

# Table of Contents

## **2010 Commission Summary**

## **2010 Opinions of the Property Tax Administrator**

### **Residential Reports**

- Residential Assessment Actions
- Residential Assessment Survey
- R&O Statistics

### **Residential Correlation**

- Residential Real Property
  - I. Correlation
  - II. Analysis of Sales Verification
  - III. Measure of Central Tendency
  - IV. Analysis of Quality of Assessment

### **Commercial Reports**

- Commercial Assessment Actions
- Commercial Assessment Survey
- R&O Statistics

### **Commercial Correlation**

- Commercial Real Property
  - I. Correlation
  - II. Analysis of Sales Verification
  - III. Measure of Central Tendency
  - IV. Analysis of Quality of Assessment

### **Agricultural or Special Valuation Reports**

- Agricultural Assessment Actions
- Agricultural Assessment Survey
- Agricultural Analysis Statistics
- Special Valuation Methodology

### **Agricultural or Special Valuation Correlation**

- Agricultural or Special Valuation Land
  - I. Correlation
  - II. Analysis of Sales Verification
  - III. Measure of Central Tendency
  - IV. Analysis of Quality of Assessment

**County Reports**

2010 County Abstract of Assessment for Real Property, Form 45  
2010 County Agricultural Land Detail  
2010 County Abstract of Assessment for Real Property Compared with the 2009  
Certificate of Taxes Levied (CTL)  
County Assessor's Three Year Plan of Assessment  
Assessment Survey – General Information

**Certification****Maps**

Market Areas  
Registered Wells > 500 GPM  
Geo Codes  
Soil Classes

**Valuation History Charts**



## 2010 Commission Summary

72 Polk

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### Residential Real Property - Current

Number of Sales	120	Median	98
Total Sales Price	\$7,221,837	Mean	104
Total Adj. Sales Price	\$7,209,837	Wgt. Mean	97
Total Assessed Value	\$6,971,245	Average Assessed Value of the Base	\$55,374
Avg. Adj. Sales Price	\$60,082	Avg. Assessed Value	\$58,094

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### Confidence Interval - Current

95% Median C.I	96.92 to 98.99
95% Mean C.I	98.64 to 110.31
95% Wgt. Mean C.I	93.52 to 99.86

% of Value of the Class of all Real Property Value in the County	15.66
% of Records Sold in the Study Period	5.30
% of Value Sold in the Study Period	5.56

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### Residential Real Property - History

Year	Number of Sales	LOV	Median
2009	139	98	98
2008	149	99	99
2007	146	98	98
2006	134	98	98

## 2010 Commission Summary

72 Polk

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### Commercial Real Property - Current

Number of Sales	11	Median	96
Total Sales Price	\$400,860	Mean	85
Total Adj. Sales Price	\$400,860	Wgt. Mean	83
Total Assessed Value	\$331,455	Average Assessed Value of the Base	\$93,110
Avg. Adj. Sales Price	\$36,442	Avg. Assessed Value	\$30,132

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### Confidence Interval - Current

95% Median C.I	44.73 to 102.85
95% Mean C.I	65.04 to 105.87
95% Wgt. Mean C.I	56.79 to 108.58

% of Value of the Class of all Real Property Value in the County	3.55
% of Records Sold in the Study Period	3.61
% of Value Sold in the Study Period	1.17

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### Commercial Real Property - History

Year	Number of Sales	LOV	Median
2009	9	100	93
2008	9	100	93
2007	16	95	95
2006	18	96	96



## 2010 Opinions of the Property Tax Administrator for Polk 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 Polk County is 98% of market value. The quality of assessment for the class of residential real property in Polk 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 Polk County is 100% of market value. The quality of assessment for the class of commercial real property in Polk 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 Polk County is 73% of market value. The quality of assessment for the class of agricultural land in Polk 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 Polk County**

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

#### **Residential**

For 2010, the county conducted a market study of the Residential class of property. Market information displayed in the county's preliminary statistics indicated the level of value in the valuation grouping of lake properties was below the statutory range.

To address the deficiencies identified in the market analysis and to keep current with their six year property review cycle, Polk County reviewed and revalued all 368 parcels in the Lake valuation grouping. New data was collected and depreciation schedules were developed resulting in new values for 2010.

After completing the assessment actions the county reviewed the statistical results and concluded that the class and subclasses were assessed at an appropriate level. Other assessed value changes were made to properties in the county based on pick-up of new and omitted construction.

## 2010 Assessment Survey for Polk County

### Residential Appraisal Information

1.	<b>Valuation data collection done by:</b>
	Assessor
2.	<b>List the valuation groupings used by the County:</b>
	<ul style="list-style-type: none"> <li>1- Lake</li> <li>2- Osceola</li> <li>3- Polk</li> <li>4- Rural</li> <li>5- Shelby</li> <li>6- Stromsburg</li> </ul>
a.	<b>Describe the specific characteristics of the valuation groupings that make them unique.</b>
	<p>Lake—is a grouping of all lake properties in the county, most of which are seasonal dwellings.</p> <p>Osceola—is the town of Osceola. County hospital is located in this town, the county seat.</p> <p>Polk—is the town of Polk. The town is limited in commerce and has limited sales activity. Parcels in this location have generally been occupied by the same owner for a longer period than other areas in the county.</p> <p>Rural—consists of all parcels outside the city limits of any incorporated town.</p> <p>Shelby—is the town of Shelby. Many residents commute to larger communities for employment. The local economy has a small number of commercial businesses.</p> <p>Stromsburg—is the town of Stromsburg, which is the largest town in the county and has the largest commercial district.</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>
	Cost approach with market derived depreciation
4	<b>When was the last lot value study completed?</b>
	Lot value studies are done in conjunction with residential revaluations
a.	<b>What methodology was used to determine the residential lot values?</b>
	A vacant lot study is used to determine residential lot values
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>
	Yes, 2006 costing is used for the commercial class, and Lake properties are valued at 2009 costing, but all are factored to represent the same relationship to market.
6.	<b>Does the County develop the depreciation study(ies) based on local market</b>

	<b>information or does the County use the tables provided by their CAMA vender?</b>
	Local market information is used to develop depreciation tables
a.	<b>How often does the County update depreciation tables?</b>
	Depreciation tables are updated in conjunction with neighborhood revaluations.
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 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 County's progress with the 6 year inspection and review requirement? (Statute 77-1311.03)</b>
	County is on schedule to complete in six years
a.	<b>Does the County maintain a tracking process? If yes describe.</b>
	The county's schedule is documented and published in the three year plan.
b.	<b>How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?</b>
	Statistics are studied and percentage adjustments are applied to ensure all areas have a similar relationship to market value.

**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:	120	<b>MEDIAN:</b>	<b>98</b>	COV:	31.21	95% Median C.I.:	96.92 to 98.99	(! : Derived)
TOTAL Sales Price:	7,221,837	WGT. MEAN:	97	STD:	32.61	95% Wgt. Mean C.I.:	93.52 to 99.86	
TOTAL Adj.Sales Price:	7,209,837	MEAN:	104	AVG.ABS.DEV:	15.37	95% Mean C.I.:	98.64 to 110.31	
TOTAL Assessed Value:	6,971,245							
AVG. Adj. Sales Price:	60,081	COD:	15.73	MAX Sales Ratio:	290.38			
AVG. Assessed Value:	58,093	PRD:	108.05	MIN Sales Ratio:	54.26			

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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>											
07/01/07 TO 09/30/07	20	98.64	95.54	97.47	6.05	98.02	57.42	106.93	96.92 to 100.23	58,800	57,313
10/01/07 TO 12/31/07	9	97.78	103.10	103.22	7.49	99.89	89.24	148.38	97.52 to 101.00	66,972	69,129
01/01/08 TO 03/31/08	8	101.06	124.68	109.39	26.18	113.98	96.71	249.58	96.71 to 249.58	38,437	42,045
04/01/08 TO 06/30/08	21	96.60	96.41	94.11	10.71	102.44	54.26	141.28	93.74 to 99.26	71,252	67,054
07/01/08 TO 09/30/08	20	100.04	110.80	100.16	21.17	110.62	74.92	207.32	94.17 to 109.78	49,758	49,836
10/01/08 TO 12/31/08	15	98.28	104.27	94.92	12.46	109.86	80.34	178.30	94.34 to 100.16	66,637	63,249
01/01/09 TO 03/31/09	8	95.28	120.36	99.90	33.56	120.48	83.90	290.38	83.90 to 290.38	44,818	44,773
04/01/09 TO 06/30/09	19	94.84	101.75	90.63	18.82	112.27	74.58	217.29	83.41 to 100.20	67,052	60,772
<u>Study Years</u>											
07/01/07 TO 06/30/08	58	98.08	101.05	98.06	10.96	103.05	54.26	249.58	97.45 to 99.26	61,768	60,567
07/01/08 TO 06/30/09	62	97.52	107.68	95.34	20.19	112.94	74.58	290.38	94.34 to 99.45	58,504	55,779
<u>Calendar Yrs</u>											
01/01/08 TO 12/31/08	64	98.33	106.28	97.14	16.62	109.41	54.26	249.58	96.60 to 100.16	59,352	57,655
<u>ALL</u>											
	120	97.71	104.47	96.69	15.73	108.05	54.26	290.38	96.92 to 98.99	60,081	58,093

VALUATION GROUP	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	15	96.88	98.61	96.46	4.98	102.22	90.01	125.75	93.81 to 97.80	47,056	45,392
02	21	93.74	91.56	87.54	14.70	104.59	57.42	143.61	79.69 to 99.94	50,920	44,574
03	16	97.67	100.54	94.97	9.72	105.86	78.43	178.30	93.08 to 100.26	33,103	31,439
04	17	91.99	95.96	92.76	17.71	103.45	54.26	148.38	80.34 to 110.72	107,135	99,374
05	17	100.23	120.72	102.89	24.75	117.33	89.00	249.58	96.60 to 143.70	63,582	65,421
06	34	99.04	113.03	102.34	16.99	110.44	85.91	290.38	97.71 to 100.70	58,905	60,286
<u>ALL</u>											
	120	97.71	104.47	96.69	15.73	108.05	54.26	290.38	96.92 to 98.99	60,081	58,093

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	100	98.33	106.39	96.77	17.19	109.93	54.26	290.38	97.19 to 99.45	64,661	62,574
2	9	93.63	89.16	93.12	10.73	95.76	57.42	104.44	77.88 to 100.93	24,627	22,932
3	11	97.57	99.60	97.20	4.90	102.47	91.33	125.75	93.81 to 106.56	47,454	46,126
<u>ALL</u>											
	120	97.71	104.47	96.69	15.73	108.05	54.26	290.38	96.92 to 98.99	60,081	58,093

**PAD 2010 R&O Statistics**

Base Stat

State Stat Run

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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
01	109	97.78	104.93	96.64	16.78	108.58	54.26	290.38	96.92 to 99.16	61,649	59,576
06	9	97.58	100.47	97.65	5.56	102.89	91.33	125.75	95.21 to 106.56	43,777	42,750
07	2	97.41	97.41	96.51	3.69	100.93	93.81	101.00	N/A	48,000	46,322
<u>ALL</u>	<u>120</u>	<u>97.71</u>	<u>104.47</u>	<u>96.69</u>	<u>15.73</u>	<u>108.05</u>	<u>54.26</u>	<u>290.38</u>	<u>96.92 to 98.99</u>	<u>60,081</u>	<u>58,093</u>

**SALE PRICE \***

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val	
<u>Low \$</u>	<u>1 TO 4999</u>	<u>1</u>	<u>57.42</u>	<u>57.42</u>	<u>57.42</u>	<u>57.42</u>	<u>57.42</u>	<u>57.42</u>	<u>N/A</u>	<u>3,300</u>	<u>1,895</u>	
	<u>5000 TO 9999</u>	<u>8</u>	<u>139.62</u>	<u>164.00</u>	<u>171.73</u>	<u>50.06</u>	<u>95.50</u>	<u>83.90</u>	<u>290.38</u>	<u>83.90 to 290.38</u>	<u>7,000</u>	<u>12,021</u>
<u>Total \$</u>	<u>1 TO 9999</u>	<u>9</u>	<u>100.93</u>	<u>152.16</u>	<u>165.37</u>	<u>66.34</u>	<u>92.01</u>	<u>57.42</u>	<u>290.38</u>	<u>83.90 to 249.58</u>	<u>6,588</u>	<u>10,896</u>
	<u>10000 TO 29999</u>	<u>30</u>	<u>101.94</u>	<u>112.88</u>	<u>111.83</u>	<u>19.28</u>	<u>100.94</u>	<u>77.88</u>	<u>207.32</u>	<u>97.65 to 109.78</u>	<u>19,516</u>	<u>21,826</u>
	<u>30000 TO 59999</u>	<u>25</u>	<u>97.65</u>	<u>98.59</u>	<u>98.89</u>	<u>6.90</u>	<u>99.70</u>	<u>74.92</u>	<u>140.47</u>	<u>94.17 to 100.16</u>	<u>44,497</u>	<u>44,004</u>
	<u>60000 TO 99999</u>	<u>34</u>	<u>97.38</u>	<u>96.82</u>	<u>96.68</u>	<u>8.27</u>	<u>100.14</u>	<u>54.26</u>	<u>148.38</u>	<u>95.50 to 98.77</u>	<u>76,597</u>	<u>74,057</u>
	<u>100000 TO 149999</u>	<u>16</u>	<u>94.27</u>	<u>94.09</u>	<u>94.01</u>	<u>6.66</u>	<u>100.08</u>	<u>80.34</u>	<u>110.72</u>	<u>86.81 to 100.23</u>	<u>114,581</u>	<u>107,720</u>
	<u>150000 TO 249999</u>	<u>6</u>	<u>87.13</u>	<u>86.43</u>	<u>86.38</u>	<u>11.78</u>	<u>100.05</u>	<u>71.63</u>	<u>99.18</u>	<u>71.63 to 99.18</u>	<u>169,166</u>	<u>146,131</u>
<u>ALL</u>	<u>120</u>	<u>97.71</u>	<u>104.47</u>	<u>96.69</u>	<u>15.73</u>	<u>108.05</u>	<u>54.26</u>	<u>290.38</u>	<u>96.92 to 98.99</u>	<u>60,081</u>	<u>58,093</u>	



**2010 Correlation Section  
for Polk County**

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**Residential Real Property**

**I. Correlation**

The level of value for the residential real property in Polk County, as determined by the PTA is 98%. The mathematically calculated median is 98%.

RESIDENTIAL:In correlating the analyses for Polk County, 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. The median measure was calculated using a sufficient number of sales, and because the County applies assessment practices to the sold and unsold parcels in a similar manner, the median ratio calculated from the sales file accurately reflects the level of value for the population.

All valuation groupings defined by the county are indicated by the statistics to be valued within the acceptable range. This indicates that equalization exists in the residential class of property.

The County's assessment practices are considered by the Division to be in compliance with professionally acceptable mass appraisal practices because of the County's systematic and necessary assessment efforts.

**2010 Correlation Section  
for Polk 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:Polk County maintains an internal policy that all sales are determined to be arms length unless information is available to the contrary. Buyers and sellers are mailed questionnaires in an attempt to gather additional facts related to the sales. The assessor also follows up with telephone calls if necessary to verify sale information.

A review of the processes used by the county to qualify sales indicates a bias does not exist in the judgments made to assign sales usability. A review of the sales file also indicates excessive trimming has not occurred.

**2010 Correlation Section  
for Polk 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>98</b>	<b>97</b>	<b>104</b>

**2010 Correlation Section  
for Polk 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 Polk 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 Polk 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>15.73</b>	<b>108.05</b>

RESIDENTIAL: The coefficient of dispersion is within the acceptable range and the price related differential is above the acceptable range. A high PRD tends to indicate regressivity among assessments. This indication is clearly recognized in the array of parcels by sale price. The higher dollar selling prices typically have a lower assessed value than do the lower priced properties. In a county the size of Polk, it is not a significant concern because of the relatively small number of sales that are providing this indication. The assessor has aggressively valued properties based on a defined cyclical process, completes pick-up work timely, and is conscientious with sales review. Those practices demonstrated by the county make their quality of assessment considered acceptable.



## **2010 Assessment Actions for Polk County**

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

#### **Commercial**

No changes to the commercial and industrial class of property were reported for 2010. The County conducted a market analysis of this class of property and determined the market was stable and that the small number of sales did not sufficiently indicate any adjustments were necessary.

Other assessed value changes were made to properties in the county based on pick-up of new and omitted construction.

## 2010 Assessment Survey for Polk County

### Commercial / Industrial Appraisal Information

1.	<b>Valuation data collection done by:</b>
	Contract Appraiser
2.	<b>List the valuation groupings used by the County:</b>
	All commercial properties are grouped together for valuation
a.	<b>Describe the specific characteristics of the valuation groupings that make them unique.</b>
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 used and reconciled in the commercial valuation.
4	<b>When was the last lot value study completed?</b>
	Reviewed during the last commercial reappraisal completed in 2002
a.	<b>What methodology was used to determine the commercial lot values?</b>
	Vacant lot sales were used to determine assessed values.
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, 2001 costing is used for the commercial class.
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 vender?</b>
	The county bases their depreciation off of the Marshall and Swift depreciation in the CAMA program.
a.	<b>How often does the County update the depreciation tables?</b>
	Will be done in conjunction with revaluation efforts.
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>
	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>
	Set to complete within six years.
a.	<b>Does the County maintain a tracking process? If yes describe.</b>
	Yes, detailed in the three year plan.
b.	<b>How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?</b>

Statistics are studied to ensure non-reviewed areas have a consistent relationship to market as do the reviewed parcels.
--

**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

NUMBER of Sales:	11	<b>MEDIAN:</b>	<b>96</b>	COV:	35.57	95% Median C.I.:	44.73 to 102.85	(! : Derived)
TOTAL Sales Price:	400,860	WGT. MEAN:	83	STD:	30.39	95% Wgt. Mean C.I.:	56.79 to 108.58	
TOTAL Adj.Sales Price:	400,860	MEAN:	85	AVG.ABS.DEV:	20.98	95% Mean C.I.:	65.04 to 105.87	
TOTAL Assessed Value:	331,455							
AVG. Adj. Sales Price:	36,441	COD:	21.85	MAX Sales Ratio:	138.93			
AVG. Assessed Value:	30,132	PRD:	103.35	MIN Sales Ratio:	38.55			

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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____											
07/01/06 TO 09/30/06											
10/01/06 TO 12/31/06											
01/01/07 TO 03/31/07	3	93.15	92.31	97.55	5.79	94.63	83.79	99.98	N/A	63,453	61,898
04/01/07 TO 06/30/07	1	102.85	102.85	102.85			102.85	102.85	N/A	27,000	27,770
07/01/07 TO 09/30/07											
10/01/07 TO 12/31/07	1	44.73	44.73	44.73			44.73	44.73	N/A	20,000	8,945
01/01/08 TO 03/31/08	1	96.35	96.35	96.35			96.35	96.35	N/A	8,500	8,190
04/01/08 TO 06/30/08	2	42.48	42.48	41.54	9.25	102.26	38.55	46.41	N/A	52,500	21,810
07/01/08 TO 09/30/08	1	96.00	96.00	96.00			96.00	96.00	N/A	10,000	9,600
10/01/08 TO 12/31/08											
01/01/09 TO 03/31/09	1	99.25	99.25	99.25			99.25	99.25	N/A	20,000	19,850
04/01/09 TO 06/30/09	1	138.93	138.93	138.93			138.93	138.93	N/A	20,000	27,785
____Study Years____											
07/01/06 TO 06/30/07	4	96.57	94.94	98.21	6.70	96.67	83.79	102.85	N/A	54,340	53,366
07/01/07 TO 06/30/08	4	45.57	56.51	45.51	32.63	124.17	38.55	96.35	N/A	33,375	15,188
07/01/08 TO 06/30/09	3	99.25	111.39	114.47	14.42	97.31	96.00	138.93	N/A	16,666	19,078
____Calendar Yrs____											
01/01/07 TO 12/31/07	5	93.15	84.90	93.70	15.95	90.61	44.73	102.85	N/A	47,472	44,482
01/01/08 TO 12/31/08	4	71.21	69.33	49.72	37.70	139.42	38.55	96.35	N/A	30,875	15,352
____ALL____											
	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132

VALUATION GROUP	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132
____ALL____											
	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132

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	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132
____ALL____											
	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132

**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

NUMBER of Sales:	11	<b>MEDIAN:</b>	<b>96</b>	COV:	35.57	95% Median C.I.:	44.73 to 102.85	(!: Derived)
TOTAL Sales Price:	400,860	WGT. MEAN:	83	STD:	30.39	95% Wgt. Mean C.I.:	56.79 to 108.58	
TOTAL Adj.Sales Price:	400,860	MEAN:	85	AVG.ABS.DEV:	20.98	95% Mean C.I.:	65.04 to 105.87	
TOTAL Assessed Value:	331,455							
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AVG. Assessed Value:	30,132	PRD:	103.35	MIN Sales Ratio:	38.55			

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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	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132
04											
ALL	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132

**SALE PRICE \***

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
Low \$											
5000 TO 9999	1	96.35	96.35	96.35			96.35	96.35	N/A	8,500	8,190
Total \$											
1 TO 9999	1	96.35	96.35	96.35			96.35	96.35	N/A	8,500	8,190
10000 TO 29999	7	96.00	94.10	94.24	17.76	99.85	44.73	138.93	44.73 to 138.93	19,051	17,954
30000 TO 59999	1	46.41	46.41	46.41			46.41	46.41	N/A	40,000	18,565
60000 TO 99999	1	38.55	38.55	38.55			38.55	38.55	N/A	65,000	25,055
150000 TO 249999	1	99.98	99.98	99.98			99.98	99.98	N/A	154,000	153,965
ALL	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132

**OCCUPANCY CODE**

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
344	3	99.98	83.08	90.63	18.82	91.67	46.41	102.85	N/A	73,666	66,766
353	3	99.25	107.32	106.25	18.52	101.01	83.79	138.93	N/A	20,953	22,263
384	1	93.15	93.15	93.15			93.15	93.15	N/A	13,500	12,575
404	1	44.73	44.73	44.73			44.73	44.73	N/A	20,000	8,945
406	1	96.35	96.35	96.35			96.35	96.35	N/A	8,500	8,190
442	1	38.55	38.55	38.55			38.55	38.55	N/A	65,000	25,055
528	1	96.00	96.00	96.00			96.00	96.00	N/A	10,000	9,600
ALL	11	96.00	85.45	82.69	21.85	103.35	38.55	138.93	44.73 to 102.85	36,441	30,132



**2010 Correlation Section  
for Polk County**

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**Commerical Real Property**

**I. Correlation**

The level of value for the commercial real property in Polk County, as determined by the PTA is 100%. The mathematically calculated median is 96%.

COMMERCIAL: There were not a sufficient number of usable sales in the commercial class to accurately determine the level of value using the median measure of central tendency. A review of the sales utilization indicates that all available sales were used and excess trimming has not occurred. The Division assumes that the statutory level has been met unless sufficient evidence is present to prove otherwise. After an analysis was conducted of this subclass, no information existed to support a level of value at a level other than 100 percent of market. Therefore, the commercial class of property in Polk County is determined to be valued uniformly and proportionately and the commercial level of value is determined to be at the statutory level for 2010.

**2010 Correlation Section  
for Polk 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:A review of the processes used by the county to qualify sales indicates a bias does not exist in sales qualification. The county maintains an internal policy noting that all sales are determined to be arms length unless information is available to prove otherwise. The assessor verifies information by contacting parties related to the sale. The properties are often flagged for the contract appraiser to review as well.

**2010 Correlation Section  
for Polk 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>96</b>	<b>83</b>	<b>85</b>

**2010 Correlation Section  
for Polk 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 Polk 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 Polk 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>21.85</b>	<b>103.35</b>

COMMERCIAL: Given the inadequacy of the sample size, the quality statistics are not reliable in the commercial property class.

**Agricultural or Special  
Valuation Reports**

## **2010 Assessment Actions for Polk County**

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

#### **Agricultural**

For 2010, the county conducted a market study of the agricultural class of property. Market information displayed in the preliminary statistics indicated the median ratio for the class was below the statutory range. No market areas exist in Polk County, so the assessor analyzed the agricultural land based on the sales indication for dryland, irrigated, and grass use.

Based on the sales analysis, the county increased irrigated land an average of 13 percent, dryland increased 360 dollars per acre or an average of 38 percent, and grass land increased an average of 6 percent.

After completing the assessment actions for 2010 the county reviewed the statistical results and concluded the agricultural class and land use subclasses were assessed at an appropriate level.

## 2010 Assessment Survey for Polk County

### Agricultural Appraisal Information

1.	<b>Valuation data collection done by:</b>
	Assessor
2.	<b>Does the County maintain more than one market area / valuation grouping in the agricultural property class?</b>
	No
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.
	The county reviews sale information and identifies common characteristics of the parcels.
b.	<b>Describe the specific characteristics of the market area / valuation groupings that make them unique?</b>
	The county monitors market value of the parcels based on land use and based on the water policy instituted by the Natural Resource District and it's affect on value.
3.	<b>Agricultural Land</b>
a.	<b>How is agricultural land defined in this county?</b>
	By statute 77-1359—if commercial production of an ag product the parcel is valued at 75% of market.
b.	<b>When is it agricultural land, when is it residential, when is it recreational?</b>
	Agricultural if it is primarily used for the production of an ag product and residential if it is not being used for ag and has a primary residence. The county has not recognized any recreational property in the county beyond the lake properties.
c.	<b>Are these definitions in writing?</b>
	The county uses statutory and regulatory definitions.
d.	<b>What are the recognized differences?</b>
	Differences in use of parcel and existence of primary homes.
e.	<b>Are rural home sites valued the same as rural residential home sites? If no, explain:</b>
	Yes, anything with a livable dwelling has the same site value.
f.	<b>Are all rural home sites valued the same or are market differences recognized?</b>
	Sites are valued the same.
g.	<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>
	The most current soil conversion is completed.
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>

	Based solely on the Land Classification Groupings
5.	<b>Is land use updated annually?</b>
	Yes
a.	<b>By what method? (Physical inspection, FSA maps, etc.)</b>
	Physical inspection, FSA, GIS, Etc.
6.	<b>Is there agricultural land in the County that has a non-agricultural influence?</b>
	No
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
c.	<b>Describe special value methodology</b>
	There currently is no difference in the marketplace for agricultural vs. non-agricultural land
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
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>
	A cyclical review progress exists with the goal that all properties are reviewed and inspected within six years.
a.	<b>Does the County maintain a tracking process?</b>
	Yes
b.	<b>How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?</b>
	Subclasses outside the range are trended to reflect the same relative relationship to market.



## Polk County 72

### 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	23	23
07/01/07 - 06/30/08	15	15
07/01/08 - 06/30/09	16	16
Totals	54	54

##### Added Sales:

Study Year	Total	Mkt 1
7/1/06 - 6/30/07	0	0
7/1/07 - 6/30/08	3	3
7/1/08 - 6/30/09	4	4
	7	7

##### Final Results:

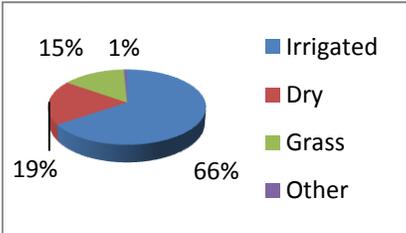
Study Year	County	Area 1
07/01/06 - 06/30/07	23	23
07/01/07 - 06/30/08	18	18
07/01/08 - 06/30/09	20	20
Totals	61	61

## Representativeness by Majority Land Use

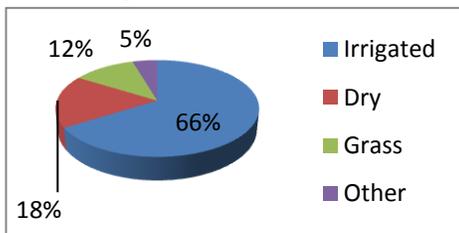
The following tables and charts compare the makeup of land use in the population to the make up of land use in both the sales file and the representative sample.

	Entire County		
	county	sales file	Sample
Irrigated	66%	66%	69%
Dry	19%	18%	16%
Grass	15%	12%	11%
Other	1%	5%	4%

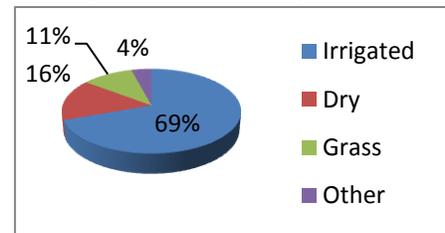
County



Original Sales File



Representative Sample



## Adequacy of Sample

	County Total	Mrkt Area 1
Number of Sales - Original Sales File	54	54
Number of Sales - Expanded Sample	61	61
Total Number of Acres Added	713	713

# Ratio Study

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## Final Statistics

County # sales 61

Median	73%	AAD	11.68%
Mean	73%	COD	16.03%
W. Mean	71%	PRD	103.48%

## Preliminary Statistics

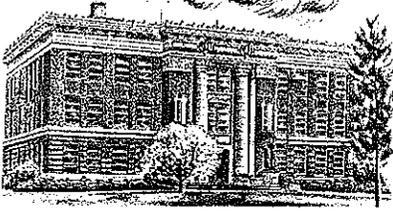
Median	66%	AAD	10.24%
Mean	65%	COD	15.51%
W. Mean	63%	PRD	102.57%

## Majority Land Use

95% MLU	Irrigated		Dry		Grass	
	# Sales	Median	#	Median	# Sales	Median
County	31	72.87%	9	73.98%	1	72.04%

80% MLU	Irrigated		Dry		Grass	
	# Sales	Median	#	Median	# Sales	Median
County	39	73.32%	9	73.98%	2	86.57%

Office of the  
**POLK COUNTY ASSESSOR**  
P.O. Box 375  
Osceola, NE 68651



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FEB 23 2010

REVENUE ADMIN

Linda D. Anderson, Assessor  
Tammy Jones, Deputy  
Sandi Fredrickson, Office Clerk  
Phone: (402) 747-4491  
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## Special Valuation Methodology

Currently, Polk County has two applications on file for Special Value. Both parcels meet the criteria for special valuation, so they have been approved and remain on file.

Presently, we are unable to discern a non-agricultural influence affecting the value of these properties. The taxable value is calculated in the same manner on these parcels as it is on all other agricultural land in Polk County.

We continue to analyze the sales market, and if a difference is noted, Special Valuation will be implemented.

  
Linda D. Anderson  
Polk County Assessor  
February 22, 2010

**Agricultural or Special  
Valuation Correlation**

## 2010 Correlation Section

### For Polk County

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#### Agricultural Land

##### I. Correlation

The level of value for the agricultural land in Polk County, as determined by the PTA is 73%. The mathematically calculated median is 73%.

##### AGRICULTURAL LAND:

The agricultural land class of property in Polk County is valued by the assessor using one schedule of values for all agricultural land. The county values according to land capability groupings and makes differentiations based on the current use of the land into irrigated, dry crop, and grass. The county assessor has continued to monitor the ag market and the effect of water restrictions on market value, but has not ascertained difference in the marketplace. Analysis of the market values in the county supported the assessor's notion that no separate market areas exist. For purposes of this analysis the county was analyzed in its entirety, and based on the majority use of the land into each of the three categories: irrigated, dry crop, and grass land.

Analysis of the sales sample displays fewer sales in the newest year of the study period. In an increasing general market, a significant skew of the sales either toward the front or the back of the study period has potential to create disproportionate values between subclasses and even neighboring counties.

As is the case in any inferential statistical scenario, the sample used to create statistics must be representative of the population of parcels being studied in order for the inferences to be valid. As the land use component is recognized as one of the primary characteristics that contribute to value, the land use make-up of the county was analyzed in comparison to the make-up of the sale sample. In Polk County the profile of the sales closely matches the profile of the county indicating the sales are an accurate representation of the population.

The irrigated land is clearly the predominate use in Polk County. While a statistically significant sample of irrigated sales existed, the argument could be made that a shift in the irrigated sales towards the back end of the study period has the potential to overstate the measurement of irrigated land. To test the values in Polk County seven sales in close proximity to the county border were added from the neighboring counties of Butler and Northeastern Hamilton. The result of adding these sales provided further evidence the values established by the assessor for irrigated land are uniform and proportionate.

Grass land sales in Polk County have historically been few in numbers and 2010 was no exception. Identifying comparable grass land sales proved to be difficult in the County because of the limited pure grass land parcels in the area. Ultimately, comparisons to neighboring counties values were drawn and the assessor increased grass land based on the general increases in the agricultural land market. Grass values between Polk and comparable counties are relatively similar.

## **2010 Correlation Section**

### **For Polk County**

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The dry land in the county was sufficiently represented by an even proportion of dry land sales. Comparison of values for area counties indicated the values established by the assessor were acceptable.

This analysis of the 2010 assessed values indicates the overall level of value to be 73 percent of market value. Analysis of the irrigated, dry crop, and grass land using all available information suggest the values established are within the acceptable range, indicating the entire class of property is valued both uniformly and proportionately.

## 2010 Correlation Section

### For Polk 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:

Polk County maintains an internal policy that all sales are determined to be arms length unless information is available to the contrary. Buyers are mailed questionnaires in an attempt to gather additional facts related to the sales. The assessor also follows up with telephone calls if necessary to verify sale information.

A review of the processes used by the county to qualify sales indicates a bias does not exist in the judgments made to assign sales usability. A review of the sales file also indicates excessive trimming has not occurred in the agricultural class of property.

## 2010 Correlation Section

### For Polk 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>73</b>	<b>71</b>	<b>73</b>
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## 2010 Correlation Section

### For Polk 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 Polk 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 Polk 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>16.03</b>	<b>103.48</b>

#### AGRICULTURAL LAND:

The coefficient of dispersion and price related differential are both within the acceptable range indicating the agricultural land class of property has been valued uniformly and proportionately.



<b>Total Real Property</b> Sum Lines 17, 25, & 30	<b>Records : 5,481</b>	<b>Value : 800,297,030</b>	<b>Growth 3,992,700</b>	<b>Sum Lines 17, 25, &amp; 41</b>
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
<b>01. Res UnImp Land</b>	175	588,060	10	15,530	36	617,940	221	1,221,530	
<b>02. Res Improve Land</b>	1,349	7,540,420	46	676,875	274	4,829,835	1,669	13,047,130	
<b>03. Res Improvements</b>	1,372	66,664,485	46	3,881,340	345	30,810,030	1,763	101,355,855	
<b>04. Res Total</b>	1,547	74,792,965	56	4,573,745	381	36,257,805	1,984	115,624,515	1,520,425
<b>% of Res Total</b>	77.97	64.69	2.82	3.96	19.20	31.36	36.20	14.45	38.08
<b>05. Com UnImp Land</b>	43	206,790	1	1,375	2	25,635	46	233,800	
<b>06. Com Improve Land</b>	193	1,008,905	12	192,330	29	1,235,895	234	2,437,130	
<b>07. Com Improvements</b>	211	11,387,685	14	4,554,160	32	8,881,230	257	24,823,075	
<b>08. Com Total</b>	254	12,603,380	15	4,747,865	34	10,142,760	303	27,494,005	354,900
<b>% of Com Total</b>	83.83	45.84	4.95	17.27	11.22	36.89	5.53	3.44	8.89
<b>09. Ind UnImp Land</b>	0	0	0	0	0	0	0	0	
<b>10. Ind Improve Land</b>	1	11,175	0	0	1	89,860	2	101,035	
<b>11. Ind Improvements</b>	1	132,275	0	0	1	671,145	2	803,420	
<b>12. Ind Total</b>	1	143,450	0	0	1	761,005	2	904,455	0
<b>% of Ind Total</b>	50.00	15.86	0.00	0.00	50.00	84.14	0.04	0.11	0.00
<b>13. Rec UnImp Land</b>	0	0	0	0	21	2,083,780	21	2,083,780	
<b>14. Rec Improve Land</b>	0	0	0	0	20	223,105	20	223,105	
<b>15. Rec Improvements</b>	0	0	7	291,435	251	7,089,185	258	7,380,620	
<b>16. Rec Total</b>	0	0	7	291,435	272	9,396,070	279	9,687,505	477,355
<b>% of Rec Total</b>	0.00	0.00	2.51	3.01	97.49	96.99	5.09	1.21	11.96
<b>Res &amp; Rec Total</b>	1,547	74,792,965	63	4,865,180	653	45,653,875	2,263	125,312,020	1,997,780
<b>% of Res &amp; Rec Total</b>	68.36	59.69	2.78	3.88	28.86	36.43	41.29	15.66	50.04
<b>Com &amp; Ind Total</b>	255	12,746,830	15	4,747,865	35	10,903,765	305	28,398,460	354,900
<b>% of Com &amp; Ind Total</b>	83.61	44.89	4.92	16.72	11.48	38.40	5.56	3.55	8.89
<b>17. Taxable Total</b>	1,802	87,539,795	78	9,613,045	688	56,557,640	2,568	153,710,480	2,352,680
<b>% of Taxable Total</b>	70.17	56.95	3.04	6.25	26.79	36.79	46.85	19.21	58.92

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	197	5,217,055	4,606,760	0	0	0
19. Commercial	65	1,648,620	570,465	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	197	5,217,055	4,606,760
19. Commercial	0	0	0	65	1,648,620	570,465
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				262	6,865,675	5,177,225

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	184	8	229	421

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	17	175,580	145	25,717,785	1,628	320,010,730	1,790	345,904,095
28. Ag-Improved Land	1	4,075	85	11,668,125	954	212,709,705	1,040	224,381,905
29. Ag Improvements	2	8,155	89	7,370,500	1,032	68,921,895	1,123	76,300,550
30. Ag Total							2,913	646,586,550

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	0	0.00	0	47	47.00	564,000	
33. HomeSite Improvements	0	0.00	0	50	47.00	5,260,560	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	7	31.73	48,360	
36. FarmSite Improv Land	0	0.00	0	82	328.36	605,845	
37. FarmSite Improvements	2	0.00	8,155	85	0.00	2,109,940	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	320.06	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	2	2.00	24,000	2	2.00	24,000	
32. HomeSite Improv Land	567	574.64	6,924,000	614	621.64	7,488,000	
33. HomeSite Improvements	571	566.64	48,432,860	621	613.64	53,693,420	1,640,020
34. HomeSite Total				<b>623</b>	<b>623.64</b>	<b>61,205,420</b>	
35. FarmSite UnImp Land	56	156.00	266,645	63	187.73	315,005	
36. FarmSite Improv Land	925	3,577.73	6,577,805	1,007	3,906.09	7,183,650	
37. FarmSite Improvements	984	0.00	20,489,035	1,071	0.00	22,607,130	0
38. FarmSite Total				<b>1,134</b>	<b>4,093.82</b>	<b>30,105,785</b>	
39. Road & Ditches	0	5,142.44	0	0	5,462.50	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				<b>1,757</b>	<b>10,179.96</b>	<b>91,311,205</b>	<b>1,640,020</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	1	79.45	66,685	1	79.45	66,685

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	2	256.90	344,345	2	256.90	344,345
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	99,266.51	57.31%	280,432,070	63.87%	2,825.04
46. 1A	22,096.09	12.76%	54,716,795	12.46%	2,476.31
47. 2A1	11,664.81	6.73%	26,512,970	6.04%	2,272.90
48. 2A	9,931.17	5.73%	21,048,590	4.79%	2,119.45
49. 3A1	9,475.39	5.47%	19,631,570	4.47%	2,071.85
50. 3A	7,274.17	4.20%	13,572,935	3.09%	1,865.91
51. 4A1	11,092.69	6.40%	19,650,110	4.48%	1,771.45
52. 4A	2,402.19	1.39%	3,506,795	0.80%	1,459.83
53. Total	173,203.02	100.00%	439,071,835	100.00%	2,535.01
<b>Dry</b>					
54. 1D1	23,915.37	48.56%	48,811,315	56.88%	2,041.00
55. 1D	8,820.35	17.91%	16,792,415	19.57%	1,903.83
56. 2D1	2,290.75	4.65%	3,115,435	3.63%	1,360.01
57. 2D	3,664.69	7.44%	4,978,865	5.80%	1,358.60
58. 3D1	3,179.22	6.46%	3,846,885	4.48%	1,210.01
59. 3D	1,464.19	2.97%	1,697,420	1.98%	1,159.29
60. 4D1	4,715.94	9.58%	5,234,690	6.10%	1,110.00
61. 4D	1,199.67	2.44%	1,331,650	1.55%	1,110.01
62. Total	49,250.18	100.00%	85,808,675	100.00%	1,742.30
<b>Grass</b>					
63. 1G1	1,464.63	0.00%	1,028,540	3.53%	702.25
64. 1G	1,063.91	2.82%	800,105	2.75%	752.04
65. 2G1	2,036.17	5.40%	1,662,745	5.71%	816.60
66. 2G	3,764.02	9.97%	3,138,620	10.79%	833.85
67. 3G1	710.52	1.88%	580,655	2.00%	817.23
68. 3G	9,539.48	25.28%	7,958,890	27.35%	834.31
69. 4G1	6,941.87	18.40%	5,368,065	18.45%	773.29
70. 4G	12,215.27	32.37%	8,563,170	29.43%	701.02
71. Total	37,735.87	100.00%	29,100,790	100.00%	771.17
<b>Irrigated Total</b>					
Irrigated Total	173,203.02	65.83%	439,071,835	79.07%	2,535.01
<b>Dry Total</b>					
Dry Total	49,250.18	18.72%	85,808,675	15.45%	1,742.30
<b>Grass Total</b>					
Grass Total	37,735.87	14.34%	29,100,790	5.24%	771.17
<b>Waste</b>					
Waste	38.00	0.01%	1,520	0.00%	40.00
<b>Other</b>					
Other	2,872.24	1.09%	1,292,525	0.23%	450.01
<b>Exempt</b>					
Exempt	20.96	0.01%	0	0.00%	0.00
<b>Market Area Total</b>					
Market Area Total	263,099.31	100.00%	555,275,345	100.00%	2,110.52

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
<b>76. Irrigated</b>	27.62	73,945	11,529.38	29,928,790	161,646.02	409,069,100	173,203.02	439,071,835
<b>77. Dry Land</b>	66.39	104,815	3,327.30	5,785,080	45,856.49	79,918,780	49,250.18	85,808,675
<b>78. Grass</b>	1.05	895	617.16	452,955	37,117.66	28,646,940	37,735.87	29,100,790
<b>79. Waste</b>	0.00	0	22.00	880	16.00	640	38.00	1,520
<b>80. Other</b>	0.00	0	0.00	0	2,872.24	1,292,525	2,872.24	1,292,525
<b>81. Exempt</b>	0.00	0	3.21	0	17.75	0	20.96	0
<b>82. Total</b>	<b>95.06</b>	<b>179,655</b>	<b>15,495.84</b>	<b>36,167,705</b>	<b>247,508.41</b>	<b>518,927,985</b>	<b>263,099.31</b>	<b>555,275,345</b>

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
<b>Irrigated</b>	173,203.02	65.83%	439,071,835	79.07%	2,535.01
<b>Dry Land</b>	49,250.18	18.72%	85,808,675	15.45%	1,742.30
<b>Grass</b>	37,735.87	14.34%	29,100,790	5.24%	771.17
<b>Waste</b>	38.00	0.01%	1,520	0.00%	40.00
<b>Other</b>	2,872.24	1.09%	1,292,525	0.23%	450.01
<b>Exempt</b>	20.96	0.01%	0	0.00%	0.00
<b>Total</b>	<b>263,099.31</b>	<b>100.00%</b>	<b>555,275,345</b>	<b>100.00%</b>	<b>2,110.52</b>

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

72 Polk

	2009 CTL County Total	2010 Form 45 County Total	Value Difference (2010 form 45 - 2009 CTL)	Percent Change	2010 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	115,586,035	115,624,515	38,480	0.03%	1,520,425	-1.28%
02. Recreational	8,577,720	9,687,505	1,109,785	12.94%	477,355	7.37%
03. Ag-Homesite Land, Ag-Res Dwelling	59,172,540	61,205,420	2,032,880	3.44%	1,640,020	0.66%
<b>04. Total Residential (sum lines 1-3)</b>	<b>183,336,295</b>	<b>186,517,440</b>	<b>3,181,145</b>	<b>1.74%</b>	<b>3,637,800</b>	<b>-0.25%</b>
05. Commercial	27,405,110	27,494,005	88,895	0.32%	354,900	-0.97%
06. Industrial	906,070	904,455	-1,615	-0.18%	0	-0.18%
07. Ag-Farmsite Land, Outbuildings	28,643,000	30,105,785	1,462,785	5.11%	0	5.11%
08. Minerals	0	0	0		0	
<b>09. Total Commercial (sum lines 5-8)</b>	<b>56,954,180</b>	<b>58,504,245</b>	<b>1,550,065</b>	<b>2.72%</b>	<b>354,900</b>	<b>2.10%</b>
<b>10. Total Non-Agland Real Property</b>	<b>240,290,475</b>	<b>245,021,685</b>	<b>4,731,210</b>	<b>1.97%</b>	<b>3,992,700</b>	<b>0.31%</b>
11. Irrigated	395,372,045	439,071,835	43,699,790	11.05%		
12. Dryland	69,668,630	85,808,675	16,140,045	23.17%		
13. Grassland	27,260,445	29,100,790	1,840,345	6.75%		
14. Wasteland	1,720	1,520	-200	-11.63%		
15. Other Agland	750,280	1,292,525	542,245	72.27%		
<b>16. Total Agricultural Land</b>	<b>493,053,120</b>	<b>555,275,345</b>	<b>62,222,225</b>	<b>12.62%</b>		
<b>17. Total Value of all Real Property</b> (Locally Assessed)	<b>733,343,595</b>	<b>800,297,030</b>	<b>66,953,435</b>	<b>9.13%</b>	<b>3,992,700</b>	<b>8.59%</b>

**2009 Plan of Assessment for Polk County**  
**Assessment Years 2010, 2011 and 2011**  
**Date: June 15, 2009**

**Plan of Assessment Requirements:**

Pursuant to Neb. Rev. Stat. §77-1311.02, on or before June 15 each year, the assessor shall prepare a plan of assessment (herein after referred to as the “plan”), 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. 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, Property Assessment Division, 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.

Assessment levels required for real property are:

- 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.

Reference, Neb. Rev. Stat. §77-201.

## **General Description of Real Property in Polk County:**

Per the 2009 Abstract, Polk County consists of the following real property types:

	Parcels	% of Total Parcels	% of Taxable Value Base
Residential	2003	36%	16%
Commercial	309	6%	4%
Industrial	2	0%	0%
Recreational	272	5%	1%
Agricultural	2889	53%	79%

*Agricultural Land:* Polk County consists of 261,910 taxable ag land acres. Of those acres, 66% are irrigated cropland, 19% are dry cropland, 14% are grass/pasture and 1% is used for other agricultural purposes. It is interesting to note that in the last five years, irrigation has increased by 24,738 acres (and by \$145,351,645 in value).

*New Property:* In 2008, there were 15 applications approved for new construction in our four towns and 7 in their suburban zoning jurisdictions. 65 Permits were received in 2008 from our County Zoning Administrator, plus an additional 9 permits for demolition or removal of improvements. A total of \$3,344,280 was added for new construction in 2009, plus an additional \$29,890 in Stromsburg's Tax Increment Financing district.

For more information, see the 2009 Reports & Opinions, Abstract and Assessor Survey.

## **Current Resources:**

- A) *Staff/Budget/Training* – The office staff consists of the assessor, a certified deputy assessor and one office clerk. Each staff member is expected to be knowledgeable in all aspects of the daily office operation, with varying degrees of responsibility. A shared employee is available if needed, however, due to continuity and training issues, she is rarely used by our office. Jon Fritz, of Fritz Appraisal Company, is paid a monthly retainer fee, working 2 days per month, for pick-up work and appraisal maintenance. Mr. Fritz is a Certified General Appraiser, who has been involved in mass appraisal for many years. His credentials qualify him for all forms of appraisal work. Our budget for FY 2008-2009 was \$95,561. That budget was limited to a 2½% increase from the previous year. Funding for reappraisal projects, as well as 75% of the monthly retainer for the appraiser, have been paid through Inheritance Tax funds. Employee benefits, such as FICA, health insurance, etc., are funded through a general source, rather than through the assessor's budget. The entire budget for 2008-2009 was used.
- B) *Maps and Aerial Photos* – The cadastral maps currently in use were purchased in 1973 and are showing a great deal of wear. Ownership changes are kept current with each group of transfer statements received. Our GIS is linked with the Terra Scan system, however the cadastral maps are still maintained. GIS has 2003, 2005, 2006 and 2007 aerial imagery. Aerial photos of all rural improved properties were taken in the Fall of 2002. Each photo was scanned into the computer and linked to the proper parcel. A hard copy of each photo is filed in the property record card.

- C) *Property Record Cards* – The office still maintains a hard copy of the property record card, even though most of the information can be accessed from the computer. The front of each card lists ownership and assessment information. For improved properties, each card has a photo of the main improvement. The computerized Property Record Card contains ownership and assessment information, scanned & digital photos, sketches, and assessment data.
- D) *Computerization* - Our assessment records are computerized and networked with the County Treasurer’s office. We currently contract with Terra Scan, Inc., utilizing their administrative and appraisal programs. We also contract with GIS Workshop for GIS applications. Computer hardware and software were updated in 2003, with additional upgrades in 2004 to accommodate GIS. Each staff member has access to Terra Scan, word processing, spreadsheet and internet software through a PC terminal. A guest terminal is available for the appraiser. ArcGIS software is available on two terminals for editing GIS information. In November 2006, a grant was received from the Nebraska Secretary of State for assistance in getting assessment information available on our web site. The county continues to support the web site by paying the annual maintenance fees.

**Current Assessment Procedures for Real Property:**

- A) *Discover, List & Inventory All Property* – The assessor supervises maintenance of the real estate file. Ownership changes are made by the assessor’s office staff, when Real Estate Transfer Statements (Form 521) are received from the County Clerk. When building permits or other information is received regarding potential changes in property, the property record card is flagged, and a notation is made in the “building permits” section in the computer. Cards for pick-up work are given to the appraiser, who reviews the property and lists the changes. Market trends are studied, and economic depreciation adjustments are made to particular sub-classes of property when indicated. We currently maintain 3,612 parcels with improvements of some kind (including IOLL and TIF parcels). Our goal is to systematically reappraise all improved parcels in a 6-year cycle, with 2 years allotted for rural reappraisal, 1 year for the towns of Shelby & Osceola, 1 year for Stromsburg & Polk, 1 year for recreational properties and 1 year for commercial properties. The extent of each reappraisal, of course, depends on the allotment of funds. Unimproved urban properties are included in the 6-year cycle for each specific town. Unimproved ag parcels are viewed/reviewed continually through NRD maps and GIS, for land use changes.
- B) *Data Collection* – Information for reappraisals or general pick-up work is done under the direction of the assessor and the contract appraiser. Questionnaires and interviews may be used to gather preliminary data. Field visits and inspection of the property are the primary method used to obtain, update and confirm assessment data.
- C) *Review Assessment/Sales Ratio Studies Before Assessment Actions* – The Terra Scan system has an efficient program which can process the sales file and perform assessment/sales ratio studies. Running these figures periodically, assists in identifying areas that may need attention. When problem areas show up, various solutions can be worked into the file to determine the appropriate action to take.
- D) *Sales File* – The assessor supervises maintenance of the real estate sales file. After ownership changes have been made by the office staff, transfer statements are then given to the assessor for sales review, and for completion of the sales worksheet. A questionnaire is sent to most buyers and sellers on agricultural and residential sales. If

questions exist and no response is received from the questionnaire, verification is conducted through a phone call or personal visit. Commercial sales review is done by telephone or through a personal visit. Due to the variables involved with commercial sales, a specific form has not been practical. Standard questions are asked, similar to those on the residential questionnaire, with additional questions depending on the type of business.

E) *Approaches to Value*

*Market information* – A sales file is maintained on improved properties, both in a paper copy and in the computer. Six sub-class divisions in the file coincide with the “Assessor Location” reported in the sales file maintained by the Nebraska Department of Property Assessment and Taxation (Shelby, Osceola, Stromsburg, Polk, Rural, and Lake). Economic Depreciation for each assessor location is derived from this sales file. A sales file is also maintained for ag land sales, with the valuation process being explained in #4 below.

- 1) *Market Approach* – The market approach to value is predominantly used in the valuation of unimproved agricultural land as explained in #4 below. There has been no market-approach-to-value process set up for the residential and commercial appraisal process in the current Terra Scan appraisal package.
  - 2) *Cost Approach* – The 2006 Marshall & Swift cost manual is used to price all rural residential properties in Polk County. The four towns (Shelby, Osceola, Stromsburg & Polk) and recreational lake properties are also currently on the 2006 cost manual. The depreciation study used for the towns of Shelby & Osceola is from 2007, and from 2008 for Stromsburg & Polk. Economic depreciation was updated in 2007 for lake properties. Commercial & Industrial properties are being priced from the 2002 Marshall & Swift manual, using a depreciation study from 2002. Commercial depreciation was updated in 2006 for the City of Stromsburg. All depreciation studies have been prepared by the contract certified general appraiser.
  - 3) *Income Approach* – Income and expense data collection and analysis is all done by a Certified General Appraiser. The income approach to value is not conducive to many properties in Polk County, with its use being limited to select commercial and industrial properties.
  - 4) *Land Valuation Studies* – Spread sheets are prepared annually by the assessor, to study sales of agricultural land in the County, and updates are made to adjust values to the market trends. Currently the county has not seen a need to establish different ag land market areas, nor has the need for special value been identified, though these possibilities are studied annually.
- F) *Reconciliation of Final Value and Documentation* – Residential, commercial and industrial properties are predominately priced using the cost approach, with economic depreciation being derived from the market. When other approaches are used, the contract appraiser reconciles the values. Ag land is predominately priced using the market approach to value.
- G) *Review Assessment/Sales Ratio Studies After Assessment Actions* – The Terra Scan sales file is updated, and statistics are reviewed to assure that the actions taken were the most appropriate.
- H) *Notices and Public Relations* – Per Neb. Rev. Stat. §77-1315, on or before June 1<sup>st</sup>, a “Notice of Valuation Change” is sent to owners of real property for all parcels which have been assessed at a value different than in the previous year. Real Estate Transfer Statements filed through May 20<sup>th</sup> are reviewed to assure notification to the proper owner of record of each affected parcel. Property owners with questions about their valuation

change, are encouraged to visit with personnel in the assessor's office. The property record card is reviewed with the owner and explanations are given regarding the change.

Further explanation of the assessment process can be found in the regulations issued by the Nebraska Department Revenue, Property Assessment Division, Title 350, Chapter 50.

**Level of Value, Quality and Uniformity for Assessment Year 2009:**

	<u>Median</u>	<u>COD*</u>	<u>PRD**</u>
Residential	98%	15.11	104.84
Commercial	100%	Insufficient Sales	
Agricultural Land	75%	14.53	100.85

\*COD = Coefficient of Dispersion

\*\*PRD = Price-Related Differential

For more information regarding statistical measures, see the 2009 Reports & Opinions.

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

Residential:

- We will complete the reappraisal of recreational improvements at the various lakes in the county, by establishing new values for 2010.
- We will review sales for possible economic depreciation adjustments in other locations.
- We will complete pick-up work with the assistance of the contract appraiser.

Commercial:

- We will request funds for the reappraisal of commercial improvements in Polk County, and begin inspections. This project will consist of an exterior inspection of all properties (approximately 307 parcels), with an interior inspection when possible (as defined by Title 350, Neb. Admin. Code, REG-50).
- With the assistance of the contract appraiser, we will study sales to determine if an economic depreciation adjustment is necessary.
- We will complete pick-up work with the assistance of the contract appraiser.

Agricultural Land:

- We will work with our property owners, and with the Upper Big Blue and Central Platte Natural Resources Districts, to assure land use accuracy.
- We will review well registration information on the Department of Natural Resources web site to assist with agricultural land use changes.
- The assessor will study sales data for possible agricultural land valuation adjustments.

## **Real Estate Assessment Actions Planned for Assessment Year 2011:**

### Residential:

- Request funds for a 2-year reappraisal project of rural improved parcels (approximately 1400 parcels), and begin inspections, with new values to be established for 2013.
- Review sales for possible economic depreciation adjustments.
- Complete pick-up work with the assistance of the contract appraiser.

### Commercial:

- Complete the reappraisal of commercial improvements.
- Review sales for possible economic depreciation adjustments.
- Complete pick-up work with the assistance of the contract appraiser.

### Agricultural Land:

- Continue to study land use through aerial photography, personal inspection and working with property owners.
- Continue to review sales for possible valuation adjustments.
- Continue to work with the Natural Resource Districts regarding land use.

## **Real Estate Assessment Actions Planned for Assessment Year 2012:**

### Residential:

- Continue inspections of rural improved parcels, with new values to be established for 2013.
- Review sales for possible economic depreciation adjustments.
- Complete pick-up work with the assistance of the contract appraiser.

### Commercial:

- Review sales for possible economic depreciation adjustments.
- Complete pick-up work with the assistance of the contract appraiser.

### Agricultural Land:

- Continue to study land use through aerial photography, personal inspection and working with property owners.
- Continue to review sales for possible valuation adjustments.
- Continue to work with the Natural Resource Districts regarding land use.

### **Additional Assessment Actions:**

- 1) *Record Maintenance, Mapping Updates and Ownership Changes* – Maintain assessment records for changes in real estate ownership.
- 2) *Annual Administrative Reports* required by law and/or regulation –
  - a. Abstracts (Real & Personal Property)
  - b. Assessor Survey (included in the Property Tax Administrator’s annual Reports & Opinions)
  - c. Sales information to PA&T for rosters and Assessed Value Update
  - d. Annual Plan of Assessment Report
  - e. Certification of Value to Political Subdivisions
  - f. School District Taxable Value Report
  - g. Report of values for Board of Educational Lands & Funds properties
  - h. Annual Inventory Statement
  - i. Certification of Average Assessed Residential Value
  - j. Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
  - k. Certificate of Taxes Levied Report
- 3) *Personal Property* – Administer annual filing of approximately 1,100 schedules, prepare subsequent notices for incomplete filings or failure to file and apply penalties as required. Review Beginning Farmer Exemption applications and issue notices of approval or denial for exemption of personal property. Personal Property amounts to less than 5% of our county tax base, however, administration is very time consuming. Diligent effort is given to the process by the deputy assessor and office clerk, to ensure that filings are accurate and timely, and that penalties are few.
- 4) *Permissive Exemptions* – Administer annual filings of applications for new or continued exempt use, review and make recommendations to the county board.
- 5) *Taxable Government Owned Property* – Review government owned property not used for public a purpose, and send notices of intent to tax. Facilitate publishing the list in the county newspaper.
- 6) *Homestead Exemptions* – Administer approximately 225 annual filings of applications. Review each application for approval or denial and send taxpayer notifications for denials. Send preprinted applications to all who applied the pervious year. Maintain a list of those who inquire after the filing deadlines, to send a form for next year. Continue to visit homes of those needing assistance in completing the form, but who cannot make it up to the courthouse.
- 7) *Centrally Assessed Property* – Review valuations as certified by Department of Revenue for railroads and public service entities, and establish assessment records for tax list purposes.
- 8) *Tax Increment Financing* – Maintain valuation information for properties in community redevelopment projects for proper reporting on administrative reports and allocation of ad valorem tax.
- 9) *Tax Districts and Tax Rates* – Maintain records of taxing entity boundaries, and review for changes necessary for proper taxation of all property. Input and review tax rates, and export to county treasurer.
- 10) *Tax List & Tax Statements* – Prepare and certify the tax list to the county treasurer for real property, personal property and centrally assessed property. Prepare and deliver tax statements to the county treasurer for mailing, along with a second “drawer copy” for the treasurer’s office use.

- 11) *Tax List Corrections* – Prepare correction documents for approval by the county board.
- 12) *County Board of Equalization* – Attend all meetings pertaining to property valuation. Assemble and provide information for protest hearings.
- 13) *TERC Appeals* – Prepare and submit information and attend taxpayer appeal hearings to defend valuation before the Tax Equalization and Review Commission.
- 14) *TERC Statewide Equalization* – Attend hearings if applicable to our county, defend values and implement any orders received from the Tax Equalization and Review Commission.
- 15) *Education* – Maintain certification for assessor and deputy assessor by attending meetings, workshops and educational classes to obtain continuing education as outlined in Title 350, Neb. Admin. Code, REG-71.

**Conclusion:**

Budget concerns have been addressed under the Staff/Budget/Training section on Page 2. It is assumed the County Board will request that we adhere to the same budget increases for FY 2009-2010. Problems with budget increases have not been because the county board is unwilling to fund the assessment process, but rather that the statutory percentage increases don't allow much room for expansion. Voters defeated a request for a levy override by a margin of 2 to 1 in the November 2008 election. The majority of our appraisal budget, along with annual maintenance agreements for assessment/appraisal software, GIS and the county web site, is funded through Inheritance Tax funds. However, with increased estate planning, we have seen significant declines in the amount of Inheritance Tax receipts in the past 5 years. If those funds continue to decline, I'm not sure how those assessment functions will be funded.

Continuing education hours will be needed for the Assessor and Deputy's recertification. The Property Tax Division offers very useful and affordable training courses, using their personnel as instructors. The Deputy will need more hours than those courses can offer, so she is registered for a 30 hour IAAO course being offered in Wayne this fall.

I am anticipating that Fritz Appraisal Company will continue working with us on our reappraisal projects, as well as continue with annual pick-up work. He does have an experienced lister working for him, however, the lister lives in the eastern end of the state, and the prospect of driving over 200 miles round trip is rather discouraging to him. Hopefully we can continue to come to terms on reappraisal fees that will be acceptable to both parties.

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Linda D. Anderson  
Polk County Assessor  
June 15, 2009

## 2010 Assessment Survey for Polk County

### I. General Information

#### A. Staffing and Funding Information

1.	<b>Deputy(ies) on staff</b>
	1
2.	<b>Appraiser(s) on staff</b>
	0
3.	<b>Other full-time employees</b>
	1
4.	<b>Other part-time employees</b>
	0
5.	<b>Number of shared employees</b>
	0
6.	<b>Assessor's requested budget for current fiscal year</b>
	\$97,950
7.	<b>Adopted budget, or granted budget if different from above</b>
	\$97,950
8.	<b>Amount of the total budget set aside for appraisal work</b>
	\$2,400
9.	<b>Appraisal/Reappraisal budget, if not part of the total budget</b>
	\$28,000
10.	<b>Part of the budget that is dedicated to the computer system</b>
	\$5,500 TerraScan maintenance agreement + \$12,600 for GIS support
11.	<b>Amount of the total budget set aside for education/workshops</b>
	\$2,600
12.	<b>Other miscellaneous funds</b>
	No
13.	<b>Was any of last year's budget not used:</b>
	No

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

1.	<b>Administrative software</b>
	TerraScan
2.	<b>CAMA software</b>
	TerraScan
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
7.	<b>Personal Property software:</b>
	TerraScan

### **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>
	All municipalities are zoned
4.	<b>When was zoning implemented?</b>
	2001

### **D. Contracted Services**

1.	<b>Appraisal Services</b>
	John Fritz, Contract Appraiser.
2.	<b>Other services</b>
	TerraScan and GIS Workshop



# 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 Polk 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