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## 2010 Commission Summary

### 09 Brown

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#### Residential Real Property - Current

|                        |             |                                    |          |
|------------------------|-------------|------------------------------------|----------|
| Number of Sales        | 86          | Median                             | 97       |
| Total Sales Price      | \$3,665,400 | Mean                               | 108      |
| Total Adj. Sales Price | \$3,644,050 | Wgt. Mean                          | 96       |
| Total Assessed Value   | \$3,498,849 | Average Assessed Value of the Base | \$33,035 |
| Avg. Adj. Sales Price  | \$42,373    | Avg. Assessed Value                | \$40,684 |

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#### Confidence Interval - Current

|                   |                 |
|-------------------|-----------------|
| 95% Median C.I    | 93.28 to 99.31  |
| 95% Mean C.I      | 99.23 to 117.53 |
| 95% Wgt. Mean C.I | 90.77 to 101.26 |

|  |       |
|--|-------|
| % of Value of the Class of all Real Property Value in the County | 14.60 |
| % of Records Sold in the Study Period                            | 5.04  |
| % of Value Sold in the Study Period                              | 6.20  |

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#### Residential Real Property - History

| Year | Number of Sales | LOV | Median |
|------|-----------------|-----|--------|
| 2009 | 79              | 96  | 96     |
| 2008 | 90              | 94  | 94     |
| 2007 | 88              | 99  | 99     |
| 2006 | 91              | 98  | 98     |

## 2010 Commission Summary

### 09 Brown

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#### Commercial Real Property - Current

|                        |           |                                    |          |
|------------------------|-----------|------------------------------------|----------|
| Number of Sales        | 14        | Median                             | 97       |
| Total Sales Price      | \$659,112 | Mean                               | 99       |
| Total Adj. Sales Price | \$666,612 | Wgt. Mean                          | 102      |
| Total Assessed Value   | \$677,345 | Average Assessed Value of the Base | \$88,537 |
| Avg. Adj. Sales Price  | \$47,615  | Avg. Assessed Value                | \$48,382 |

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#### Confidence Interval - Current

|                   |                 |
|-------------------|-----------------|
| 95% Median C.I    | 77.78 to 107.23 |
| 95% Mean C.I      | 84.92 to 113.13 |
| 95% Wgt. Mean C.I | 95.03 to 108.19 |

|  |      |
|--|------|
| % of Value of the Class of all Real Property Value in the County | 6.37 |
| % of Records Sold in the Study Period                            | 5.04 |
| % of Value Sold in the Study Period                              | 2.75 |

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#### Commercial Real Property - History

| Year | Number of Sales | LOV | Median |
|------|-----------------|-----|--------|
| 2009 | 12              | 97  | 97     |
| 2008 | 8               | 100 | 96     |
| 2007 | 13              | 97  | 97     |
| 2006 | 15              | 97  | 97     |



## 2010 Opinions of the Property Tax Administrator for Brown County

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My opinions and recommendations are stated as a conclusion based on all of the factors known to me regarding the assessment practices and statistical analysis for this county. See, Neb. Rev. Stat. §77-5027 (R. S. Supp., 2005). While the median assessment sales ratio from the Qualified Statistical Reports for each class of real property is considered, my opinion of the level of value for a class of real property may be determined from other evidence contained within this Reports and Opinions of the Property Tax Administrator. My opinion of quality of assessment for a class of real property may be influenced by the assessment practices of the county assessor.

### **Residential Real Property**

It is my opinion that the level of value of the class of residential real property in Brown County is 97% of market value. The quality of assessment for the class of residential real property in Brown County indicates the assessment practices meet generally accepted mass appraisal practices.

### **Commercial Real Property**

It is my opinion that the level of value of the class of commercial real property in Brown County is 97% of market value. The quality of assessment for the class of commercial real property in Brown County indicates the assessment practices meet generally accepted mass appraisal practices.

### **Agricultural Land or Special Valuation of Agricultural Land**

It is my opinion that the level of value of the class of agricultural land in Brown County is 70% of market value. The quality of assessment for the class of agricultural land in Brown County indicates the assessment practices meet generally accepted mass appraisal practices.

Dated this 7th day of April, 2010.



A handwritten signature in cursive script that reads "Ruth A. Sorensen".

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Ruth A. Sorensen  
Property Tax Administrator



## **2010 Assessment Actions for Brown County**

**taken to address the following property classes/subclasses:**

### **Residential**

For the 2010 assessment year the City of Long Pine was physically reviewed and revalued. The quality and conditions of these properties were reviewed and updated.

The assessor reviewed all residential sales. Questionnaires were sent to each buyer and seller to gain as much information about the sale as possible.

All pick up work was completed and placed on the assessment roll for 2010.

## 2010 Assessment Survey for Brown County

### Residential Appraisal Information

|    |  |
|----|--|
| 1. | <b>Valuation data collection done by:</b>  |
|    | Assessor and Staff   |
| 2. | <b>List the valuation groupings used by the County:</b>  |
|    | 01-Ainsworth, 02-Johnstown, 03-Long Pine, 04-Rural Res   |
| a. | <b>Describe the specific characteristics of the valuation groupings that make them unique.</b>   |
|    | <p><b>01-Ainsworth</b> is all improved and unimproved properties located within the City limits. Ainsworth is the largest community in Brown County, population approximately 1,862. The public school system is located in town as well as a variety of jobs, services, and goods.</p> <p><b>02-Johnstown</b> is all improved and unimproved properties located within the Village limits. The population is approximately 53 and is 10 miles west of Ainsworth. The village consists of a post office, small tavern with eating facilities and a store that sells gifts, antiques, etc.</p> <p><b>03-Long Pine</b> is all improved and unimproved properties located within the City limits. The population is approximately 340 and is 10 miles to the east of Ainsworth. The City contains a post office, grocery store, tavern with eating facilities, lumberyard, feed and grain business and a store with gifts/antiques. There is also the Legion Club, Masonic Temple and Senior Center. Across the HWY from Long Pine is the Pine Valley Resort which consists of cabins for rent.</p> <p><b>04-Rural Res</b> are all improved and unimproved properties located outside the City limits in the rural areas.</p> |
| 3. | <b>What approach(es) to value is/are used for this class to estimate the market value of properties? List or describe.</b>   |
|    | The Cost Approach minus depreciation is used as well as a market analysis of the qualified sales to estimate the market value of properties.   |
| 4  | <b>When was the last lot value study completed?</b>  |
|    | Rural Res 2004, Ainsworth 2005, Long Pine and Johnstown 2006   |
| a. | <b>What methodology was used to determine the residential lot values?</b>  |
|    | Market analysis of vacant land sales to determine sq ft value.   |
| 5. | <b>Is the same costing year for the cost approach being used for the entire valuation grouping? If not, identify and explain the differences?</b>  |
|    | Long Pine is on the June 2009 costing. Ainsworth, Johnstown and Rural Res valuation groupings are on the June 2003.  |
| 6. | <b>Does the County develop the depreciation study(ies) based on local market information or does the County use the tables provided by their CAMA vendor?</b>  |
|    | The county develops the depreciation study based on their local market information.  |
| a. | <b>How often does the County update depreciation tables?</b>   |
|    | As needed, generally when the market indicates a revaluation.  |

|    |  |
|----|--|
| 7. | <b>Pickup work:</b>  |
| a. | <b>Is pickup work done annually and is it completed by March 19<sup>th</sup>?</b>  |
|    | Yes  |
| b. | <b>By Whom?</b>  |
|    | Assessor, Staff and contracted appraiser if needed.  |
| c. | <b>Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work the same as the one that was used for the valuation group?</b>   |
|    | Yes  |
| 8. | <b>What is the County's progress with the 6 year inspection and review requirement? (Statute 77-1311.03)</b>   |
|    | Rural Res was reviewed and revalued in 2004. Ainsworth was done in 2005. Johnstown in 2006. All farm homes and outbuildings county wide in 2006. The City of Long Pine is being reviewed and inspected for 2010.                           |
| a. | <b>Does the County maintain a tracking process? If yes describe.</b>   |
|    | Yes, this is maintained on the hard copy property record cards.  |
| b. | <b>How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?</b>   |
|    | Usually the entire class or subclass that is reviewed and inspected is done in one year. If not, then once the entire class or subclass is done the results are put on. Therefore no adjustments are applied to the balance of the county. |

**PAD 2010 R&O Statistics**

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2007 to 06/30/2009 Posted Before: 02/15/2010

|                        |           |                |           |                  |        |                     |                 |               |
|------------------------|-----------|----------------|-----------|------------------|--------|---------------------|-----------------|---------------|
| NUMBER of Sales:       | 86        | <b>MEDIAN:</b> | <b>97</b> | COV:             | 39.94  | 95% Median C.I.:    | 93.28 to 99.31  | (! : Derived) |
| TOTAL Sales Price:     | 3,665,400 | WGT. MEAN:     | 96        | STD:             | 43.29  | 95% Wgt. Mean C.I.: | 90.77 to 101.26 |               |
| TOTAL Adj.Sales Price: | 3,644,050 | MEAN:          | 108       | AVG.ABS.DEV:     | 26.58  | 95% Mean C.I.:      | 99.23 to 117.53 |               |
| TOTAL Assessed Value:  | 3,498,849 |                |           |                  |        |                     |                 |               |
| AVG. Adj. Sales Price: | 42,372    | COD:           | 27.38     | MAX Sales Ratio: | 297.47 |                     |                 |               |
| AVG. Assessed Value:   | 40,684    | PRD:           | 112.88    | MIN Sales Ratio: | 36.92  |                     |                 |               |

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| DATE OF SALE *       | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN   | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|----------------------|-------|--------|--------|-----------|-------|--------|-------|--------|-----------------|----------------------|---------------|
| ____Qrtrs____        |       |        |        |           |       |        |       |        |                 |                      |               |
| 07/01/07 TO 09/30/07 | 16    | 96.15  | 123.40 | 95.62     | 38.48 | 129.05 | 74.47 | 297.47 | 82.53 to 155.14 | 45,675               | 43,674        |
| 10/01/07 TO 12/31/07 | 5     | 109.79 | 110.30 | 115.77    | 9.80  | 95.27  | 96.96 | 130.95 | N/A             | 20,500               | 23,733        |
| 01/01/08 TO 03/31/08 | 4     | 97.74  | 100.79 | 108.89    | 14.14 | 92.56  | 76.80 | 130.88 | N/A             | 13,175               | 14,346        |
| 04/01/08 TO 06/30/08 | 11    | 105.65 | 112.16 | 105.51    | 20.75 | 106.30 | 66.84 | 192.52 | 90.55 to 149.29 | 57,181               | 60,332        |
| 07/01/08 TO 09/30/08 | 18    | 88.38  | 92.52  | 85.02     | 23.60 | 108.82 | 45.60 | 161.65 | 77.92 to 99.31  | 55,252               | 46,978        |
| 10/01/08 TO 12/31/08 | 12    | 94.56  | 109.42 | 94.97     | 28.91 | 115.22 | 68.34 | 224.35 | 87.02 to 107.31 | 38,541               | 36,602        |
| 01/01/09 TO 03/31/09 | 7     | 90.90  | 87.60  | 87.89     | 17.08 | 99.67  | 53.60 | 109.30 | 53.60 to 109.30 | 39,428               | 34,653        |
| 04/01/09 TO 06/30/09 | 13    | 103.34 | 120.47 | 109.33    | 33.19 | 110.20 | 36.92 | 242.42 | 91.33 to 146.40 | 30,461               | 33,303        |
| ____Study Years____  |       |        |        |           |       |        |       |        |                 |                      |               |
| 07/01/07 TO 06/30/08 | 36    | 98.36  | 115.63 | 101.55    | 27.27 | 113.87 | 66.84 | 297.47 | 95.88 to 113.86 | 42,083               | 42,736        |
| 07/01/08 TO 06/30/09 | 50    | 93.77  | 103.16 | 92.08     | 27.89 | 112.03 | 36.92 | 242.42 | 88.42 to 99.34  | 42,581               | 39,207        |
| ____Calendar Yrs____ |       |        |        |           |       |        |       |        |                 |                      |               |
| 01/01/08 TO 12/31/08 | 45    | 94.24  | 102.56 | 93.79     | 24.64 | 109.36 | 45.60 | 224.35 | 88.80 to 99.31  | 47,527               | 44,575        |
| ____ALL____          |       |        |        |           |       |        |       |        |                 |                      |               |
|                      | 86    | 97.07  | 108.38 | 96.02     | 27.38 | 112.88 | 36.92 | 297.47 | 93.28 to 99.31  | 42,372               | 40,684        |

| VALUATION GROUP | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN   | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|-----------------|-------|--------|--------|-----------|-------|--------|-------|--------|-----------------|----------------------|---------------|
| 01              | 58    | 98.45  | 114.53 | 97.83     | 32.99 | 117.07 | 49.12 | 297.47 | 90.55 to 109.79 | 44,010               | 43,054        |
| 02              | 4     | 83.85  | 87.76  | 106.96    | 36.85 | 82.05  | 36.92 | 146.40 | N/A             | 11,137               | 11,912        |
| 03              | 17    | 96.96  | 100.95 | 100.01    | 7.05  | 100.94 | 90.90 | 172.24 | 93.28 to 99.03  | 33,964               | 33,967        |
| 04              | 7     | 96.27  | 87.29  | 80.21     | 21.45 | 108.83 | 45.60 | 121.00 | 45.60 to 121.00 | 67,071               | 53,798        |
| ____ALL____     |       |        |        |           |       |        |       |        |                 |                      |               |
|                 | 86    | 97.07  | 108.38 | 96.02     | 27.38 | 112.88 | 36.92 | 297.47 | 93.28 to 99.31  | 42,372               | 40,684        |

| STATUS: IMPROVED, UNIMPROVED & IOLL | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN   | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|-------------------------------------|-------|--------|--------|-----------|-------|--------|-------|--------|-----------------|----------------------|---------------|
| 1                                   | 80    | 97.96  | 107.20 | 95.95     | 26.10 | 111.72 | 36.92 | 242.42 | 93.42 to 99.85  | 45,356               | 43,521        |
| 2                                   | 6     | 91.12  | 124.07 | 110.16    | 41.56 | 112.62 | 76.80 | 297.47 | 76.80 to 297.47 | 2,591                | 2,855         |
| ____ALL____                         |       |        |        |           |       |        |       |        |                 |                      |               |
|                                     | 86    | 97.07  | 108.38 | 96.02     | 27.38 | 112.88 | 36.92 | 297.47 | 93.28 to 99.31  | 42,372               | 40,684        |

| PROPERTY TYPE * | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN   | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|-----------------|-------|--------|--------|-----------|-------|--------|-------|--------|-----------------|----------------------|---------------|
| 01              | 86    | 97.07  | 108.38 | 96.02     | 27.38 | 112.88 | 36.92 | 297.47 | 93.28 to 99.31  | 42,372               | 40,684        |
| 06              |       |        |        |           |       |        |       |        |                 |                      |               |
| 07              |       |        |        |           |       |        |       |        |                 |                      |               |
| ____ALL____     |       |        |        |           |       |        |       |        |                 |                      |               |
|                 | 86    | 97.07  | 108.38 | 96.02     | 27.38 | 112.88 | 36.92 | 297.47 | 93.28 to 99.31  | 42,372               | 40,684        |

**PAD 2010 R&O Statistics**

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2007 to 06/30/2009 Posted Before: 02/15/2010

|                        |           |                |           |                  |        |                     |                 |               |
|------------------------|-----------|----------------|-----------|------------------|--------|---------------------|-----------------|---------------|
| NUMBER of Sales:       | 86        | <b>MEDIAN:</b> | <b>97</b> | COV:             | 39.94  | 95% Median C.I.:    | 93.28 to 99.31  | (! : Derived) |
| TOTAL Sales Price:     | 3,665,400 | WGT. MEAN:     | 96        | STD:             | 43.29  | 95% Wgt. Mean C.I.: | 90.77 to 101.26 |               |
| TOTAL Adj.Sales Price: | 3,644,050 | MEAN:          | 108       | AVG.ABS.DEV:     | 26.58  | 95% Mean C.I.:      | 99.23 to 117.53 |               |
| TOTAL Assessed Value:  | 3,498,849 |                |           |                  |        |                     |                 |               |
| AVG. Adj. Sales Price: | 42,372    | COD:           | 27.38     | MAX Sales Ratio: | 297.47 |                     |                 |               |
| AVG. Assessed Value:   | 40,684    | PRD:           | 112.88    | MIN Sales Ratio: | 36.92  |                     |                 |               |

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| <b>SALE PRICE *</b> |       |        |        |           |       |        |       |        |                 |            | Avg. Adj. | Avg. |
|---------------------|-------|--------|--------|-----------|-------|--------|-------|--------|-----------------|------------|-----------|------|
| RANGE               | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN   | MAX    | 95% Median C.I. | Sale Price | Assd Val  |      |
| Low \$ _____        |       |        |        |           |       |        |       |        |                 |            |           |      |
| 1 TO 4999           | 7     | 93.28  | 135.53 | 127.35    | 51.80 | 106.42 | 76.80 | 297.47 | 76.80 to 297.47 | 2,292      | 2,920     |      |
| 5000 TO 9999        | 5     | 161.65 | 158.52 | 156.21    | 22.17 | 101.48 | 91.33 | 212.15 | N/A             | 6,100      | 9,529     |      |
| Total \$ _____      |       |        |        |           |       |        |       |        |                 |            |           |      |
| 1 TO 9999           | 12    | 115.78 | 145.11 | 146.26    | 47.57 | 99.21  | 76.80 | 297.47 | 90.91 to 202.36 | 3,879      | 5,673     |      |
| 10000 TO 29999      | 31    | 99.03  | 114.32 | 113.26    | 31.94 | 100.94 | 36.92 | 242.42 | 94.73 to 121.00 | 17,809     | 20,170    |      |
| 30000 TO 59999      | 21    | 98.04  | 95.19  | 94.65     | 17.32 | 100.56 | 45.60 | 155.14 | 83.14 to 99.34  | 41,738     | 39,507    |      |
| 60000 TO 99999      | 13    | 89.14  | 94.69  | 93.49     | 13.07 | 101.29 | 78.48 | 122.41 | 80.48 to 110.43 | 74,307     | 69,468    |      |
| 100000 TO 149999    | 6     | 95.65  | 91.62  | 92.01     | 14.83 | 99.57  | 61.60 | 113.86 | 61.60 to 113.86 | 116,316    | 107,026   |      |
| 150000 TO 249999    | 3     | 87.18  | 85.22  | 85.26     | 4.83  | 99.95  | 77.92 | 90.55  | N/A             | 168,333    | 143,523   |      |
| ALL                 | 86    | 97.07  | 108.38 | 96.02     | 27.38 | 112.88 | 36.92 | 297.47 | 93.28 to 99.31  | 42,372     | 40,684    |      |



**2010 Correlation Section  
for Brown County**

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**Residential Real Property**

**I. Correlation**

The level of value for the residential real property in Brown County, as determined by the PTA is 97%. The mathematically calculated median is 97%.

RESIDENTIAL: The opinion of the Division is that the level of value is within the acceptable range, and it is best measured by the median measure of central tendency at 97%. The county utilized a sufficient number of qualified sales in the analysis of residential properties. All valuation groupings that are adequately represented in the sales file are within the acceptable range. Even though both qualitative measures are above the range, based on the known assessment practices it is believed the residential properties are being treated in a uniform and proportionate manner.

There are no areas to suggest a non-binding recommendation to the residential valuations in Brown County.

**2010 Correlation Section  
for Brown County**

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**II. Analysis of Sales Verification**

Neb. Rev. Stat. 77-1327(2) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2007), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Division frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

RESIDENTIAL: The Brown County Assessor reviews all residential sales by sending questionnaires to the seller and buyer to gather as much information about the sale as possible. Occasionally phone calls will be made to the buyer or seller if the assessor has additional questions concerning the sale. Additional resources such as attorneys and real estate agents are utilized in this process to acquire more accurate information concerning sales.

Just over sixty percent of the sales were deemed to be arms-length transactions. Further analysis of the non-qualified sales roster shows the majority of these sales were between family members, foreclosure sales, and sales that have been substantially changed since the date of sale.

**2010 Correlation Section  
for Brown County**

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**III. Measure of Central Tendency**

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness in the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The IAAO considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

|                           | <b>Median</b> | <b>Wgt. Mean</b> | <b>Mean</b> |
|---------------------------|---------------|------------------|-------------|
| <b>R&amp;O Statistics</b> | <b>97</b>     | <b>96</b>        | <b>108</b>  |

**2010 Correlation Section  
for Brown County**

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#### **IV. Analysis of Quality of Assessment**

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The International Association of Assessing Officers recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.

Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July,

**2010 Correlation Section  
for Brown County**

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2007, recommends that the PRD should lie between 98 and 103. This range is centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 247.

The analysis in this section displays the calculated COD and PRD measures for Brown County, which are considered as one part of the analysis of the County's assessment practices.

|                           | <b>COD</b>   | <b>PRD</b>    |
|---------------------------|--------------|---------------|
| <b>R&amp;O Statistics</b> | <b>27.38</b> | <b>112.88</b> |

RESIDENTIAL: The coefficient of dispersion and the price related differential are both above the acceptable ranges indicating that there could be a problem with uniformity and regressive assessments. With the removal of extreme outliers, which have assessed values of \$10,000 or less, the two measures fall closer to the acceptable range. Based on the known assessment practices it is believed the residential properties are being treated in a uniform and proportionate manner.



## **2010 Assessment Actions for Brown County**

### **taken to address the following property classes/subclasses:**

#### **Commercial**

For assessment year 2010 a market analysis was performed on the valuation grouping of Ainsworth. From the analysis it was determined the retail stores located on main street Ainsworth would be decreased by a percentage.

The assessor reviewed all commercial sales. Questionnaires were sent to each buyer and seller to gain as much information about the sale as possible.

All pick up work was completed and placed on the assessment roll for 2010.

## 2010 Assessment Survey for Brown County

### Commercial / Industrial Appraisal Information

|    |   |
|----|---|
| 1. | <b>Valuation data collection done by:</b>   |
|    | Assessor and staff with specialty properties completed by Standard Appraisal.   |
| 2. | <b>List the valuation groupings used by the County:</b>   |
|    | 01-Ainsworth, 02-Johnstown, 03-Long Pine, 05-Rural Com  |
| a. | <b>Describe the specific characteristics of the valuation groupings that make them unique.</b>  |
|    | <p><b>01-Ainsworth</b> is all improved and unimproved properties located within the City limits. Ainsworth is the largest community in Brown County, population approximately 1,862. The public school system is located in town as well as a variety of jobs, services, and goods.</p> <p><b>02-Johnstown</b> is all improved and unimproved properties located within the Village limits. The population is approximately 53 and is 10 miles west of Ainsworth. The village consists of a post office, small tavern with eating facilities and a store that sells gifts, antiques, etc.</p> <p><b>03-Long Pine</b> is all improved and unimproved properties located within the City limits. The population is approximately 340 and is 10 miles to the east of Ainsworth. The City contains a post office, grocery store, tavern with eating facilities, lumberyard, feed and grain business and a store with gifts/antiques. There is also the Legion Club, Masonic Temple and Senior Center. Across the HWY from Long Pine is the Pine Valley Resort which consists of cabins for rent.</p> <p><b>04-Rural Com</b> is all improved and unimproved properties located outside the City limits in the rural areas.</p> |
| 3. | <b>What approach(es) to value is/are used for this class to estimate the market value of properties? List or describe.</b>  |
|    | All three approaches are performed by the contract appraiser when they apply.   |
| 4  | <b>When was the last lot value study completed?</b>   |
|    | All commercial was done in 2005.  |
| a. | <b>What methodology was used to determine the commercial lot values?</b>  |
|    | Vacant lot market analysis was done by the contracted appraisal company.  |
| 5. | <b>Is the same costing year for the cost approach being used for entire valuation grouping? If not, identify and explain the differences?</b>   |
|    | Yes, all valuation groupings are on the same costing year.  |
| 6. | <b>Does the County develop the depreciation study(ies) based on local market information or does the County use the tables provided by their CAMA vendor?</b>   |
|    | Depreciation studies are developed based on local market information by the contracted appraisal company.   |
| a. | <b>How often does the County update the depreciation tables?</b>  |
|    | As the market indicates or at revaluation time.   |
| 7. | <b>Pickup work:</b>   |
| a. | <b>Is pickup work done annually and is it completed by March 19<sup>th</sup>?</b>   |

|    |  |
|----|--|
|    | Yes  |
| b. | <b>By Whom?</b>  |
|    | Assessor, staff and contract appraiser   |
| c. | <b>Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work the same as the one that was used for the valuation group?</b>   |
|    | Yes  |
| 8. | <b>What is the Counties progress with the 6 year inspection and review requirement? (Statute 77-1311.03)</b>   |
|    | In 2005 all commercial properties were reviewed and inspected.   |
| a. | <b>Does the County maintain a tracking process? If yes describe.</b>   |
|    | Yes, this is maintained on the hard copy property record cards.  |
| b. | <b>How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?</b>   |
|    | Usually the entire class or subclass that is reviewed and inspected is done in one year. If not, then once the entire class or subclass is done the results are put on. Therefore no adjustments are applied to the balance of the county. |

**PAD 2010 R&O Statistics**

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2006 to 06/30/2009 Posted Before: 02/15/2010

(!: AVTot=0)

(!: Derived)

|                        |         |                |           |                  |        |                     |                 |
|------------------------|---------|----------------|-----------|------------------|--------|---------------------|-----------------|
| NUMBER of Sales:       | 14      | <b>MEDIAN:</b> | <b>97</b> | COV:             | 24.67  | 95% Median C.I.:    | 77.78 to 107.23 |
| TOTAL Sales Price:     | 659,112 | WGT. MEAN:     | 102       | STD:             | 24.43  | 95% Wgt. Mean C.I.: | 95.03 to 108.19 |
| TOTAL Adj.Sales Price: | 666,612 | MEAN:          | 99        | AVG.ABS.DEV:     | 15.63  | 95% Mean C.I.:      | 84.92 to 113.13 |
| TOTAL Assessed Value:  | 677,345 |                |           |                  |        |                     |                 |
| AVG. Adj. Sales Price: | 47,615  | COD:           | 16.12     | MAX Sales Ratio: | 150.00 |                     |                 |
| AVG. Assessed Value:   | 48,381  | PRD:           | 97.46     | MIN Sales Ratio: | 63.64  |                     |                 |

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| DATE OF SALE *       | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN    | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|----------------------|-------|--------|--------|-----------|-------|--------|--------|--------|-----------------|----------------------|---------------|
| <u>Qrtrs</u>         |       |        |        |           |       |        |        |        |                 |                      |               |
| 07/01/06 TO 09/30/06 | 1     | 87.12  | 87.12  | 87.12     |       |        | 87.12  | 87.12  | N/A             | 7,500                | 6,534         |
| 10/01/06 TO 12/31/06 | 1     | 96.91  | 96.91  | 96.91     |       |        | 96.91  | 96.91  | N/A             | 40,000               | 38,763        |
| 01/01/07 TO 03/31/07 |       |        |        |           |       |        |        |        |                 |                      |               |
| 04/01/07 TO 06/30/07 |       |        |        |           |       |        |        |        |                 |                      |               |
| 07/01/07 TO 09/30/07 | 2     | 83.31  | 83.31  | 96.58     | 16.46 | 86.26  | 69.60  | 97.02  | N/A             | 78,556               | 75,870        |
| 10/01/07 TO 12/31/07 |       |        |        |           |       |        |        |        |                 |                      |               |
| 01/01/08 TO 03/31/08 | 2     | 94.36  | 94.36  | 94.36     | 0.13  | 100.01 | 94.24  | 94.49  | N/A             | 46,250               | 43,640        |
| 04/01/08 TO 06/30/08 | 3     | 98.40  | 92.62  | 97.30     | 8.10  | 95.19  | 77.78  | 101.69 | N/A             | 23,833               | 23,190        |
| 07/01/08 TO 09/30/08 | 2     | 148.60 | 148.60 | 148.09    | 0.95  | 100.34 | 147.19 | 150.00 | N/A             | 23,500               | 34,800        |
| 10/01/08 TO 12/31/08 | 1     | 101.06 | 101.06 | 101.06    |       |        | 101.06 | 101.06 | N/A             | 170,000              | 171,800       |
| 01/01/09 TO 03/31/09 | 1     | 107.23 | 107.23 | 107.23    |       |        | 107.23 | 107.23 | N/A             | 70,000               | 75,058        |
| 04/01/09 TO 06/30/09 | 1     | 63.64  | 63.64  | 63.64     |       |        | 63.64  | 63.64  | N/A             | 11,000               | 7,000         |
| <u>Study Years</u>   |       |        |        |           |       |        |        |        |                 |                      |               |
| 07/01/06 TO 06/30/07 | 2     | 92.02  | 92.02  | 95.36     | 5.32  | 96.49  | 87.12  | 96.91  | N/A             | 23,750               | 22,648        |
| 07/01/07 TO 06/30/08 | 7     | 94.49  | 90.46  | 96.10     | 8.39  | 94.13  | 69.60  | 101.69 | 69.60 to 101.69 | 45,873               | 44,084        |
| 07/01/08 TO 06/30/09 | 5     | 107.23 | 113.82 | 108.54    | 24.71 | 104.87 | 63.64  | 150.00 | N/A             | 59,600               | 64,691        |
| <u>Calendar Yrs</u>  |       |        |        |           |       |        |        |        |                 |                      |               |
| 01/01/07 TO 12/31/07 | 2     | 83.31  | 83.31  | 96.58     | 16.46 | 86.26  | 69.60  | 97.02  | N/A             | 78,556               | 75,870        |
| 01/01/08 TO 12/31/08 | 8     | 99.73  | 108.11 | 104.53    | 16.92 | 103.42 | 77.78  | 150.00 | 77.78 to 150.00 | 47,625               | 49,781        |
| <u>ALL</u>           |       |        |        |           |       |        |        |        |                 |                      |               |
|                      | 14    | 96.97  | 99.03  | 101.61    | 16.12 | 97.46  | 63.64  | 150.00 | 77.78 to 107.23 | 47,615               | 48,381        |

| VALUATION GROUP | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN   | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|-----------------|-------|--------|--------|-----------|-------|--------|-------|--------|-----------------|----------------------|---------------|
| 01              | 10    | 97.71  | 104.90 | 102.15    | 15.12 | 102.69 | 77.78 | 150.00 | 87.12 to 147.19 | 54,311               | 55,478        |
| 03              | 2     | 85.44  | 85.44  | 101.31    | 25.51 | 84.33  | 63.64 | 107.23 | N/A             | 40,500               | 41,029        |
| 05              | 2     | 83.26  | 83.26  | 95.30     | 16.40 | 87.36  | 69.60 | 96.91  | N/A             | 21,250               | 20,251        |
| <u>ALL</u>      |       |        |        |           |       |        |       |        |                 |                      |               |
|                 | 14    | 96.97  | 99.03  | 101.61    | 16.12 | 97.46  | 63.64 | 150.00 | 77.78 to 107.23 | 47,615               | 48,381        |

| STATUS: IMPROVED, UNIMPROVED & IOLL | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN   | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|-------------------------------------|-------|--------|--------|-----------|-------|--------|-------|--------|-----------------|----------------------|---------------|
| 1                                   | 12    | 97.71  | 102.47 | 101.90    | 15.48 | 100.56 | 63.64 | 150.00 | 94.24 to 107.23 | 54,717               | 55,755        |
| 2                                   | 2     | 78.36  | 78.36  | 82.74     | 11.18 | 94.71  | 69.60 | 87.12  | N/A             | 5,000                | 4,137         |
| <u>ALL</u>                          |       |        |        |           |       |        |       |        |                 |                      |               |
|                                     | 14    | 96.97  | 99.03  | 101.61    | 16.12 | 97.46  | 63.64 | 150.00 | 77.78 to 107.23 | 47,615               | 48,381        |

**PAD 2010 R&O Statistics**

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2006 to 06/30/2009 Posted Before: 02/15/2010

(!: AVTot=0)  
(!: Derived)

|                        |         |                |           |                  |        |                     |                 |
|------------------------|---------|----------------|-----------|------------------|--------|---------------------|-----------------|
| NUMBER of Sales:       | 14      | <b>MEDIAN:</b> | <b>97</b> | COV:             | 24.67  | 95% Median C.I.:    | 77.78 to 107.23 |
| TOTAL Sales Price:     | 659,112 | WGT. MEAN:     | 102       | STD:             | 24.43  | 95% Wgt. Mean C.I.: | 95.03 to 108.19 |
| TOTAL Adj.Sales Price: | 666,612 | MEAN:          | 99        | AVG.ABS.DEV:     | 15.63  | 95% Mean C.I.:      | 84.92 to 113.13 |
| TOTAL Assessed Value:  | 677,345 |                |           |                  |        |                     |                 |
| AVG. Adj. Sales Price: | 47,615  | COD:           | 16.12     | MAX Sales Ratio: | 150.00 |                     |                 |
| AVG. Assessed Value:   | 48,381  | PRD:           | 97.46     | MIN Sales Ratio: | 63.64  |                     |                 |

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**PROPERTY TYPE \***

| RANGE | COUNT | MEDIAN | MEAN  | WGT. MEAN | COD   | PRD   | MIN   | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|-------|-------|--------|-------|-----------|-------|-------|-------|--------|-----------------|----------------------|---------------|
| 02    |       |        |       |           |       |       |       |        |                 |                      |               |
| 03    | 14    | 96.97  | 99.03 | 101.61    | 16.12 | 97.46 | 63.64 | 150.00 | 77.78 to 107.23 | 47,615               | 48,381        |
| 04    |       |        |       |           |       |       |       |        |                 |                      |               |
| ALL   | 14    | 96.97  | 99.03 | 101.61    | 16.12 | 97.46 | 63.64 | 150.00 | 77.78 to 107.23 | 47,615               | 48,381        |

**SALE PRICE \***

| RANGE            | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD    | MIN    | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|------------------|-------|--------|--------|-----------|-------|--------|--------|--------|-----------------|----------------------|---------------|
| Low \$           |       |        |        |           |       |        |        |        |                 |                      |               |
| 1 TO 4999        | 1     | 69.60  | 69.60  | 69.60     |       |        | 69.60  | 69.60  | N/A             | 2,500                | 1,740         |
| 5000 TO 9999     | 2     | 82.45  | 82.45  | 82.02     | 5.66  | 100.52 | 77.78  | 87.12  | N/A             | 8,250                | 6,767         |
| Total \$         |       |        |        |           |       |        |        |        |                 |                      |               |
| 1 TO 9999        | 3     | 77.78  | 78.17  | 80.39     | 7.51  | 97.23  | 69.60  | 87.12  | N/A             | 6,333                | 5,091         |
| 10000 TO 29999   | 2     | 106.82 | 106.82 | 113.46    | 40.42 | 94.15  | 63.64  | 150.00 | N/A             | 13,000               | 14,750        |
| 30000 TO 59999   | 6     | 97.66  | 105.49 | 103.84    | 10.52 | 101.59 | 94.24  | 147.19 | 94.24 to 147.19 | 37,833               | 39,285        |
| 60000 TO 99999   | 1     | 107.23 | 107.23 | 107.23    |       |        | 107.23 | 107.23 | N/A             | 70,000               | 75,058        |
| 150000 TO 249999 | 2     | 99.04  | 99.04  | 99.13     | 2.04  | 99.91  | 97.02  | 101.06 | N/A             | 162,306              | 160,900       |
| ALL              | 14    | 96.97  | 99.03  | 101.61    | 16.12 | 97.46  | 63.64  | 150.00 | 77.78 to 107.23 | 47,615               | 48,381        |

**OCCUPANCY CODE**

| RANGE   | COUNT | MEDIAN | MEAN   | WGT. MEAN | COD   | PRD   | MIN    | MAX    | 95% Median C.I. | Avg. Adj. Sale Price | Avg. Assd Val |
|---------|-------|--------|--------|-----------|-------|-------|--------|--------|-----------------|----------------------|---------------|
| (blank) | 3     | 87.12  | 87.98  | 104.17    | 14.40 | 84.47 | 69.60  | 107.23 | N/A             | 26,666               | 27,777        |
| 350     | 1     | 101.06 | 101.06 | 101.06    |       |       | 101.06 | 101.06 | N/A             | 170,000              | 171,800       |
| 353     | 8     | 96.44  | 103.43 | 105.16    | 21.66 | 98.36 | 63.64  | 150.00 | 63.64 to 150.00 | 27,750               | 29,181        |
| 386     | 1     | 97.02  | 97.02  | 97.02     |       |       | 97.02  | 97.02  | N/A             | 154,612              | 150,000       |
| 406     | 1     | 96.91  | 96.91  | 96.91     |       |       | 96.91  | 96.91  | N/A             | 40,000               | 38,763        |
| ALL     | 14    | 96.97  | 99.03  | 101.61    | 16.12 | 97.46 | 63.64  | 150.00 | 77.78 to 107.23 | 47,615               | 48,381        |



**2010 Correlation Section  
for Brown County**

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**Commerical Real Property**

**I. Correlation**

The level of value for the commercial real property in Brown County, as determined by the PTA is 97%. The mathematically calculated median is 97%.

COMMERCIAL: The opinion of the Division is that the level of value is within the acceptable range, and it is best measured by the median measure of central tendency at 97%. The county utilized a sufficient number of qualified sales in the analysis of commercial properties. All valuation groupings that are adequately represented in the sales file are within the acceptable range.

There are no areas to suggest a non-binding recommendation to the commercial valuations in Brown County.

**2010 Correlation Section  
for Brown County**

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**II. Analysis of Sales Verification**

Neb. Rev. Stat. 77-1327(2) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2007), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Division frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

COMMERCIAL: The Brown County Assessor reviews all commercial sales by sending questionnaires to the seller and buyer to gather as much information about the sale as possible. Occasionally phone calls will be made to the buyer or seller if the assessor has additional questions concerning the sale. Additional resources such as attorneys and real estate agents are utilized in this process to acquire more accurate information concerning sales.

The percent of sales used for the commercial property has been consistent over the past few years. A review of the non-qualified sales roster indicates the majority of the sales were not used as they had substantially changed since the date of sale.

**2010 Correlation Section  
for Brown County**

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**III. Measure of Central Tendency**

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness in the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The IAAO considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

|                           | <b>Median</b> | <b>Wgt. Mean</b> | <b>Mean</b> |
|---------------------------|---------------|------------------|-------------|
| <b>R&amp;O Statistics</b> | <b>97</b>     | <b>102</b>       | <b>99</b>   |

**2010 Correlation Section  
for Brown County**

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#### **IV. Analysis of Quality of Assessment**

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The International Association of Assessing Officers recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.

Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July,

**2010 Correlation Section  
for Brown County**

---

2007, recommends that the PRD should lie between 98 and 103. This range is centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 247.

The analysis in this section displays the calculated COD and PRD measures for Brown County, which are considered as one part of the analysis of the County's assessment practices.

|                           | <b>COD</b>   | <b>PRD</b>   |
|---------------------------|--------------|--------------|
| <b>R&amp;O Statistics</b> | <b>16.12</b> | <b>97.46</b> |

COMMERCIAL: The coefficient of dispersion is within the acceptable range, while the price related differential is just slightly below the range, but not unreasonable. Based on the known assessment practices it is believed the commercial properties are being treated in a uniform and proportionate manner.

**Agricultural or Special  
Valuation Reports**

## **2010 Assessment Actions for Brown County**

### **taken to address the following property classes/subclasses:**

#### **Agricultural**

For assessment year 2010 a market study of land was performed to determine values and to bring the land values into the statutory required level of value. Changes in land valuation were made to land capability groups in irrigated, dry and grass.

Through the 2009 GIS imagery all land use acres for water/waste and gravel pits were reviewed.

The assessor reviewed all agricultural sales. Questionnaires were sent to each buyer and seller to gain as much information about the sale as possible.

All pick up work was completed and placed on the assessment roll for 2010.

## 2010 Assessment Survey for Brown County

### Agricultural Appraisal Information

|    |   |
|----|---|
| 1. | <b>Valuation data collection done by:</b>   |
|    | Assessor, staff and the contracted appraisal company.   |
| 2. | <b>Does the County maintain more than one market area / valuation grouping in the agricultural property class?</b>  |
|    | No, the County has one market area.   |
| a. | <b>What is the process used to determine and monitor market areas / valuation groupings? (Neb. Rev. Stat. § 77-1363) List or describe.</b> Class or subclass includes, but not limited to, the classifications of agricultural land listed in section 77-1363, parcel use, parcel type, location, geographic characteristics, zoning, city size, parcel size and market characteristics.  |
|    | Each year agricultural sales and characteristics are studied to see if the market is showing any trend that may say a market area or areas are needed.  |
| b. | <b>Describe the specific characteristics of the market area / valuation groupings that make them unique?</b>  |
|    | Soils, land use and geographic characteristics.   |
| 3. | <b>Agricultural Land</b>  |
| a. | <b>How is agricultural land defined in this county?</b>   |
|    | At this time there is no specific definition, other than State Statute for Brown County.  |
| b. | <b>When is it agricultural land, when is it residential, when is it recreational?</b>   |
|    | <b>Agricultural land</b> – Land is classified as agricultural when it meets the definition of agricultural and horticultural land as it reads in statute 77-1359. <b>Residential</b> – when land is directly associated with a residence and has no agricultural use. <b>Recreational</b> – The county currently has no identified recreational acres, but is continually monitoring land use and value for recreational influence. |
| c. | <b>Are these definitions in writing?</b>  |
|    | Agricultural is defined by statute. Residential is defined in Regulation 10.001.05A. Recreational land is defined according to Regulation 10.001.05E.   |
| d. | <b>What are the recognized differences?</b>   |
|    | Primary use   |
| e. | <b>How are rural home sites valued?</b>   |
|    | Rural home sites are valued based on market using the cost approach and applicable depreciation with the one acre valued at \$5893.   |
| f. | <b>Are rural home sites valued the same as rural residential home sites?</b>  |
|    | Rural home sites are valued the same as rural residential home sites.   |
| g. | <b>Are all rural home sites valued the same or are market differences recognized?</b>   |
|    | Yes, all are valued the same.   |
| h. | <b>What are the recognized differences?</b>   |
|    | N/A   |
| 4. | <b>What is the status of the soil conversion from the alpha to numeric notation?</b>  |
|    | Fully implemented.  |
| a. | <b>Are land capability groupings (LCG) used to determine assessed value?</b>  |

|    |  |
|----|--|
|    | Yes  |
| b. | <b>What other land characteristics or analysis are/is used to determine assessed values?</b>   |
|    | Sand hill pasture, irrigated crop, irrigated grass, dry land, CRP and meadow acres.  |
| 5. | <b>Is land use updated annually?</b>   |
|    | Yes, while working on the 2008 conversion using the GIS program a land use study was completed. Many updates are also done while visiting with land owners while in the office.  |
| a. | <b>By what method? (Physical inspection, FSA maps, etc.)</b>   |
|    | FSA maps and GIS 2009 aerial imagery. Some physical inspection done on questionable properties.  |
| 6. | <b>Is there agricultural land in the County that has a non-agricultural influence?</b>   |
|    | Nothing that is recognizable at this time.   |
| a. | <b>How is the County developing the value for non-agricultural influences?</b>   |
|    | N/A  |
| b. | <b>Has the County received applications for special valuation?</b>   |
|    | Yes, however it has been determined there is no difference in the two values.  |
| c. | <b>Describe special value methodology</b>  |
|    | N/A  |
| 7  | <b>Pickup work:</b>  |
| a. | <b>Is pickup work done annually and is it completed by March 19<sup>th</sup>?</b>  |
|    | Yes  |
| b. | <b>By Whom?</b>  |
|    | Assessor, staff and contracted appraiser if necessary.   |
| c. | <b>Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work on the rural improvements the same as what was used for the general population of the valuation group?</b>                 |
|    | Yes  |
| d. | <b>Is the pickup work schedule the same for the land as for the improvements?</b>  |
|    | Yes  |
| 8. | <b>What is the counties progress with the 6 year inspection and review requirement as it relates to rural improvements? (Neb. Rev. Stat. § 77-1311.03)</b>   |
|    | In 2006 all rural improvements were reviewed and with the implementation of GIS all land use has been reviewed.  |
| a. | <b>Does the County maintain a tracking process?</b>  |
|    | Yes, this is maintained on the hard copy property record cards.  |
| b. | <b>How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?</b>   |
|    | Usually the entire class or subclass that is reviewed and inspected is done in one year. If not, then once the entire class or subclass is done the results are put on. Therefore no adjustments are applied to the balance of the county. |



## Brown County 09

### 2010 Analysis of Agricultural Land

#### Proportionality Among Study Years

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The following tables represent the distribution of sales among each year of the study period in the original sales file, the sales that were added to each area, and the resulting proportionality.

##### Preliminary Results:

| Study Year          | County | Area 1 |
|---------------------|--------|--------|
| 07/01/06 - 06/30/07 | 8      | 8      |
| 07/01/07 - 06/30/08 | 20     | 20     |
| 07/01/08 - 06/30/09 | 10     | 10     |
| Totals              | 38     | 38     |

##### Added Sales:

| Study Year       | Total | Mkt 1 |
|------------------|-------|-------|
| 7/1/06 - 6/30/07 | 0     |       |
| 7/1/07 - 6/30/08 | 0     |       |
| 7/1/08 - 6/30/09 | 0     |       |
|                  | 0     |       |

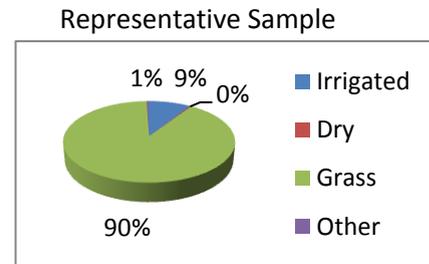
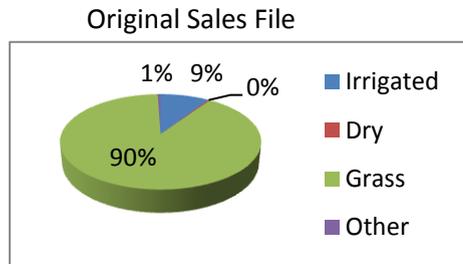
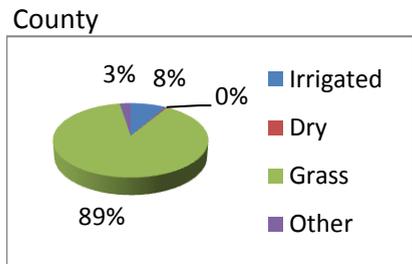
##### Final Results:

| Study Year          | County | Area 1 |
|---------------------|--------|--------|
| 07/01/06 - 06/30/07 | 8      | 8      |
| 07/01/07 - 06/30/08 | 20     | 20     |
| 07/01/08 - 06/30/09 | 10     | 10     |
| Totals              | 38     | 38     |

## Representativeness by Majority Land Use

The following tables and charts compare the makeup of land use in the population to the make up of land use in both the sales file and the representative sample.

|           | Entire County |            |        |
|-----------|---------------|------------|--------|
|           | county        | sales file | Sample |
| Irrigated | 8%            | 9%         | 9%     |
| Dry       | 0%            | 0%         | 0%     |
| Grass     | 89%           | 90%        | 90%    |
| Other     | 3%            | 1%         | 1%     |



## Adequacy of Sample

|                                       | County Total | Mrkt Area 1 |
|---------------------------------------|--------------|-------------|
| Number of Sales - Original Sales File | 38           | 38          |
| Number of Sales - Expanded Sample     | 38           | 38          |
| Total Number of Acres Added           | 0            | 0           |

## Ratio Study

### Final Statistics

County # sales 38

|         |     |     |         |
|---------|-----|-----|---------|
| Median  | 70% | AAD | 20.61%  |
| Mean    | 68% | COD | 29.30%  |
| W. Mean | 61% | PRD | 111.63% |

### Preliminary Statistics

|         |     |     |         |
|---------|-----|-----|---------|
| Median  | 56% | AAD | 18.73%  |
| Mean    | 59% | COD | 33.45%  |
| W. Mean | 53% | PRD | 111.69% |

## Majority Land Use

| 95% MLU    | Irrigated |        | Dry |        | Grass   |        |
|------------|-----------|--------|-----|--------|---------|--------|
|            | # Sales   | Median | #   | Median | # Sales | Median |
| County     | 0         | N/A    | 0   | N/A    | 23      | 70.62% |
| Mkt Area 1 | 0         | N/A    | 0   | N/A    | 23      | 70.62% |

| 80% MLU    | Irrigated |        | Dry |        | Grass   |        |
|------------|-----------|--------|-----|--------|---------|--------|
|            | # Sales   | Median | #   | Median | # Sales | Median |
| County     | 6         | 71.21% | 1   | 54.71% | 24      | 70.47% |
| Mkt Area 1 | 6         | 71.21% | 1   | 54.71% | 24      | 70.47% |



CHARLENE FOX, COUNTY ASSESSOR  
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Assessor's Office  
**BROWN COUNTY**

148 West 4<sup>th</sup>  
Ainsworth, Nebraska 69210

February 22, 2010

2010 Methodology Report for Special Valuation

Brown County, Nebraska

There is nothing at this time to indicate implementing special value in the county. The parcels approved for the special value applications have no different value than the other agricultural parcels within the county.

Charlene Fox  
Brown County Assessor

**Agricultural or Special  
Valuation Correlation**

## 2010 Correlation Section

### For Brown County

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#### Agricultural Land

##### I. Correlation

The level of value for the agricultural land in Brown County, as determined by the PTA is 70%. The mathematically calculated median is 70%.

##### AGRICULTURAL LAND:

An analysis of the agricultural sales in Brown County was conducted. Brown County has one market area for the entire county. The agricultural sales from 7/1/2006 through 6/30/2009 were reviewed to determine if the sample was skewed toward a specific time period. There were a total of 38 sales, 8 in the oldest year, 20 in the middle year, and 10 in the newest year. The sample contained a larger number of sales in the middle year compared to the oldest and newest year. Because the oldest and newest years contained a relatively equal number of sales, it is unlikely that a time skew would exist in the sample. Further the land values in Brown County have been increasing during the last several years and in each study year the market has moved proportionately. Testing was done on the sample to randomly illuminate sales from the middle year of the time period to determine if a skew did exist. The statistics calculated from the test samples indicated that there was no time skew in the sales file. A further review of the sales to determine if they were representative of the population was done. The makeup of the sales in terms of percentage of acres of irrigated, dry, and grass was very similar to the makeup of these land uses countywide, indicating that the sales file is representative of the population.

Based on the agricultural analysis completed by the assessor irrigated values were increased 27%, dry land 7% grassland values increased 7%, and CRP land 10%. Brown County has achieved equalization with the different land uses of agricultural land as well as being reasonably comparable to the surrounding counties. The level of value for Brown County is 70% of market as well as a calculated median of 70%.

There will be no non-binding recommendation for the agricultural class.

## 2010 Correlation Section

### For Brown County

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#### II. Analysis of Sales Verification

Neb. Rev. Stat. 77-1327(2) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2007), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Division frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

#### AGRICULTURAL LAND:

The Brown County Assessor reviews all agricultural sales by sending questionnaires to the seller and buyer to gather as much information about the sale as possible. Occasionally phone calls will be made to the buyer or seller if the assessor has additional questions concerning the sale. Additional resources such as attorneys and real estate agents are utilized in this process to acquire more accurate information concerning sales.

A further review of the non-qualified sales roster was conducted. A very large percentage of the sales excluded were substantially changed properties, half interests or family sales. It has been determined that the assessor is using as many sales as possible in the analysis of the agricultural land.

## 2010 Correlation Section

### For Brown County

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#### III. Measures of Central Tendency

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness in the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The IAAO considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

**Median    Wgt.Mean    Mean**

|                           |           |           |           |
|---------------------------|-----------|-----------|-----------|
| <b>R&amp;O Statistics</b> | <b>70</b> | <b>61</b> | <b>68</b> |
|---------------------------|-----------|-----------|-----------|

## 2010 Correlation Section

### For Brown County

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#### IV. Analysis of Quality of Assessment

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The International Association of Assessing Officers recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.  
Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

## 2010 Correlation Section

### For Brown County

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There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July, 2007, recommends that the PRD should lie between 98 and 103. This range is centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 247.

The analysis in this section displays the calculated COD and PRD measures for Brown County, which are considered as one part of the analysis of the County's assessment practices.

|                           | COD          | PRD           |
|---------------------------|--------------|---------------|
| <b>R&amp;O Statistics</b> | <b>29.30</b> | <b>111.63</b> |

#### AGRICULTURAL LAND:

The weighted mean and the mean measures of central tendency are below the range. Both the coefficient of dispersion and the price related differential are above the acceptable range. This is more of a reflection of what is happening in a significantly increasing market. With the removal of two high dollar sales these measures improve.

Based on the known assessment practices of the county, the assessor's process of analyzing the local market and applying valuation changes consistently within the agricultural class, these statistics are considered appropriate.



|  |                        |                            |                         |                                   |
|--|------------------------|----------------------------|-------------------------|-----------------------------------|
| <b>Total Real Property</b><br>Sum Lines 17, 25, & 30 | <b>Records : 4,897</b> | <b>Value : 386,356,511</b> | <b>Growth 1,691,774</b> | <b>Sum Lines 17, 25, &amp; 41</b> |
|--|------------------------|----------------------------|-------------------------|-----------------------------------|

Schedule I : Non-Agricultural Records

|                                 | Urban   |            | SubUrban |            | Rural   |            | Total   |            | Growth  |
|---------------------------------|---------|------------|----------|------------|---------|------------|---------|------------|---------|
|                                 | Records | Value      | Records  | Value      | Records | Value      | Records | Value      |         |
| <b>01. Res UnImp Land</b>       | 190     | 495,147    | 43       | 367,174    | 15      | 250,385    | 248     | 1,112,706  |         |
| <b>02. Res Improve Land</b>     | 1,120   | 3,984,372  | 93       | 926,308    | 92      | 1,448,541  | 1,305   | 6,359,221  |         |
| <b>03. Res Improvements</b>     | 1,135   | 34,474,791 | 97       | 5,651,993  | 105     | 6,610,426  | 1,337   | 46,737,210 |         |
| <b>04. Res Total</b>            | 1,325   | 38,954,310 | 140      | 6,945,475  | 120     | 8,309,352  | 1,585   | 54,209,137 | 373,975 |
| <b>% of Res Total</b>           | 83.60   | 71.86      | 8.83     | 12.81      | 7.57    | 15.33      | 32.37   | 14.03      | 22.11   |
| <b>05. Com UnImp Land</b>       | 38      | 162,781    | 2        | 6,740      | 1       | 6,700      | 41      | 176,221    |         |
| <b>06. Com Improve Land</b>     | 183     | 1,608,322  | 16       | 276,642    | 19      | 187,267    | 218     | 2,072,231  |         |
| <b>07. Com Improvements</b>     | 192     | 13,556,720 | 21       | 2,778,881  | 23      | 5,752,238  | 236     | 22,087,839 |         |
| <b>08. Com Total</b>            | 230     | 15,327,823 | 23       | 3,062,263  | 24      | 5,946,205  | 277     | 24,336,291 | 167,161 |
| <b>% of Com Total</b>           | 83.03   | 62.98      | 8.30     | 12.58      | 8.66    | 24.43      | 5.66    | 6.30       | 9.88    |
| <b>09. Ind UnImp Land</b>       | 0       | 0          | 0        | 0          | 0       | 0          | 0       | 0          |         |
| <b>10. Ind Improve Land</b>     | 0       | 0          | 1        | 6,080      | 0       | 0          | 1       | 6,080      |         |
| <b>11. Ind Improvements</b>     | 0       | 0          | 1        | 270,820    | 0       | 0          | 1       | 270,820    |         |
| <b>12. Ind Total</b>            | 0       | 0          | 1        | 276,900    | 0       | 0          | 1       | 276,900    | 0       |
| <b>% of Ind Total</b>           | 0.00    | 0.00       | 100.00   | 100.00     | 0.00    | 0.00       | 0.02    | 0.07       | 0.00    |
| <b>13. Rec UnImp Land</b>       | 0       | 0          | 34       | 69,930     | 3       | 5,410      | 37      | 75,340     |         |
| <b>14. Rec Improve Land</b>     | 0       | 0          | 60       | 145,776    | 7       | 219,005    | 67      | 364,781    |         |
| <b>15. Rec Improvements</b>     | 0       | 0          | 60       | 1,460,543  | 25      | 281,412    | 85      | 1,741,955  |         |
| <b>16. Rec Total</b>            | 0       | 0          | 94       | 1,676,249  | 28      | 505,827    | 122     | 2,182,076  | 97,686  |
| <b>% of Rec Total</b>           | 0.00    | 0.00       | 77.05    | 76.82      | 22.95   | 23.18      | 2.49    | 0.56       | 5.77    |
| <b>Res &amp; Rec Total</b>      | 1,325   | 38,954,310 | 234      | 8,621,724  | 148     | 8,815,179  | 1,707   | 56,391,213 | 471,661 |
| <b>% of Res &amp; Rec Total</b> | 77.62   | 69.08      | 13.71    | 15.29      | 8.67    | 15.63      | 34.86   | 14.60      | 27.88   |
| <b>Com &amp; Ind Total</b>      | 230     | 15,327,823 | 24       | 3,339,163  | 24      | 5,946,205  | 278     | 24,613,191 | 167,161 |
| <b>% of Com &amp; Ind Total</b> | 82.73   | 62.27      | 8.63     | 13.57      | 8.63    | 24.16      | 5.68    | 6.37       | 9.88    |
| <b>17. Taxable Total</b>        | 1,555   | 54,282,133 | 258      | 11,960,887 | 172     | 14,761,384 | 1,985   | 81,004,404 | 638,822 |
| <b>% of Taxable Total</b>       | 78.34   | 67.01      | 13.00    | 14.77      | 8.66    | 18.22      | 40.54   | 20.97      | 37.76   |

Schedule II : Tax Increment Financing (TIF)

|                  | Urban   |            |              | SubUrban |            |              |
|------------------|---------|------------|--------------|----------|------------|--------------|
|                  | Records | Value Base | Value Excess | Records  | Value Base | Value Excess |
| 18. Residential  | 0       | 0          | 0            | 0        | 0          | 0            |
| 19. Commercial   | 2       | 38,705     | 1,753,193    | 0        | 0          | 0            |
| 20. Industrial   | 0       | 0          | 0            | 0        | 0          | 0            |
| 21. Other        | 0       | 0          | 0            | 0        | 0          | 0            |
|                  | Rural   |            |              | Total    |            |              |
|                  | Records | Value Base | Value Excess | Records  | Value Base | Value Excess |
| 18. Residential  | 0       | 0          | 0            | 0        | 0          | 0            |
| 19. Commercial   | 0       | 0          | 0            | 2        | 38,705     | 1,753,193    |
| 20. Industrial   | 0       | 0          | 0            | 0        | 0          | 0            |
| 21. Other        | 0       | 0          | 0            | 0        | 0          | 0            |
| 22. Total Sch II |         |            |              | 2        | 38,705     | 1,753,193    |

Schedule III : Mineral Interest Records

| Mineral Interest  | Urban   |       | SubUrban |       | Rural   |       | Total   |       | Growth |
|-------------------|---------|-------|----------|-------|---------|-------|---------|-------|--------|
|                   | Records | Value | Records  | Value | Records | Value | Records | Value |        |
| 23. Producing     | 0       | 0     | 0        | 0     | 0       | 0     | 0       | 0     | 0      |
| 24. Non-Producing | 0       | 0     | 0        | 0     | 0       | 0     | 0       | 0     | 0      |
| 25. Total         | 0       | 0     | 0        | 0     | 0       | 0     | 0       | 0     | 0      |

Schedule IV : Exempt Records : Non-Agricultural

|               | Urban Records | SubUrban Records | Rural Records | Total Records |
|---------------|---------------|------------------|---------------|---------------|
| 26. Producing | 102           | 42               | 388           | 532           |

Schedule V : Agricultural Records

|                      | Urban   |       | SubUrban |           | Rural   |             | Total   |             |
|----------------------|---------|-------|----------|-----------|---------|-------------|---------|-------------|
|                      | Records | Value | Records  | Value     | Records | Value       | Records | Value       |
| 27. Ag-Vacant Land   | 0       | 0     | 34       | 2,685,252 | 2,325   | 204,593,960 | 2,359   | 207,279,212 |
| 28. Ag-Improved Land | 0       | 0     | 55       | 5,079,109 | 483     | 57,693,175  | 538     | 62,772,284  |
| 29. Ag Improvements  | 0       | 0     | 55       | 5,477,210 | 498     | 29,823,401  | 553     | 35,300,611  |
| 30. Ag Total         |         |       |          |           |         |             | 2,912   | 305,352,107 |

Schedule VI : Agricultural Records :Non-Agricultural Detail

|                           | Urban   |          |            | SubUrban   |                 |                   | Growth           |
|---------------------------|---------|----------|------------|------------|-----------------|-------------------|------------------|
|                           | Records | Acres    | Value      | Records    | Acres           | Value             |                  |
| 31. HomeSite UnImp Land   | 0       | 0.00     | 0          | 1          | 1.00            | 5,893             |                  |
| 32. HomeSite Improv Land  | 0       | 0.00     | 0          | 40         | 41.50           | 244,560           |                  |
| 33. HomeSite Improvements | 0       | 0.00     | 0          | 40         | 40.50           | 2,289,731         |                  |
| 34. HomeSite Total        |         |          |            |            |                 |                   |                  |
| 35. FarmSite UnImp Land   | 0       | 0.00     | 0          | 3          | 4.68            | 11,960            |                  |
| 36. FarmSite Improv Land  | 0       | 0.00     | 0          | 41         | 282.35          | 202,752           |                  |
| 37. FarmSite Improvements | 0       | 0.00     | 0          | 50         | 0.00            | 3,187,479         |                  |
| 38. FarmSite Total        |         |          |            |            |                 |                   |                  |
| 39. Road & Ditches        | 0       | 0.00     | 0          | 0          | 161.56          | 0                 |                  |
| 40. Other- Non Ag Use     | 0       | 0.00     | 0          | 0          | 0.00            | 0                 |                  |
|                           | Records | Acres    | Value      | Records    | Acres           | Value             | Growth           |
| 31. HomeSite UnImp Land   | 6       | 6.00     | 35,358     | 7          | 7.00            | 41,251            |                  |
| 32. HomeSite Improv Land  | 343     | 371.29   | 2,192,432  | 383        | 412.79          | 2,436,992         |                  |
| 33. HomeSite Improvements | 354     | 367.29   | 21,097,862 | 394        | 407.79          | 23,387,593        | 1,052,952        |
| 34. HomeSite Total        |         |          |            | <b>401</b> | <b>419.79</b>   | <b>25,865,836</b> |                  |
| 35. FarmSite UnImp Land   | 30      | 346.65   | 905,022    | 33         | 351.33          | 916,982           |                  |
| 36. FarmSite Improv Land  | 375     | 1,267.31 | 1,023,959  | 416        | 1,549.66        | 1,226,711         |                  |
| 37. FarmSite Improvements | 455     | 0.00     | 8,725,539  | 505        | 0.00            | 11,913,018        | 0                |
| 38. FarmSite Total        |         |          |            | <b>538</b> | <b>1,900.99</b> | <b>14,056,711</b> |                  |
| 39. Road & Ditches        | 0       | 3,573.85 | 0          | 0          | 3,735.41        | 0                 |                  |
| 40. Other- Non Ag Use     | 0       | 0.00     | 0          | 0          | 0.00            | 0                 |                  |
| 41. Total Section VI      |         |          |            | <b>939</b> | <b>6,056.19</b> | <b>39,922,547</b> | <b>1,052,952</b> |

Schedule VII : Agricultural Records :Ag Land Detail - Game & Parks

|                  | Urban   |          |         | SubUrban |          |         |
|------------------|---------|----------|---------|----------|----------|---------|
|                  | Records | Acres    | Value   | Records  | Acres    | Value   |
| 42. Game & Parks | 0       | 0.00     | 0       | 0        | 0.00     | 0       |
|                  | Rural   |          |         | Total    |          |         |
|                  | Records | Acres    | Value   | Records  | Acres    | Value   |
| 42. Game & Parks | 15      | 3,941.81 | 938,623 | 15       | 3,941.81 | 938,623 |

Schedule VIII : Agricultural Records : Special Value

|                         | Urban   |          |         | SubUrban |          |         |
|-------------------------|---------|----------|---------|----------|----------|---------|
|                         | Records | Acres    | Value   | Records  | Acres    | Value   |
| 43. Special Value       | 0       | 0.00     | 0       | 0        | 0.00     | 0       |
| 44. Recapture Value N/A | 0       | 0.00     | 0       | 0        | 0.00     | 0       |
|                         | Rural   |          |         | Total    |          |         |
|                         | Records | Acres    | Value   | Records  | Acres    | Value   |
| 43. Special Value       | 10      | 3,236.99 | 828,547 | 10       | 3,236.99 | 828,547 |
| 44. Market Value        | 0       | 0        | 0       | 0        | 0        | 0       |

\* LB 968 (2006) for tax year 2009 and forward there will be no Recapture value.

## Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

| Irrigated                | Acres      | % of Acres* | Value       | % of Value* | Average Assessed Value* |
|--------------------------|------------|-------------|-------------|-------------|-------------------------|
| 45. 1A1                  | 0.00       | 0.00%       | 0           | 0.00%       | 0.00                    |
| 46. 1A                   | 15,546.41  | 24.33%      | 24,775,550  | 29.08%      | 1,593.65                |
| 47. 2A1                  | 11,747.99  | 18.39%      | 18,642,268  | 21.88%      | 1,586.85                |
| 48. 2A                   | 8,225.44   | 12.87%      | 12,857,526  | 15.09%      | 1,563.14                |
| 49. 3A1                  | 3,031.78   | 4.75%       | 3,733,313   | 4.38%       | 1,231.39                |
| 50. 3A                   | 5,667.24   | 8.87%       | 6,078,066   | 7.13%       | 1,072.49                |
| 51. 4A1                  | 15,193.13  | 23.78%      | 14,465,270  | 16.98%      | 952.09                  |
| 52. 4A                   | 4,479.61   | 7.01%       | 4,655,106   | 5.46%       | 1,039.18                |
| 53. Total                | 63,891.60  | 100.00%     | 85,207,099  | 100.00%     | 1,333.62                |
| <b>Dry</b>               |            |             |             |             |                         |
| 54. 1D1                  | 0.00       | 0.00%       | 0           | 0.00%       | 0.00                    |
| 55. 1D                   | 525.83     | 19.18%      | 249,781     | 22.57%      | 475.02                  |
| 56. 2D1                  | 599.01     | 21.85%      | 284,545     | 25.71%      | 475.03                  |
| 57. 2D                   | 373.11     | 13.61%      | 164,172     | 14.83%      | 440.01                  |
| 58. 3D1                  | 67.17      | 2.45%       | 28,551      | 2.58%       | 425.06                  |
| 59. 3D                   | 448.64     | 16.37%      | 161,510     | 14.59%      | 360.00                  |
| 60. 4D1                  | 589.81     | 21.51%      | 176,943     | 15.99%      | 300.00                  |
| 61. 4D                   | 137.86     | 5.03%       | 41,358      | 3.74%       | 300.00                  |
| 62. Total                | 2,741.43   | 100.00%     | 1,106,860   | 100.00%     | 403.75                  |
| <b>Grass</b>             |            |             |             |             |                         |
| 63. 1G1                  | 0.00       | 0.00%       | 0           | 0.00%       | 0.00                    |
| 64. 1G                   | 8,708.22   | 1.27%       | 3,350,199   | 1.88%       | 384.72                  |
| 65. 2G1                  | 17,054.87  | 2.50%       | 6,562,960   | 3.68%       | 384.81                  |
| 66. 2G                   | 12,596.82  | 1.84%       | 4,840,967   | 2.72%       | 384.30                  |
| 67. 3G1                  | 32,295.71  | 4.73%       | 12,350,835  | 6.93%       | 382.43                  |
| 68. 3G                   | 21,293.42  | 3.12%       | 6,080,863   | 3.41%       | 285.57                  |
| 69. 4G1                  | 140,250.02 | 20.53%      | 34,478,645  | 19.35%      | 245.84                  |
| 70. 4G                   | 450,846.71 | 66.01%      | 110,524,061 | 62.03%      | 245.15                  |
| 71. Total                | 683,045.77 | 100.00%     | 178,188,530 | 100.00%     | 260.87                  |
| <b>Irrigated Total</b>   | 63,891.60  | 8.36%       | 85,207,099  | 32.10%      | 1,333.62                |
| <b>Dry Total</b>         | 2,741.43   | 0.36%       | 1,106,860   | 0.42%       | 403.75                  |
| <b>Grass Total</b>       | 683,045.77 | 89.38%      | 178,188,530 | 67.13%      | 260.87                  |
| <b>Waste</b>             | 12,671.61  | 1.66%       | 760,310     | 0.29%       | 60.00                   |
| <b>Other</b>             | 1,832.63   | 0.24%       | 166,761     | 0.06%       | 91.00                   |
| <b>Exempt</b>            | 10,011.43  | 1.31%       | 0           | 0.00%       | 0.00                    |
| <b>Market Area Total</b> | 764,183.04 | 100.00%     | 265,429,560 | 100.00%     | 347.34                  |

Schedule X : Agricultural Records :Ag Land Total

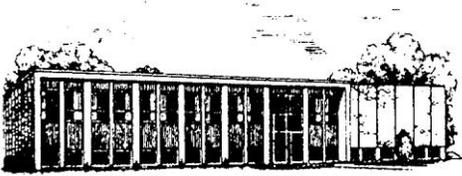
|                      | Urban       |          | SubUrban        |                  | Rural             |                    | Total             |                    |
|----------------------|-------------|----------|-----------------|------------------|-------------------|--------------------|-------------------|--------------------|
|                      | Acres       | Value    | Acres           | Value            | Acres             | Value              | Acres             | Value              |
| <b>76. Irrigated</b> | 0.00        | 0        | 4,101.15        | 5,650,832        | 59,790.45         | 79,556,267         | 63,891.60         | 85,207,099         |
| <b>77. Dry Land</b>  | 0.00        | 0        | 251.27          | 101,122          | 2,490.16          | 1,005,738          | 2,741.43          | 1,106,860          |
| <b>78. Grass</b>     | 0.00        | 0        | 5,254.18        | 1,545,122        | 677,791.59        | 176,643,408        | 683,045.77        | 178,188,530        |
| <b>79. Waste</b>     | 0.00        | 0        | 35.05           | 2,101            | 12,636.56         | 758,209            | 12,671.61         | 760,310            |
| <b>80. Other</b>     | 0.00        | 0        | 0.31            | 19               | 1,832.32          | 166,742            | 1,832.63          | 166,761            |
| <b>81. Exempt</b>    | 0.00        | 0        | 530.90          | 0                | 9,480.53          | 0                  | 10,011.43         | 0                  |
| <b>82. Total</b>     | <b>0.00</b> | <b>0</b> | <b>9,641.96</b> | <b>7,299,196</b> | <b>754,541.08</b> | <b>258,130,364</b> | <b>764,183.04</b> | <b>265,429,560</b> |

|                  | Acres             | % of Acres*    | Value              | % of Value*    | Average Assessed Value* |
|------------------|-------------------|----------------|--------------------|----------------|-------------------------|
| <b>Irrigated</b> | 63,891.60         | 8.36%          | 85,207,099         | 32.10%         | 1,333.62                |
| <b>Dry Land</b>  | 2,741.43          | 0.36%          | 1,106,860          | 0.42%          | 403.75                  |
| <b>Grass</b>     | 683,045.77        | 89.38%         | 178,188,530        | 67.13%         | 260.87                  |
| <b>Waste</b>     | 12,671.61         | 1.66%          | 760,310            | 0.29%          | 60.00                   |
| <b>Other</b>     | 1,832.63          | 0.24%          | 166,761            | 0.06%          | 91.00                   |
| <b>Exempt</b>    | 10,011.43         | 1.31%          | 0                  | 0.00%          | 0.00                    |
| <b>Total</b>     | <b>764,183.04</b> | <b>100.00%</b> | <b>265,429,560</b> | <b>100.00%</b> | <b>347.34</b>           |

## 2010 County Abstract of Assessment for Real Property, Form 45 Compared with the 2009 Certificate of Taxes Levied (CTL)

**09 Brown**

|   | 2009 CTL<br>County Total | 2010 Form 45<br>County Total | Value Difference<br>(2010 form 45 - 2009 CTL) | Percent<br>Change | 2010 Growth<br>(New Construction Value) | Percent Change<br>excl. Growth |
|---|--------------------------|------------------------------|---|-------------------|---|--------------------------------|
| 01. Residential   | 53,835,675               | 54,209,137                   | 373,462                                       | 0.69%             | 373,975                                 | 0.00%                          |
| 02. Recreational  | 2,101,450                | 2,182,076                    | 80,626  | 3.84%             | 97,686                                  | -0.81%                         |
| 03. Ag-Homesite Land, Ag-Res Dwelling                             | 25,084,108               | 25,865,836                   | 781,728                                       | 3.12%             | 1,052,952                               | -1.08%                         |
| <b>04. Total Residential (sum lines 1-3)</b>                      | <b>81,021,233</b>        | <b>82,257,049</b>            | <b>1,235,816</b>                              | <b>1.53%</b>      | <b>1,524,613</b>                        | <b>-0.36%</b>                  |
| 05. Commercial  | 24,626,480               | 24,336,291                   | -290,189                                      | -1.18%            | 167,161                                 | -1.86%                         |
| 06. Industrial  | 276,900                  | 276,900                      | 0   | 0.00%             | 0                                       | 0.00%                          |
| 07. Ag-Farmsite Land, Outbuildings                                | 13,805,962               | 14,056,711                   | 250,749                                       | 1.82%             | 0                                       | 1.82%                          |
| 08. Minerals  | 0                        | 0                            | 0   |                   | 0                                       |                                |
| <b>09. Total Commercial (sum lines 5-8)</b>                       | <b>38,709,342</b>        | <b>38,669,902</b>            | <b>-39,440</b>                                | <b>-0.10%</b>     | <b>167,161</b>                          | <b>-0.53%</b>                  |
| <b>10. Total Non-Agland Real Property</b>                         | <b>119,730,575</b>       | <b>120,926,951</b>           | <b>1,196,376</b>                              | <b>1.00%</b>      | <b>1,691,774</b>                        | <b>-0.41%</b>                  |
| 11. Irrigated   | 66,218,106               | 85,207,099                   | 18,988,993                                    | 28.68%            |   |                                |
| 12. Dryland   | 1,029,268                | 1,106,860                    | 77,592  | 7.54%             |   |                                |
| 13. Grassland   | 165,238,046              | 178,188,530                  | 12,950,484                                    | 7.84%             |   |                                |
| 14. Wasteland   | 555,161                  | 760,310                      | 205,149                                       | 36.95%            |   |                                |
| 15. Other Agland  | 0                        | 166,761                      | 166,761                                       |                   |   |                                |
| <b>16. Total Agricultural Land</b>                                | <b>233,040,581</b>       | <b>265,429,560</b>           | <b>32,388,979</b>                             | <b>13.90%</b>     |   |                                |
| <b>17. Total Value of all Real Property</b><br>(Locally Assessed) | <b>352,771,156</b>       | <b>386,356,511</b>           | <b>33,585,355</b>                             | <b>9.52%</b>      | <b>1,691,774</b>                        | <b>9.04%</b>                   |



CHARLENE FOX, COUNTY ASSESSOR  
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Assessor's Office  
**BROWN COUNTY**  
148 West 4<sup>th</sup>  
Ainsworth, Nebraska 69210

**2009-YR. PLAN OF ASSESSMENT  
FOR BROWN COUNTY**

**PREPARED BY  
CHARLENE K FOX, BROWN COUNTY ASSESSOR**

**JUNE 15,2009**

**INTRODUCTION: 77-1311.02 (the new law as written in LB334)**

Pursuant to Neb. Laws 2007, LB334, Section 64, on or before June 15 each year, the assessor shall prepare a plan of assessment which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of Revenue on or before October 31 each year.

**REAL PROPERTY ASSESSMENT REQUIREMENTS:**

**All property in the State of Nebraska is subject to property tax unless expressly exempt by Nebraska Constitution, Article VIII, or is permitted by the constitution and enabling legislation adopted by the legislature. The uniform standard for the assessed value of real property for tax purposes is actual value, which is defined by law as “the market value of real property in the ordinary course of trade.” Neb.Rev.Stat. 77-112 (reissue 2003).**

**Assessment levels required for real property are as follows:**

1. 100% of actual value for all classes of real property excluding agricultural and horticultural land;
2. 75% of actual value for agricultural land and horticultural land; and
3. 75% of special value for agricultural and horticultural land which meets the qualifications for special valuation under 77-1344 .

**GENERAL DESCRIPTION OF REAL PROPERTY IN BROWN COUNTY:**

Per the 2008 County Abstract, Brown County consists of the following real property types:

|                 | <b>Parcel/Acres<br/>Count</b> | <b>%<br/>Parce<br/>l</b> | <b>Total Value</b> | <b>%<br/>Value</b> | <b>Land Only</b> | <b>Improvements</b> |
|-----------------|-------------------------------|--------------------------|--------------------|--------------------|------------------|---------------------|
| Residential/Rec | 1712                          | 35%                      | 55,815,158         | 16%                | 7,921,072        | 47,894,086          |
| Commercial/Ind  | 279                           | 6%                       | 24,763,587         | 7%                 | 2,253,049        | 22,510,538          |
| Agricultural    | 2908/<br>764,040.29           | 59%                      | 270,464,356        | 77%                | 236,024,481      | 34,439,875          |
| Total           | 4899                          | 100%                     | 351,043,101        | 100%               | 246,198,602      | 104,844,499         |

Brown County is predominantly an agricultural county with 74% of its area being agricultural. Of the 74% agricultural area, 89% of that is grassland and 7% is irrigated crop.

New Property: For assessment year 2009, an estimated 153 building permits and/or information statements were valued for new property construction/additions in the county.

### **CURRENT RESOURCES:**

#### **A. BUDGET, STAFFING & TRAINING:**

##### Proposed Budget

2009-2010 Assessor Budget = \$85,000

2009-2010 Co. Appraisal Budget = \$100,000 (Inc. GIS Program)

2009-2010 Computer Hardware/Software Budget = \$10,050 (1/2 Shared Budget w/Treasurer)

##### Staff

1 County Assessor

2 Full-time Clerks (35 Hrs. Per Week)

##### Training

The assessor attends monthly District Meetings, Spring & Fall Assessor Workshops, and takes various educational courses to keep updated on assessment & appraisal knowledge and to obtain the required 60 hour requirement of certified education for maintaining the assessor's certificate. The assessor strives to keep updated on legislation that affects her office. Knowledge is then passed on to the staff for additional expertise in the process of the assessment responsibility. It would be a positive thing to be able to send the staff for additional educational courses. At this point, most of the training for them has been "hands on" from the assessor herself.

#### **B. Cadastral Maps:**

Brown County's cadastral maps have a photo base that was taken in 1989. The county is currently in the process of building & editing information for a GIS (Geographic Information System) software program. The assessor's office is now using the GIS Map to determine the number of acres in each soil type as well as considering the land use of that soil type. Aerial photos of the farm sites that were taken in 1986 are included in the property record file. Brown County is in need of current aerial photos of all rural farm sites

and would like to be able to have those taken in the near future as the 1986 photos are somewhat outdated. A lot of changes have taken place in the last 20 years as far as buildings gone and new buildings having been put up.

### **C. Property Record Cards:**

Property record files were last created for Brown County's records in the 2000 year. All three classes of property had new files made. Files are up-to-date with current listings, photos and sketches for those properties that have structures. It is now time to make new property record cards (hardcopy) since the cards have become filled up with valuations over a 10-year period of time. Electronic property record cards are available in the Terra Scan software program.

### **D. Computer Software:**

Brown County is contracted with The Property Assessment Division of the Dept. of Revenue for the Terra Scan software that is used for the assessment administration and the CAMA (appraisal) administration. At this time, the assessor's office is currently working on editing and setting up the administration of GIS Workshop software for the county.

### **E. World Wide Web:**

Access to property record information on the web is not available at this time in Brown County. Some counties do have their information on the web and perhaps should be considered in the future for Brown County as there are many requests for assessment information on properties in the county. The office has received several requests for web info and it could happen but not without some cost to the county.

## **CURRENT ASSESSMENT PROCEDURES FOR REAL PROPERTY:**

### **A. Discover, List & Inventory Property:**

Real estate transfer statements are brought to the assessor's office whenever. Ownerships are then changed on the hard copy property record cards as well as the electronic cards that are involved in the legal description that is on the transfer statements. The electronic ownerships are changed through the sale file. Sales review of each transfer is done through a sales verification process of sending a questionnaire out to the buyer and seller to determine if the transaction is an arms-length bona-fide sale.

Two towns in Brown County are required through city regulations to obtain building permits for new construction. They are then brought to the assessor's office. Brown County, itself, does not require building permits in the rural for farm buildings (which includes the farm house) but zoning permits are required for non-farm buildings. Those permits are filed in the clerk's office and brought to the assessor by the zoning administrator or the clerk's office. Information statements are filed with the assessor for some construction that takes place in the county but the assessor's office works very diligently to take notice of all things that they might hear or know of to pick up for new assessments. Frequently, the assessor sends out information statements to the property owner to obtain that information or it would go undone as far as the filing process described in Statute 77-1318.01. All new construction is added to the tax roll on an annual basis as it is discovered.

### **B. Data Collection:**

Brown County is working on a process of setting up a systematic inspection & review by class or subclass of property on a 6-year cycle (Statute 77-1311.03) to determine if a revaluation is required. When a revaluation is done, a market analysis is done and income data is obtained for the commercial class whether it be by a contracted appraisal company or the assessor's office.

**C. Ratio Studies:**

Ratio studies are performed on an annual basis on all classes of property to determine whether assessment actions are needed in a specific area or neighborhood or in the entire class of property throughout the county. The county works with it’s field liaison at all times.

**D. Value Approaches:**

1) Market Approach: The market approach is used on all classes of property to attempt to obtain market value on each parcel of property. Using sales comparisons is one way of determining market value on like properties.

2) Cost Approach: The cost approach is used primarily in the residential and commercial valuation process. Brown County currently is using a Marshall/Swift cost manual dated June 2003 to arrive at a Replacement Cost New (RCN) calculation to start with. A depreciation factor derived from market analysis in the county is then used to apply to that RCN to arrive at market value. A current depreciation study for a residential revaluation and commercial revaluation was done for the 2005 year market values. Farm homes and outbuildings had a market study done for the 2006 year market values by a contracted appraisal company.

3) Income Approach: The income approach is used primarily in the valuation of commercial properties. Brown County income & expense data collection/analysis from the market was collected for the 2005 year revaluation process by a contracted appraisal company.

4) Land Valuation Studies: These studies are done on an annual basis in Brown County. A three year study period of arms-length sales is used to determine current market values. Currently, Brown County consists of only 1 market area.

**E. Reconciliation of Value:**

The reconciliation of the 3 approaches (if used) to value property and documentation of that on the hard copy property record card is something that needs continued work. The electronic file has the capability of showing it if the approaches are used on that parcel.

**F. Sales Ratio Review:**

After new valuation procedures are finished, another sales ratio study is done to determine the statistics on that class of property. This is done is determine if the median and quality statistics are in line with the required statistics for the particular class or subclass of property.

**G. Notices:**

Notices of valuations that change, either increase or decrease, are sent out to the property owner as required by Statute 77-1315 on an annual basis. Generally a letter of explanation for a change in value is inserted by the assessor.

**Level of Value, Quality, and Uniformity for assessment year 2009:**

| <u>Property Class</u> | <u>Median</u> | <u>COD*</u> | <u>PRD*</u> |
|-----------------------|---------------|-------------|-------------|
| Residential           | 96.00%        | 30.86       | 118.46      |
| Commercial            | 97.00%        | 18.89       | 96.95       |
| Agricultural Land     | 72.00%        | 22.71       | 111.32      |

\*COD means coefficient of dispersion and PRD means price related differential. For more information regarding statistical measures, see 2009 Reports & Opinions.

**Assessment Actions Planned for Assessment Year 2010:**

Residential: A current market analysis for the 2010 Assessment Year shows that the subclass of the Rural Acreage Residential will be needing assessment attention as one of the areas to be looked at in the 6-yr. Systematic Inspection period. As well, Long Pine residential properties will be looked at for revaluation based on a market analysis that will be done in that subclass of property. It is planned to be looking at using a more current Marshall & Swift costing program for the 2008 yr. RCN (Replacement Cost New) from the 2003 yr. that is currently being used at this point in time.

Commercial: The commercial class of property is requiring some attention to the subclass of Ainsworth commercial properties based on current market analysis. Those will be looked at for some type of adjustment to bring them in the required range of level of value.

Agricultural: Current ratio studies will be done for the designated 3-yr. time frame of sales to determine what action needs to take place to get to the required level of value range for that class of property. A market analysis will be done. Continue review for water/waste land use needs to be finished up in the lower part of the county.

All new construction will be looked at for value and addition to the 2010 tax roll. Continued sales review of all sales will be done in all three classes of property.

**Assessment Actions Planned for Assessment Year 2011:**

Residential: Ainsworth City properties will get reviewed this year under the 6-year inspection and review plan. We will be looking at changing the RCN costing program out of Marshall & Swift to calculate the market value using the cost approach from the 2003 year costing to the 2008 year costing programs. Continued sales review and new construction valuation added will also be a part of the assessment actions on this class of property.

Commercial: Sales on this class of property will be closely watched for any changes that might be needed. Consideration will be given to the use of a more current RCN (2008 yr.) on commercial properties. This will make then equalized with the RCN being used on the residential properties. Sales verifications and ratio studies will be done as usual.

Agricultural: Statistical Ratio Studies will be done to determine adjustments on value to any of the land classification groups if needed to be at the required 75% level of value range. Sales verifications will continue.

It is planned to use a qualified commercial appraisal company to help with the use of the income approach on the valuation of the commercial properties. It will be important to budget the necessary monies for this project to take place.

New construction will be valued and added to the 2011 tax roll as is necessary and a main objective of the assessor's office.

**Assessment Actions Planned for Assessment Year 2012:**

Residential: Rural Farm Residential and outbldgs will need review in the 6 yr. systematic inspection process. Ratio studies will be done to determine what extent values need to be changed, if any. Continued sales review and new construction value will be added as part of the continued process of the assessor's work.

Commercial: Sales verifications with monitoring of those sales will be done with this class of property. Ratio studies will continue to determine if any change in value is warranted this year. New construction value will be added to the tax roll as necessary.

Agricultural: Again, sales will be monitored for any change in value based on market sales. Sales verification will be completed as usual. Land use will continue to be monitored & better designation of acreages against true agricultural properties can be determined.

### **Other Functions Performed by Assessor's Office, but not limited to:**

#### Assessor & Staff Responsibilities

The following reports and documents are mandated for the assessor's office throughout the calendar year to be filed timely to meet the requirements of legislative law:

Permissive Exemptions: Approximately 41 Tax Exempt Organization filed for property tax exemption for the 2009 year by December 30<sup>th</sup>. Administer annual filings of applications for new or continued exempt use, review and make recommendations to county board.

Homestead Exemptions: Approximately 216 Homestead Exemption Applications were filed in Brown Co. by June 30<sup>th</sup> for 2009. Administer annual filings of applications, approval/denial process, taxpayer notifications, and taxpayer assistance.

Homestead Exemption Tax Loss Report: Report filed by Nov. 30<sup>th</sup> in conjunction with the treasurer for tax loss in Brown County due to loss of tax dollars reimbursed by state to county.

Personal Property Schedules: Approximately 579 Personal Property Schedules were filed in Brown Co. by May 1<sup>st</sup> for 2009. Administer annual filings of schedules; prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.

Form 45 County Abstract of Assessment for Real Property: All Real Estate values are accumulated by March 19<sup>th</sup> after an enormous amount of detailed work in determining market value on all classes of property in Brown County.

Bd. Of Educational Land & Funds Report: Current valuations for properties owned by BOELF must be reported to them.

Sales Information: Send to PAD rosters & annual Assessed Value Update w/abstract by March 19<sup>th</sup>.

Notice of Valuation Change: These forms are sent to all property owners whose value has either decreased or increased by June 1<sup>st</sup> based on Statute 77-1315.

Form 45 County Abstract of Assessment for Personal Property: All personal property values are accumulated after May 1<sup>st</sup> to meet the June 15<sup>th</sup> deadline on this report. This requires a lot of extra time spent making phone calls or written requests for necessary documents needed for this assessment.

Tax List Corrections: Prepare tax list correction documents for county board approval.

County Bd. Of Equalization: Attend all County Board of Equalization meetings for valuation protests – assemble and provide information on all protests (June 1<sup>st</sup> – July 25<sup>th</sup>)

TERC Appeals: Prepare information and attend taxpayer appeal hearings before TERC, defend valuation.

TERC Statewide Equalization: Attend hearings if applicable to county, defend values and/or implement orders of the TERC.

Centralized Assessments: Data for 8 Centralized Assessment companies located in Brown County is reviewed as certified from the Property Assessment Division of The Department of Revenue for public

service entities, establish assessment records and tax billing for tax list. There are 2 gas companies and 5 telephone companies within the county.

Value Certifications: Real Estate, Personal Property & Centralized Company assessments are accumulated & certified to 11 political subdivisions and 5 school districts for levy setting purposes by August 20th.

School District Taxable Value Report: The values for the School Districts are accumulated together in this final report to be sent to the Property Tax Administrator by August 25<sup>th</sup>.

Annual Inventory Statement: This report designating personal property located in the Assessor's Office must be reported to County Board by August 25<sup>th</sup>.

Average Residential Value for Homestead Exemption: Assessor must determine this value and certify to Department of Revenue by September 1<sup>st</sup>.

Annual Plan of Assessment: Pursuant to LB 263 Section 9, the assessment plan is formed & written on or before June 15 each year and submitted to the County Bd. of Equalization on or before July 31 and to the Property Tax Administrator on or before October 31 of each year.

Ag-Land Trust Report: A list of all trust ownership of property in the county is accumulated for a report that is submitted by October 1<sup>st</sup> to the Secretary of State.

Tax Districts & Tax Rates: Management of school district and other tax entity boundary changes necessary for correct assessment and tax information. Input/Review of tax rates used for tax billing process. Implement LB126 Class I School District Merger requirements.

Tax List: The tax list is prepared and certified to the county treasurer for real property, personal property and centrally assessed property by November 22<sup>nd</sup>.

Government Owned Property Listing: For the 2004 Yr. and every 4<sup>th</sup> year after, the assessor must file a report by Dec. 1st with CBE & Property Assessment Division for taxable & exempt properties owned by the state or governmental subdivision of the state.

CTL (Certificate of Taxes Levied): This is the final report for the calendar year which is the total taxes collected in the county for tax year. It has a deadline date of December 1<sup>st</sup> and sent to the Property Tax Administrator.

Education: Assessor and/or Appraisal Education – attend meetings, workshops and educational classes to obtain required hours of continuing education to maintain assessor certification.

Throughout the calendar tax year, the assessor's office continuously updates records with the transfer of ownership of property from the 521 Transfer Statements that are brought to them by the County Clerk's office. Many requests for information by real estate brokers, insurance companies, mortgage companies, appraisers, bankers, etc. are attended to on a daily basis with the telephone or at the counter. Records are continually updated with new data such as address changes, etc. Splits and combination of records are made as required daily. Information for those changes will be kept updated on the GIS program as it is implemented throughout the county.

### Contract Appraiser

Brown County does not hire a contract appraiser on an annual basis. The assessor and staff list & value the appraisal maintenance or "new construction work" annually from the numerous building permits, information statements or other resource means of new construction. Contracted appraisal work will be required for future projects. The three KBR counties (Keya Paha, Brown & Rock) have had discussion on the desire to hire a contract appraiser for the 3 counties combined. Nothing has developed from the need and desire.

### CONCLUSION:

The Brown County Assessor & her staff work diligently to comply with state statute and the rules and regulations of the Property Assessment Division of The Department of Revenue to attempt to assure

uniform and proportionate assessments of all properties in Brown County. Much needed improvement was made in the residential and commercial properties with the help of a contracted appraisal company for the 2005 & 2006 year. A 6-year systematic inspection & review of all property in the county will be started in the 2009 assessment year. Land use review is of major concern for the assessor in the canyon, tree covered area of Brown County. Sales need to be monitored very closely in those areas for actual use of property. This type of sale may create a different way of valuing specific types of property depending on use & market of that property! Brown County needs to desperately work on finishing up an ag land definition policy to help with that problem. The county continues with the process of implementing the GIS software.

**BUDGET CONSTRAINTS** are of major concern in Brown County **AGAIN** this year. Huge cuts will **PROBABLY** be made for all budgets. It is hoped that the appraisal budget will be allowed to continue to grow for additional appraisal projects that must be continued to assure accurate & fair assessments in the county.

**MAIN PROJECTS TO BE COMPLETED**

- Farm Site Residential Digital Photos
- Water/Waste Land Use Review
- Ag Land Definition Policy for Brown County
- GIS Implementation Completed

**SIGNATURE** \_\_\_\_\_

**DATE** \_\_\_\_\_

## 2010 Assessment Survey for Brown County

### I. General Information

#### A. Staffing and Funding Information

|     |   |
|-----|---|
| 1.  | <b>Deputy(ies) on staff</b>   |
|     | None  |
| 2.  | <b>Appraiser(s) on staff</b>  |
|     | None  |
| 3.  | <b>Other full-time employees</b>  |
|     | Two   |
| 4.  | <b>Other part-time employees</b>  |
|     | None  |
| 5.  | <b>Number of shared employees</b>   |
|     | None  |
| 6.  | <b>Assessor's requested budget for current fiscal year</b>                                |
|     | \$84,710  |
| 7.  | <b>Adopted budget, or granted budget if different from above</b>                          |
|     | Same as above   |
| 8.  | <b>Amount of the total budget set aside for appraisal work</b>                            |
|     | N/A   |
| 9.  | <b>Appraisal/Reappraisal budget, if not part of the total budget</b>                      |
|     | \$100,500   |
| 10. | <b>Part of the budget that is dedicated to the computer system</b>                        |
|     | \$10,050  |
| 11. | <b>Amount of the total budget set aside for education/workshops</b>                       |
|     | \$2,100 (included in #6)  |
| 12. | <b>Other miscellaneous funds</b>  |
|     | \$82,610 this is #6 minus #11   |
| 13. | <b>Was any of last year's budget not used:</b>  |
|     | Yes, \$1,243.18 Assessor budget. \$4,399.24 Finance Budget. \$38,854.63 Appraisal Budget. |

#### B. Computer, Automation Information and GIS

|    |   |
|----|---|
| 1. | <b>Administrative software</b>                        |
|    | Terra Scan  |
| 2. | <b>CAMA software</b>                                  |
|    | Terra Scan  |
| 3. | <b>Cadastral maps: Are they currently being used?</b> |
|    | Yes   |
| 4. | <b>Who maintains the Cadastral Maps?</b>              |

|    |   |
|----|---|
|    | Assessor and Staff                              |
| 5. | <b>Does the county have GIS software?</b>       |
|    | Yes   |
| 6. | <b>Who maintains the GIS software and maps?</b> |
|    | Assessor and staff along with GIS Workshop      |
| 7. | <b>Personal Property software:</b>              |
|    | Terra Scan                                      |

### **C. Zoning Information**

|    |   |
|----|---|
| 1. | <b>Does the county have zoning?</b>                 |
|    | Yes   |
| 2. | <b>If so, is the zoning countywide?</b>             |
|    | Yes   |
| 3. | <b>What municipalities in the county are zoned?</b> |
|    | Ainsworth and Long Pine                             |
| 4. | <b>When was zoning implemented?</b>                 |
|    | 1993  |

### **D. Contracted Services**

|    |  |
|----|--|
| 1. | <b>Appraisal Services</b>  |
|    | Some services are contracted with Standard Appraisal – In house appraisals are done as well. |
| 2. | <b>Other services</b>  |
|    | Department of Revenue Property Assessment Division/PTAS & CAMA Services                      |



# Certification

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This is to certify that the 2010 Reports and Opinions of the Property Tax Administrator have been sent to the following:

One copy by electronic transmission and one printed copy by hand delivery to the Tax Equalization and Review Commission.

One copy by electronic transmission to the Brown County Assessor.

Dated this 7th day of April, 2010.



A handwritten signature in cursive script that reads "Ruth A. Sorensen".

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Ruth A. Sorensen  
Property Tax Administrator



## Valuation History Charts