecologically unique surface prairie, grazing activity reduced weeds and helped maintained prairie, grazing lease income was minor, and grazing activity was seasonal.