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2011 Commission Summary for McPherson County

Residential Real Property - Current

Number of Sales	9	Median	92.16
Total Sales Price	\$336,796	Mean	117.14
Total Adj. Sales Price	\$336,796	Wgt. Mean	97.14
Total Assessed Value	\$327,153	Average Assessed Value of the Base	\$33,327
Avg. Adj. Sales Price	\$37,422	Avg. Assessed Value	\$36,350

Confidence Interval - Current

95% Median C.I	83.11 to 188.35
95% Mean C.I	79.54 to 114.73
95% Wgt. Mean C.I	81.49 to 152.79
% of Value of the Class of all Real Property Value in the County	2.80
% of Records Sold in the Study Period	7.38
% of Value Sold in the Study Period	8.05

Residential Real Property - History

Year	Number of Sales	LOV	Median
2010	8	100	91
2009	7	100	92
2008	7	100	98
2007	10	99	99

2011 Commission Summary for McPherson County

Commercial Real Property - Current

Number of Sales	0	Median	00.00
Total Sales Price	\$0	Mean	00.00
Total Adj. Sales Price	\$0	Wgt. Mean	00.00
Total Assessed Value	\$0	Average Assessed Value of the Base	\$40,250
Avg. Adj. Sales Price	\$0	Avg. Assessed Value	\$0

Confidence Interval - Current

95% Median C.I	N/A
95% Mean C.I	N/A
95% Wgt. Mean C.I	N/A
% of Value of the Class of all Real Property Value in the County	0.33
% of Records Sold in the Study Period	0.00
% of Value Sold in the Study Period	0.00

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2010	1	100	91
2009	1	100	91
2008	1	100	91
2007	0	100	0

2011 Opinions of the Property Tax Administrator for McPherson County

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.

Class	Level of Value	Quality of Assessment	Non-binding recommendation
Residential Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	75	The qualitative measures calculated in the exclude sample best reflect the dispersion of the assessed values within the population. The quality of assessment meets generally accepted mass appraisal practices.	No recommendation.

***A level of value displayed as NEI, not enough information, represents a class of property with insufficient information to determine a level of value.*

Dated this 11th day of April, 2011.



Ruth A. Sorensen
Property Tax Administrator

2011 Residential Assessment Actions for McPherson County

For the assessment actions for 2011 within the residential class of property, new residential improvements were added to the property record cards. The property record cards were updated.

A market study was done on all nine residential sales. Even with so few sales the assessor tries to react to the residential market as it changes over time. From the analysis a decrease of eighteen percent was applied to the valuation of all homes, and mobile homes, in the county to bring them into compliance with the acceptable level of market value and maintain uniform and proportionate assessments.

Work is continuing on a complete physical inspection and review of all the improvements within McPherson County.

2011 Residential Assessment Survey for McPherson County

1.	Valuation data collection done by:	
	Assessor and contracted appraiser.	
2.	List the valuation groupings used by the County and describe the unique characteristics that effect value:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	1	Everything in the county is considered rural, even the village of Tryon, since it is unincorporated.
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	The cost approach, sales will be utilized in the development of a depreciation table. There are normally not enough sales to do a true sales comparison or income approach that would be meaningful.	
4.	When was the last lot value study completed?	
	2007	
5.	Describe the methodology used to determine the residential lot values.	
	A per square foot cost was developed from the few sales and information the contracted appraiser provided in the analysis.	
6.	What costing year for the cost approach is being used for each valuation grouping?	
	2007	
7.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	Local market information is used.	
8.	Are individual depreciation tables developed for each valuation grouping?	
	No – there is only one grouping.	
9.	How often does the County update the depreciation tables?	
	When new costing tables are applied. In between the implementation of costing tables a blanket adjustment may be made if the market dictates a need for it.	
10.	Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work the same as was used for the general population of the class/valuation grouping?	
	Yes	

11.	Describe the method used to determine whether a sold parcel is substantially changed.
	If the improvements on the parcel have been totally remodeled, or if the improvements have been destroyed, or if the use of the sold parcel has changed from one class of property to another, then it is considered substantially changed.
12.	Please provide any documents related to the policies or procedures used for the residential class of property.
	There are none at this time.

60 McPherson

RESIDENTIAL

PAD 2011 R&O Statistics (Using 2011 Values)

Qualified

Date Range: 7/1/2008 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 9
 Total Sales Price : 336,796
 Total Adj. Sales Price : 336,796
 Total Assessed Value : 327,153
 Avg. Adj. Sales Price : 37,422
 Avg. Assessed Value : 36,350

MEDIAN : 92
 WGT. MEAN : 97
 MEAN : 117
 COD : 34.78
 PRD : 120.59

COV : 39.59
 STD : 46.38
 Avg. Abs. Dev : 32.05
 MAX Sales Ratio : 194.59
 MIN Sales Ratio : 72.84

95% Median C.I. : 83.11 to 188.35
 95% Wgt. Mean C.I. : 79.54 to 114.73
 95% Mean C.I. : 81.49 to 152.79

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DATE OF SALE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-JUL-08 To 30-SEP-08	1	72.84	72.84	72.84	00.00	100.00	72.84	72.84	N/A	49,000	35,692
01-OCT-08 To 31-DEC-08											
01-JAN-09 To 31-MAR-09	1	142.77	142.77	142.77	00.00	100.00	142.77	142.77	N/A	20,000	28,554
01-APR-09 To 30-JUN-09	2	147.08	147.08	148.61	32.30	98.97	99.57	194.59	N/A	15,500	23,035
01-JUL-09 To 30-SEP-09	1	90.81	90.81	90.81	00.00	100.00	90.81	90.81	N/A	80,000	72,648
01-OCT-09 To 31-DEC-09	2	91.10	91.10	90.84	01.17	100.29	90.03	92.16	N/A	52,300	47,510
01-JAN-10 To 31-MAR-10	1	83.11	83.11	83.11	00.00	100.00	83.11	83.11	N/A	46,697	38,811
01-APR-10 To 30-JUN-10	1	188.35	188.35	188.35	00.00	100.00	188.35	188.35	N/A	5,500	10,359
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	4	121.17	127.44	110.32	34.03	115.52	72.84	194.59	N/A	25,000	27,579
01-JUL-09 To 30-JUN-10	5	90.81	108.89	91.57	23.64	118.91	83.11	188.35	N/A	47,359	43,368
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	6	95.87	118.32	102.84	28.50	115.05	90.03	194.59	90.03 to 194.59	39,267	40,382
<u>ALL</u>	9	92.16	117.14	97.14	34.78	120.59	72.84	194.59	83.11 to 188.35	37,422	36,350

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	9	92.16	117.14	97.14	34.78	120.59	72.84	194.59	83.11 to 188.35	37,422	36,350
<u>ALL</u>	9	92.16	117.14	97.14	34.78	120.59	72.84	194.59	83.11 to 188.35	37,422	36,350

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	9	92.16	117.14	97.14	34.78	120.59	72.84	194.59	83.11 to 188.35	37,422	36,350
06											
07											
<u>ALL</u>	9	92.16	117.14	97.14	34.78	120.59	72.84	194.59	83.11 to 188.35	37,422	36,350

**60 McPherson
RESIDENTIAL**

PAD 2011 R&O Statistics (Using 2011 Values)

Qualified

Date Range: 7/1/2008 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 9
 Total Sales Price : 336,796
 Total Adj. Sales Price : 336,796
 Total Assessed Value : 327,153
 Avg. Adj. Sales Price : 37,422
 Avg. Assessed Value : 36,350

MEDIAN : 92
 WGT. MEAN : 97
 MEAN : 117
 COD : 34.78
 PRD : 120.59

COV : 39.59
 STD : 46.38
 Avg. Abs. Dev : 32.05
 MAX Sales Ratio : 194.59
 MIN Sales Ratio : 72.84

95% Median C.I. : 83.11 to 188.35
 95% Wgt. Mean C.I. : 79.54 to 114.73
 95% Mean C.I. : 81.49 to 152.79

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
Low \$												
1 TO 4999												
5000 TO 9999	1	188.35	188.35	188.35	00.00	100.00	188.35	188.35	N/A	5,500	10,359	
Total \$												
1 TO 9999	1	188.35	188.35	188.35	00.00	100.00	188.35	188.35	N/A	5,500	10,359	
10000 TO 29999	3	142.77	145.64	146.32	22.18	99.54	99.57	194.59	N/A	17,000	24,874	
30000 TO 59999	3	83.11	82.70	82.07	07.75	100.77	72.84	92.16	N/A	45,232	37,122	
60000 TO 99999	2	90.42	90.42	90.46	00.43	99.96	90.03	90.81	N/A	72,300	65,403	
100000 TO 149999												
150000 TO 249999												
250000 TO 499999												
500000 +												
ALL	9	92.16	117.14	97.14	34.78	120.59	72.84	194.59	83.11 to 188.35	37,422	36,350	

**2011 Correlation Section
for McPherson County**

A. Residential Real Property

The calculated median from the statistical sampling of 9 residential sales will not be relied upon in determining the level of value for McPherson County nor will the qualitative measures be used in determining assessment uniformity and proportionality.

However, even realizing that the sample is too small for statistical reliance and measurement purposes, credit must be given for the assessment action taken by the assessor in a rural community where the residential market will seldom create a reasonable sample. The analysis done by the assessor, on all verified sales, demonstrated the residential values to be higher than the selling prices of homes. As a reaction to this the assessor decreased the values of all homes, and mobile homes, in the county to maintain uniform and proportionate assessments within the residential class of property.

Based on the consideration of all available information, the level of value cannot be determined for the residential class of real property.

**2011 Correlation Section
for McPherson County**

B. 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.

**2011 Correlation Section
for McPherson County**

C. 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.

2011 Correlation Section for McPherson County

D. 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,

**2011 Correlation Section
for McPherson County**

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.

2011 Commercial Assessment Actions for McPherson County

For the 2011 assessment year new commercial improvements were added to the property record cards. There were no commercial sales, so no changes were made to the value of the commercial class of real property.

2011 Commercial Assessment Survey for McPherson County

1.	Valuation data collection done by:	
	Contracted appraiser, Larry Rexroth.	
2.	List the valuation groupings used by the County and describe the unique characteristics that effect value:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	1	There are seldom any commercial sales in McPherson County.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	With only 9 commercial properties in McPherson County, the cost approach carries the most weight. A true sales comparison cannot be relied upon; however the sales are utilized to develop depreciation. Neither is there enough income and expense data available in this area to make the income approach reliable.	
4.	When was the last lot value study completed?	
	2005	
5.	Describe the methodology used to determine the commercial lot values.	
	Vacant lot sales are rare, primarily relied on experience and information provided by the contracted appraiser in valuing similar lots in counties similar to McPherson County. A square foot cost is utilized.	
6.	What costing year for the cost approach is being used for each valuation grouping?	
	2005	
7.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	Local markets.	
8.	Are individual depreciation tables developed for each valuation grouping?	
	There is only one valuation grouping.	
9.	How often does the County update the depreciation tables?	
	When new costing is applied.	
10.	Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work the same as was used for the general population of the class/valuation grouping?	
	Yes	

11.	Describe the method used to determine whether a sold parcel is substantially changed.
	If the use has changed, such as changing from commercial to residential.
12.	Please provide any documents related to the policies or procedures used for the commercial class of property.
	There are none at the time.

60 McPherson

COMMERCIAL

PAD 2011 R&O Statistics (Using 2011 Values)

Qualified

Date Range: 7/1/2007 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 0	MEDIAN : 0	COV : 00.00	95% Median C.I. : N/A
Total Sales Price : 0	WGT. MEAN : 0	STD : 00.00	95% Wgt. Mean C.I. : N/A
Total Adj. Sales Price : 0	MEAN : 0	Avg. Abs. Dev : 00.00	95% Mean C.I. : N/A
Total Assessed Value : 0			
Avg. Adj. Sales Price : 0	COD : 00.00	MAX Sales Ratio : 00.00	
Avg. Assessed Value : 0	PRD : 00.00	MIN Sales Ratio : 00.00	

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DATE OF SALE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrrs</u>											
01-JUL-07 To 30-SEP-07											
01-OCT-07 To 31-DEC-07											
01-JAN-08 To 31-MAR-08											
01-APR-08 To 30-JUN-08											
01-JUL-08 To 30-SEP-08											
01-OCT-08 To 31-DEC-08											
01-JAN-09 To 31-MAR-09											
01-APR-09 To 30-JUN-09											
01-JUL-09 To 30-SEP-09											
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10											
01-APR-10 To 30-JUN-10											
<u>Study Yrs</u>											
01-JUL-07 To 30-JUN-08											
01-JUL-08 To 30-JUN-09											
01-JUL-09 To 30-JUN-10											
<u>Calendar Yrs</u>											
01-JAN-08 To 31-DEC-08											
01-JAN-09 To 31-DEC-09											
<u>ALL</u>											

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											
04											
<u>ALL</u>											

**60 McPherson
COMMERCIAL**

PAD 2011 R&O Statistics (Using 2011 Values)

Qualified

Date Range: 7/1/2007 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 0
 Total Sales Price : 0
 Total Adj. Sales Price : 0
 Total Assessed Value : 0
 Avg. Adj. Sales Price : 0
 Avg. Assessed Value : 0

MEDIAN : 0
 WGT. MEAN : 0
 MEAN : 0
 COD : 00.00
 PRD : 00.00

COV : 00.00
 STD : 00.00
 Avg. Abs. Dev : 00.00
 MAX Sales Ratio : 00.00
 MIN Sales Ratio : 00.00

95% Median C.I. : N/A
 95% Wgt. Mean C.I. : N/A
 95% Mean C.I. : N/A

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
Low \$												
1 TO 4999												
5000 TO 9999												
Total \$												
1 TO 9999												
10000 TO 29999												
30000 TO 59999												
60000 TO 99999												
100000 TO 149999												
150000 TO 249999												
250000 TO 499999												
500000 +												
ALL												

**2011 Correlation Section
for McPherson County**

A. Commerical Real Property

There are no calculated median or qualitative measures for the commercial class of real property. There were no commercial sales within the current study period 07.01.07 to 06.30.10. There is no commercial market in McPherson County.

Based on the consideration of all available information, the level of value cannot be determined for the commercial class of real property.

**2011 Correlation Section
for McPherson County**

B. 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.

**2011 Correlation Section
for McPherson County**

C. 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.

2011 Correlation Section for McPherson County

D. 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,

**2011 Correlation Section
for McPherson County**

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.

2011 Agricultural Assessment Actions for McPherson County

For assessment year 2011 within the class of agricultural real property, new improvements were added to the property record cards. Land use changes were updated on agricultural land if needed.

A market study was done on the agricultural land sales in McPherson County and with sales from the surrounding counties of Hooker, Thomas Logan, Lincoln, Keith, Arthur and Grant. From the analysis it was apparent that the grass land was driving the market and the statistical measure of central tendency was slightly above the statutory level of sixty nine to seventy five percent of market value. Therefore, it was necessary to reduce grassland values to bring them within the required statistical level of market value. No changes were made to the irrigated and dry land classes of agricultural land. Record cards were then updated.

Work will continue on the physical inspection and review of agricultural property as part of the six year plan of assessment.

2011 Agricultural Assessment Survey for McPherson County

1.	Valuation data collection done by:	
	Assessor and contracted appraiser.	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	1	Due to the fact, there are no differences there is only one countywide market area for McPherson County.
3.	Describe the process that is used to determine and monitor market areas.	
	Sales studies are done to see if there is a difference in the market within the county. Thus far, there have been none, so one countywide market area is sufficient.	
4.	Describe the process used to identify and value rural residential land and recreational land in the county.	
	This area is primarily ranch land. Small acreages that are not adjoining or part of a larger ranch holding, or would not substantiate an economically feasible ranching operation are considered rural residential. As of this interview non-agricultural influences have not been identified that would cause a parcel to be considered recreational.	
5.	Do farm home sites carry the same value as rural residential home sites or are market differences recognized? If differences, what are the recognized market differences?	
	Yes, farm home sites are priced comparably to the residential home sites in the Village of Tryon.	
6.	What land characteristics are used to assign differences in assessed values?	
	Land use; particularly in identifying dry, irrigated and waste acres.	
7.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Soil maps from the Web Soil Survey & FSA maps are extremely helpful, as well as information from the NRD and physical inspections. A notice is put in the local newspaper and patrons respond with land use changes.	
8.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	Not applicable.	
9.	Have special valuations applications been filed in the county? If yes, is there a value difference for the special valuation parcels.	
	No	

10.	Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work on the rural improvements the same as was used for the general population of the class?
	Yes
11.	Describe the method used to determine whether a sold parcel is substantially changed.
	If it was agland and then changed to residential, the class is changed.
12.	Please provide any documents related to the policies or procedures used for the agricultural class of property.
	Currently there are none.

60 McPherson
AGRICULTURAL - BASE STAT

PAD 2011 R&O Statistics (Using 2011 Values)

Qualified

Date Range: 7/1/2007 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 13
 Total Sales Price : 5,891,080
 Total Adj. Sales Price : 5,722,080
 Total Assessed Value : 3,808,212
 Avg. Adj. Sales Price : 440,160
 Avg. Assessed Value : 292,939

MEDIAN : 78
 WGT. MEAN : 67
 MEAN : 74

COV : 22.33
 STD : 16.47
 Avg. Abs. Dev : 11.38

95% Median C.I. : 61.16 to 81.22
 95% Wgt. Mean C.I. : 58.91 to 74.20
 95% Mean C.I. : 63.82 to 83.72

COD : 14.65
 PRD : 110.85
 MAX Sales Ratio : 112.98
 MIN Sales Ratio : 48.50

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DATE OF SALE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-JUL-07 To 30-SEP-07											
01-OCT-07 To 31-DEC-07	2	74.17	74.17	71.15	04.75	104.24	70.65	77.69	N/A	678,900	483,033
01-JAN-08 To 31-MAR-08	3	61.16	74.62	64.65	34.48	115.42	49.72	112.98	N/A	836,627	540,842
01-APR-08 To 30-JUN-08	2	58.07	58.07	56.17	16.48	103.38	48.50	67.64	N/A	512,700	287,982
01-JUL-08 To 30-SEP-08	1	68.97	68.97	68.97	00.00	100.00	68.97	68.97	N/A	182,000	125,520
01-OCT-08 To 31-DEC-08											
01-JAN-09 To 31-MAR-09											
01-APR-09 To 30-JUN-09											
01-JUL-09 To 30-SEP-09	1	81.22	81.22	81.22	00.00	100.00	81.22	81.22	N/A	175,000	142,138
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10	4	78.33	80.11	79.66	02.27	100.56	78.33	85.45	N/A	118,000	94,000
01-APR-10 To 30-JUN-10											
<u>Study Yrs</u>											
01-JUL-07 To 30-JUN-08	7	67.64	69.76	64.67	21.53	107.87	48.50	112.98	48.50 to 112.98	699,011	452,079
01-JUL-08 To 30-JUN-09	1	68.97	68.97	68.97	00.00	100.00	68.97	68.97	N/A	182,000	125,520
01-JUL-09 To 30-JUN-10	5	78.33	80.33	80.08	02.55	100.31	78.33	85.45	N/A	129,400	103,628
<u>Calendar Yrs</u>											
01-JAN-08 To 31-DEC-08	6	64.40	68.16	62.52	23.35	109.02	48.50	112.98	48.50 to 112.98	619,547	387,335
01-JAN-09 To 31-DEC-09	1	81.22	81.22	81.22	00.00	100.00	81.22	81.22	N/A	175,000	142,138
<u>ALL</u>	13	77.69	73.77	66.55	14.65	110.85	48.50	112.98	61.16 to 81.22	440,160	292,939

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
0	13	77.69	73.77	66.55	14.65	110.85	48.50	112.98	61.16 to 81.22	440,160	292,939
<u>ALL</u>	13	77.69	73.77	66.55	14.65	110.85	48.50	112.98	61.16 to 81.22	440,160	292,939

95%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Irrigated</u>											
County	1	68.97	68.97	68.97	00.00	100.00	68.97	68.97	N/A	182,000	125,520
0	1	68.97	68.97	68.97	00.00	100.00	68.97	68.97	N/A	182,000	125,520
<u>Grass</u>											
County	10	78.01	74.11	65.86	16.11	112.53	48.50	112.98	49.72 to 85.45	495,408	326,257
0	10	78.01	74.11	65.86	16.11	112.53	48.50	112.98	49.72 to 85.45	495,408	326,257
<u>ALL</u>	13	77.69	73.77	66.55	14.65	110.85	48.50	112.98	61.16 to 81.22	440,160	292,939

60 McPherson
AGRICULTURAL - BASE STAT

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Qualified

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MEDIAN : 78
 WGT. MEAN : 67
 MEAN : 74
 COD : 14.65
 PRD : 110.85

COV : 22.33
 STD : 16.47
 Avg. Abs. Dev : 11.38
 MAX Sales Ratio : 112.98
 MIN Sales Ratio : 48.50

95% Median C.I. : 61.16 to 81.22
 95% Wgt. Mean C.I. : 58.91 to 74.20
 95% Mean C.I. : 63.82 to 83.72

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80%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
_____Irrigated_____											
County	2	75.10	75.10	74.97	08.16	100.17	68.97	81.22	N/A	178,500	133,829
0	2	75.10	75.10	74.97	08.16	100.17	68.97	81.22	N/A	178,500	133,829
_____Grass_____											
County	10	78.01	74.11	65.86	16.11	112.53	48.50	112.98	49.72 to 85.45	495,408	326,257
0	10	78.01	74.11	65.86	16.11	112.53	48.50	112.98	49.72 to 85.45	495,408	326,257
_____ALL_____	13	77.69	73.77	66.55	14.65	110.85	48.50	112.98	61.16 to 81.22	440,160	292,939

60 McPherson

PAD 2011 R&O Statistics (Using 2011 Values)

AGRICULTURAL - RANDOM INCLUDE

Qualified

Date Range: 7/1/2007 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 17	MEDIAN : 69	COV : 24.09	95% Median C.I. : 51.27 to 78.33
Total Sales Price : 11,546,080	WGT. MEAN : 62	STD : 16.67	95% Wgt. Mean C.I. : 47.88 to 75.45
Total Adj. Sales Price : 11,377,080	MEAN : 69	Avg. Abs. Dev : 12.86	95% Mean C.I. : 60.62 to 77.76
Total Assessed Value : 7,015,656			
Avg. Adj. Sales Price : 669,240	COD : 18.65	MAX Sales Ratio : 112.98	
Avg. Assessed Value : 412,686	PRD : 112.21	MIN Sales Ratio : 48.50	

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DATE OF SALE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-JUL-07 To 30-SEP-07											
01-OCT-07 To 31-DEC-07	2	74.17	74.17	71.15	04.75	104.24	70.65	77.69	N/A	678,900	483,033
01-JAN-08 To 31-MAR-08	3	61.16	74.62	64.65	34.48	115.42	49.72	112.98	N/A	836,627	540,842
01-APR-08 To 30-JUN-08	2	58.07	58.07	56.17	16.48	103.38	48.50	67.64	N/A	512,700	287,982
01-JUL-08 To 30-SEP-08	3	51.27	57.17	56.45	11.51	101.28	51.27	68.97	N/A	207,333	117,040
01-OCT-08 To 31-DEC-08	2	57.40	57.40	57.18	00.51	100.38	57.11	57.68	N/A	2,607,500	1,490,922
01-JAN-09 To 31-MAR-09											
01-APR-09 To 30-JUN-09											
01-JUL-09 To 30-SEP-09	1	81.22	81.22	81.22	00.00	100.00	81.22	81.22	N/A	175,000	142,138
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10	4	78.33	80.11	79.66	02.27	100.56	78.33	85.45	N/A	118,000	94,000
01-APR-10 To 30-JUN-10											
<u>Study Yrs</u>											
01-JUL-07 To 30-JUN-08	7	67.64	69.76	64.67	21.53	107.87	48.50	112.98	48.50 to 112.98	699,011	452,079
01-JUL-08 To 30-JUN-09	5	57.11	57.26	57.10	08.44	100.28	51.27	68.97	N/A	1,167,400	666,593
01-JUL-09 To 30-JUN-10	5	78.33	80.33	80.08	02.55	100.31	78.33	85.45	N/A	129,400	103,628
<u>Calendar Yrs</u>											
01-JAN-08 To 31-DEC-08	10	57.40	62.63	59.02	19.27	106.12	48.50	112.98	49.72 to 68.97	937,228	553,145
01-JAN-09 To 31-DEC-09	1	81.22	81.22	81.22	00.00	100.00	81.22	81.22	N/A	175,000	142,138
<u>ALL</u>	17	68.97	69.19	61.66	18.65	112.21	48.50	112.98	51.27 to 78.33	669,240	412,686

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
0	17	68.97	69.19	61.66	18.65	112.21	48.50	112.98	51.27 to 78.33	669,240	412,686
<u>ALL</u>	17	68.97	69.19	61.66	18.65	112.21	48.50	112.98	51.27 to 78.33	669,240	412,686

95%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Irrigated</u>											
County	1	68.97	68.97	68.97	00.00	100.00	68.97	68.97	N/A	182,000	125,520
0	1	68.97	68.97	68.97	00.00	100.00	68.97	68.97	N/A	182,000	125,520
<u>Grass</u>											
County	13	70.65	69.29	61.19	20.92	113.24	48.50	112.98	51.27 to 78.33	768,775	470,406
0	13	70.65	69.29	61.19	20.92	113.24	48.50	112.98	51.27 to 78.33	768,775	470,406
<u>ALL</u>	17	68.97	69.19	61.66	18.65	112.21	48.50	112.98	51.27 to 78.33	669,240	412,686

60 McPherson
AGRICULTURAL - RANDOM INCLUDE

PAD 2011 R&O Statistics (Using 2011 Values)

Qualified

Date Range: 7/1/2007 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 17	MEDIAN : 69	COV : 24.09	95% Median C.I. : 51.27 to 78.33
Total Sales Price : 11,546,080	WGT. MEAN : 62	STD : 16.67	95% Wgt. Mean C.I. : 47.88 to 75.45
Total Adj. Sales Price : 11,377,080	MEAN : 69	Avg. Abs. Dev : 12.86	95% Mean C.I. : 60.62 to 77.76
Total Assessed Value : 7,015,656			
Avg. Adj. Sales Price : 669,240	COD : 18.65	MAX Sales Ratio : 112.98	
Avg. Assessed Value : 412,686	PRD : 112.21	MIN Sales Ratio : 48.50	

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80%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Irrigated											
County	2	75.10	75.10	74.97	08.16	100.17	68.97	81.22	N/A	178,500	133,829
0	2	75.10	75.10	74.97	08.16	100.17	68.97	81.22	N/A	178,500	133,829
Grass											
County	14	65.91	68.46	60.99	22.23	112.25	48.50	112.98	51.27 to 78.33	757,791	462,144
0	14	65.91	68.46	60.99	22.23	112.25	48.50	112.98	51.27 to 78.33	757,791	462,144
ALL	17	68.97	69.19	61.66	18.65	112.21	48.50	112.98	51.27 to 78.33	669,240	412,686

60 McPherson
AGRICULTURAL - RANDOM EXCLUDE

PAD 2011 R&O Statistics (Using 2011 Values)

Qualified

Date Range: 7/1/2007 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 38
 Total Sales Price : 20,989,180
 Total Adj. Sales Price : 20,820,180
 Total Assessed Value : 12,864,955
 Avg. Adj. Sales Price : 547,899
 Avg. Assessed Value : 338,551

MEDIAN : 70
 WGT. MEAN : 62
 MEAN : 70
 COD : 19.52
 PRD : 113.21

COV : 23.87
 STD : 16.70
 Avg. Abs. Dev : 13.63
 MAX Sales Ratio : 112.98
 MIN Sales Ratio : 44.18

95% Median C.I. : 58.97 to 78.33
 95% Wgt. Mean C.I. : 53.62 to 69.96
 95% Mean C.I. : 64.64 to 75.26

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DATE OF SALE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-JUL-07 To 30-SEP-07											
01-OCT-07 To 31-DEC-07	4	74.17	70.12	69.38	10.29	101.07	54.33	77.81	N/A	454,855	315,561
01-JAN-08 To 31-MAR-08	5	57.15	65.15	60.55	27.87	107.60	44.76	112.98	N/A	862,176	522,036
01-APR-08 To 30-JUN-08	5	78.33	70.23	64.30	10.34	109.22	48.50	78.33	N/A	323,880	208,253
01-JUL-08 To 30-SEP-08	3	51.27	57.17	56.45	11.51	101.28	51.27	68.97	N/A	207,333	117,040
01-OCT-08 To 31-DEC-08	3	57.68	57.92	57.66	01.07	100.45	57.11	58.97	N/A	2,377,500	1,370,865
01-JAN-09 To 31-MAR-09											
01-APR-09 To 30-JUN-09	4	90.38	88.21	87.17	14.74	101.19	59.41	112.68	N/A	166,908	145,492
01-JUL-09 To 30-SEP-09	3	81.22	71.86	75.44	12.28	95.25	52.22	82.13	N/A	222,687	168,005
01-OCT-09 To 31-DEC-09	1	56.71	56.71	56.71	00.00	100.00	56.71	56.71	N/A	497,688	282,226
01-JAN-10 To 31-MAR-10	7	78.33	77.21	77.73	05.72	99.33	63.84	85.45	63.84 to 85.45	162,071	125,980
01-APR-10 To 30-JUN-10	3	65.21	63.29	52.70	18.56	120.09	44.18	80.49	N/A	782,700	412,496
<u>Study Yrs</u>											
01-JUL-07 To 30-JUN-08	14	69.15	68.38	63.40	19.71	107.85	44.76	112.98	49.72 to 78.33	553,550	350,978
01-JUL-08 To 30-JUN-09	10	59.19	69.81	59.91	24.58	116.52	51.27	112.68	51.27 to 90.38	842,213	504,568
01-JUL-09 To 30-JUN-10	14	78.33	71.62	62.51	12.33	114.57	44.18	85.45	56.71 to 82.13	332,025	207,542
<u>Calendar Yrs</u>											
01-JAN-08 To 31-DEC-08	16	58.33	63.89	59.30	20.06	107.74	44.76	112.98	51.27 to 78.33	855,299	507,197
01-JAN-09 To 31-DEC-09	8	81.68	78.14	74.63	19.28	104.70	52.22	112.68	52.22 to 112.68	229,172	171,026
<u>ALL</u>	38	69.81	69.95	61.79	19.52	113.21	44.18	112.98	58.97 to 78.33	547,899	338,551

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
0	38	69.81	69.95	61.79	19.52	113.21	44.18	112.98	58.97 to 78.33	547,899	338,551
<u>ALL</u>	38	69.81	69.95	61.79	19.52	113.21	44.18	112.98	58.97 to 78.33	547,899	338,551

95%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Irrigated</u>											
County	1	68.97	68.97	68.97	00.00	100.00	68.97	68.97	N/A	182,000	125,520
0	1	68.97	68.97	68.97	00.00	100.00	68.97	68.97	N/A	182,000	125,520
<u>Grass</u>											
County	32	75.45	70.83	62.27	19.03	113.75	44.18	112.98	57.11 to 78.33	501,709	312,393
0	32	75.45	70.83	62.27	19.03	113.75	44.18	112.98	57.11 to 78.33	501,709	312,393
<u>ALL</u>	38	69.81	69.95	61.79	19.52	113.21	44.18	112.98	58.97 to 78.33	547,899	338,551

60 McPherson
AGRICULTURAL - RANDOM EXCLUDE

PAD 2011 R&O Statistics (Using 2011 Values)

Qualified

Date Range: 7/1/2007 To 6/30/2010 Posted on: 2/17/2011

Number of Sales : 38
 Total Sales Price : 20,989,180
 Total Adj. Sales Price : 20,820,180
 Total Assessed Value : 12,864,955
 Avg. Adj. Sales Price : 547,899
 Avg. Assessed Value : 338,551

MEDIAN : 70
 WGT. MEAN : 62
 MEAN : 70
 COD : 19.52
 PRD : 113.21

COV : 23.87
 STD : 16.70
 Avg. Abs. Dev : 13.63
 MAX Sales Ratio : 112.98
 MIN Sales Ratio : 44.18

95% Median C.I. : 58.97 to 78.33
 95% Wgt. Mean C.I. : 53.62 to 69.96
 95% Mean C.I. : 64.64 to 75.26

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80%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
_____Irrigated_____											
County	2	75.10	75.10	74.97	08.16	100.17	68.97	81.22	N/A	178,500	133,829
0	2	75.10	75.10	74.97	08.16	100.17	68.97	81.22	N/A	178,500	133,829
_____Grass_____											
County	35	70.65	69.72	61.44	20.33	113.48	44.18	112.98	57.68 to 78.33	572,919	351,980
0	35	70.65	69.72	61.44	20.33	113.48	44.18	112.98	57.68 to 78.33	572,919	351,980
_____ALL_____	38	69.81	69.95	61.79	19.52	113.21	44.18	112.98	58.97 to 78.33	547,899	338,551

2011 Correlation Section for McPherson County

A. Agricultural Land

McPherson County is part of a large expanse of sand-dune area known as the Nebraska Sand Hills which is the primary recharge area for the Ogallala aquifer that underlies the region. The land use make up of the county is 96% grass, 3% irrigated and 1% dry land. Also worth noting is the fact that the existence of meadows for winter feed are practically nonexistent. This county consists primarily of large ranches, range management is crucial to support livestock and good conservation practices are imperative to protect the fragile soils; when left with no vegetation blowing and eroding of the land will occur. McPherson County is divided by two natural resource districts; approximately one-third of the county on the east is in the Upper Loup Natural Resource District while the remainder of the county is in the Twin Platte Natural Resource District. The Upper Loup has a small area that has moratoriums and restrictions, but part of the district has a 2500 acre annual new well maximum. As of February 24, 2006 the Twin Platte Natural Resource District established a stay on the issuance of high capacity water well construction permits for the entire district. The primary roads through McPherson County are highway 92 running east to west and highway 97 going north to south.

The McPherson County Clerk is the ex officio assessor, register of deeds, clerk of the district court and election commissioner. These various job responsibilities are useful in determining if sales are arms length transactions. Sales information can be gathered from the real estate agents at the time the deeds are filed, as Clerk of the District Court, the ex officio assessor is aware of foreclosures filed on property and forced sales. Other information maybe acquired from the buyer and or seller. Because the county is small the assessor has a personal knowledge of its residents, by having a good working with them information can be gathered most effectively by personal contact or a phone call.

Since the county is very homogenous in makeup, no market areas have been created. A review of the agricultural sales over the three year study period indicate 7 sales occurred from 7/1/07 to 6/30/08, 1 occurred from 7/1/08 to 6/30/09 and 5 occurred from 7/1/09 to 6/30/10. The number of agricultural sales in this county is limited; the shortage of supply causes an erratic market. Over the years sales prices in this area are not linear, other things are affecting the sale amount. My analysis was more about the most probable selling price. Forces of motivation are at play on individual sales that go beyond the production capability of the soil; and these motivations may not be the same on each sale.

In determining the level of value and the quality of assessment within and across county lines three measurement tests were reviewed: the first, being the base statistical profile which is an analysis of only the sales within McPherson County; the second, an analysis of the sales in McPherson County with the inclusion of sales from surrounding counties with similar soils, land use makeup, and topography. In order to develop a pool of sales that could be used to eliminate the time bias, and not require the exclusion of any sales occurring in McPherson County to achieve proportionality, the search for similar sales was extended to twelve miles. From a pool of thirty six sales only four were randomly selected to include in the middle year. The minimum sale threshold as set in policy that allows a variance of 10% of the total sales in the analysis to the sales between study years was met.

2011 Correlation Section for McPherson County

The third test was to bring in as many sales from the pool as possible to maintain a proportionate and representative sample and to meet the 10% threshold between study years. Therefore, in this instance seven sales were randomly selected for the first year, all nine sales were brought in for the second year, and nine were selected for the third year. There is a proportionate distribution of sales among each year of the study period, the sample is considered adequate to be statistically reliable, and there continues to be a reasonable representation of the land use in McPherson County.

There is not a tight relationship between the base statistics and tests 2 and 3. Because tests 2 and 3 both contain larger sample sizes they will carry a greater degree of reliability. The subclass Majority Land Use (MLU) greater than 95% strata grass will be considered in determining the level of value since the county is predominantly 96% grass.

From the assessors analysis of the agricultural land market it was apparent that the grass land values were causing the level of value for the agricultural land class to be above the acceptable statutory range. Therefore the assessor, like those in Arthur and Thomas counties, decreased values enough to be within the statutory range and mitigate the effects of drastic decreases in value. In regards to all data in the analysis the grassland values were lowered approximately thirteen percent and the new value did not cause an equalization issue across county lines.

Based on the consideration of all available information and the assessors concerns of only decreasing by a minimal amount, the level of value is determined to be 75% of market value for the agricultural land class of property. McPherson County has a consistent method of assigning and implementing agricultural land values, it is believed that the assessments are uniform and proportionate.

There will be no non binding recommendations made for the agricultural class of property.

**2011 Correlation Section
for McPherson County**

B. 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.

**2011 Correlation Section
for McPherson County**

C. 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.

2011 Correlation Section for McPherson County

D. 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,

**2011 Correlation Section
for McPherson County**

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.

Total Real Property
Sum Lines 17, 25, & 30

Records : 1,606

Value : 145,370,057

Growth 502,156

Sum Lines 17, 25, & 41

Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	0	0	0	0	31	105,764	31	105,764	
02. Res Improve Land	0	0	0	0	88	295,184	88	295,184	
03. Res Improvements	0	0	0	0	91	3,664,897	91	3,664,897	
04. Res Total	0	0	0	0	122	4,065,845	122	4,065,845	4,453
% of Res Total	0.00	0.00	0.00	0.00	100.00	100.00	7.60	2.80	0.89
05. Com UnImp Land	0	0	0	0	3	5,342	3	5,342	
06. Com Improve Land	0	0	0	0	9	39,595	9	39,595	
07. Com Improvements	0	0	0	0	9	438,068	9	438,068	
08. Com Total	0	0	0	0	12	483,005	12	483,005	336
% of Com Total	0.00	0.00	0.00	0.00	100.00	100.00	0.75	0.33	0.07
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	0	0	0	0	0	0	0	0	
11. Ind Improvements	0	0	0	0	0	0	0	0	
12. Ind Total	0	0	0	0	0	0	0	0	0
% of Ind Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13. Rec UnImp Land	0	0	0	0	0	0	0	0	
14. Rec Improve Land	0	0	0	0	0	0	0	0	
15. Rec Improvements	0	0	0	0	0	0	0	0	
16. Rec Total	0	0	0	0	0	0	0	0	0
% of Rec Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Res & Rec Total	0	0	0	0	122	4,065,845	122	4,065,845	4,453
% of Res & Rec Total	0.00	0.00	0.00	0.00	100.00	100.00	7.60	2.80	0.89
Com & Ind Total	0	0	0	0	12	483,005	12	483,005	336
% of Com & Ind Total	0.00	0.00	0.00	0.00	100.00	100.00	0.75	0.33	0.07
17. Taxable Total	0	0	0	0	134	4,548,850	134	4,548,850	4,789
% of Taxable Total	0.00	0.00	0.00	0.00	100.00	100.00	8.34	3.13	0.95

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	0	0	0	0	0	0
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
	Rural			Total		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	0	0	0	0	0	0
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				0	0	0

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. Exempt	0	1	33	34

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	0	0	0	0	1,289	113,841,875	1,289	113,841,875
28. Ag-Improved Land	0	0	0	0	173	18,496,798	173	18,496,798
29. Ag Improvements	0	0	0	0	183	8,482,534	183	8,482,534
30. Ag Total							1,472	140,821,207

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	0	0.00	0	
33. HomeSite Improvements	0	0.00	0	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	0	0.00	0	0	0.00	0	
37. FarmSite Improvements	0	0.00	0	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	0.00	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	1	1.00	2,500	1	1.00	2,500	
32. HomeSite Improv Land	127	147.00	367,500	127	147.00	367,500	
33. HomeSite Improvements	121	135.00	6,402,976	121	135.00	6,402,976	497,367
34. HomeSite Total				122	148.00	6,772,976	
35. FarmSite UnImp Land	2	8.00	1,880	2	8.00	1,880	
36. FarmSite Improv Land	167	582.00	142,470	167	582.00	142,470	
37. FarmSite Improvements	175	0.00	2,079,558	175	0.00	2,079,558	0
38. FarmSite Total				177	590.00	2,223,908	
39. Road & Ditches	0	1,524.49	0	0	1,524.49	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				299	2,262.49	8,996,884	497,367

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	0	0.00	0	0	0.00	0

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	0	0.00	0	0	0.00	0
44. Market Value	0	0	0	0	0	0

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	0.00	0.00%	0	0.00%	0.00
47. 2A1	50.00	0.36%	24,000	0.36%	480.00
48. 2A	851.73	6.13%	408,830	6.13%	480.00
49. 3A1	0.00	0.00%	0	0.00%	0.00
50. 3A	3,539.23	25.47%	1,698,830	25.47%	480.00
51. 4A1	4,542.98	32.70%	2,180,630	32.70%	480.00
52. 4A	4,910.72	35.34%	2,357,146	35.34%	480.00
53. Total	13,894.66	100.00%	6,669,436	100.00%	480.00
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	0.00	0.00%	0	0.00%	0.00
56. 2D1	0.00	0.00%	0	0.00%	0.00
57. 2D	819.80	23.44%	225,446	23.44%	275.00
58. 3D1	0.00	0.00%	0	0.00%	0.00
59. 3D	660.10	18.87%	181,529	18.87%	275.00
60. 4D1	769.30	21.99%	211,560	21.99%	275.00
61. 4D	1,248.90	35.70%	343,452	35.70%	275.00
62. Total	3,498.10	100.00%	961,987	100.00%	275.00
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	0.00	0.00%	0	0.00%	0.00
65. 2G1	255.00	0.05%	59,925	0.05%	235.00
66. 2G	4,171.60	0.79%	980,328	0.79%	235.00
67. 3G1	0.00	0.00%	0	0.00%	0.00
68. 3G	21,150.61	4.00%	4,970,402	4.00%	235.00
69. 4G1	50,076.29	9.48%	11,767,937	9.48%	235.00
70. 4G	452,655.40	85.68%	106,374,039	85.68%	235.00
71. Total	528,308.90	100.00%	124,152,631	100.00%	235.00
Irrigated Total	13,894.66	2.53%	6,669,436	5.06%	480.00
Dry Total	3,498.10	0.64%	961,987	0.73%	275.00
Grass Total	528,308.90	96.10%	124,152,631	94.18%	235.00
72. Waste	4,026.93	0.73%	40,269	0.03%	10.00
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	18.55	0.00%	0	0.00%	0.00
75. Market Area Total	549,728.59	100.00%	131,824,323	100.00%	239.80

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	0.00	0	13,894.66	6,669,436	13,894.66	6,669,436
77. Dry Land	0.00	0	0.00	0	3,498.10	961,987	3,498.10	961,987
78. Grass	0.00	0	0.00	0	528,308.90	124,152,631	528,308.90	124,152,631
79. Waste	0.00	0	0.00	0	4,026.93	40,269	4,026.93	40,269
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	0.00	0	18.55	0	18.55	0
82. Total	0.00	0	0.00	0	549,728.59	131,824,323	549,728.59	131,824,323

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	13,894.66	2.53%	6,669,436	5.06%	480.00
Dry Land	3,498.10	0.64%	961,987	0.73%	275.00
Grass	528,308.90	96.10%	124,152,631	94.18%	235.00
Waste	4,026.93	0.73%	40,269	0.03%	10.00
Other	0.00	0.00%	0	0.00%	0.00
Exempt	18.55	0.00%	0	0.00%	0.00
Total	549,728.59	100.00%	131,824,323	100.00%	239.80

2011 County Abstract of Assessment for Real Property, Form 45 Compared with the 2010 Certificate of Taxes Levied (CTL)

60 McPherson

	2010 CTL County Total	2011 Form 45 County Total	Value Difference (2011 form 45 - 2010 CTL)	Percent Change	2011 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	4,750,090	4,065,845	-684,245	-14.40%	4,453	-14.50%
02. Recreational	0	0	0		0	
03. Ag-Homesite Land, Ag-Res Dwelling	7,733,977	6,772,976	-961,001	-12.43%	497,367	-18.86%
04. Total Residential (sum lines 1-3)	12,484,067	10,838,821	-1,645,246	-13.18%	501,820	-17.20%
05. Commercial	482,669	483,005	336	0.07%	336	0.00%
06. Industrial	0	0	0		0	
07. Ag-Farmsite Land, Outbuildings	2,104,642	2,223,908	119,266	5.67%	0	5.67%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	2,587,311	2,706,913	119,602	4.62%	336	4.61%
10. Total Non-Agland Real Property	15,071,378	13,545,734	-1,525,644	-10.12%	502,156	-13.45%
11. Irrigated	6,669,436	6,669,436	0	0.00%		
12. Dryland	961,987	961,987	0	0.00%		
13. Grassland	142,647,510	124,152,631	-18,494,879	-12.97%		
14. Wasteland	40,269	40,269	0	0.00%		
15. Other Agland	0	0	0			
16. Total Agricultural Land	150,319,202	131,824,323	-18,494,879	-12.30%		
17. Total Value of all Real Property (Locally Assessed)	165,390,580	145,370,057	-20,020,523	-12.10%	502,156	-12.41%

MCPHERSON COUNTY
2010 PLAN OF ASSESSMENT
(FOR THE YEARS 2010, 2011, 2012)

Nebraska State Law establishes the framework within which the assessor must operate. However, a real property assessment system requires that an operation or procedure be done completely and in a uniform manner each time it is repeated. Accurate and efficient assessment practices represent prudent expenditure of tax monies, establish taxpayer confidence in local government and enable the local government to serve its citizens more effectively. The important role the assessment practices play in local government cannot be overstated.

Pursuant to Neb. Laws 2005, LB263, Section 9, on or before June 15 each year, the assessor shall prepare a plan of assessment which describes the assessment actions planned for the next assessment year and the two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the County Board of Equalization and the assessor may amend the plan, if necessary, after the budget is approved by the County Board. A copy of the plan and any amendment shall be mailed to the Department of Property Assessment and Taxation on or before October 31 each year.

General Description of the County:

McPherson County has 1,603 parcels of taxable real property and 33 parcels of exempt property. The residential parcel count is approximately 7% of the total taxable parcels, commercial is 1% and agricultural is 90%. Exempt parcels represent 2% of the total county parcels.

The taxable value of real property in the County for the 2010 year was \$165,392,581, with approximately 4% attributed to residential, .004% to Commercial and 95.99% to agricultural.

McPherson County has 549,748.81 acres of taxable agricultural land. Of that 96% consists primarily of grassland. For assessment 2010, there were 12 building permits and/or information statements filed for new property construction and additions to existing improvements in the county.

Staff/Training/Budget:

Due to the population of the county, the McPherson County Clerk is required to be an ex-officio County official, who must also hold the office of Assessor, Register of Deeds, Clerk of

District Court and Election Commissioner. A valid Nebraska Assessor's Certificate is required in order to file for or assume the elected position of County Clerk. Statutes also now require the completion of 60 hours of continuing education within the four year term of office, in order to hold the Assessor's Certificate.

The County Clerk/Assessor has held this position since being elected in 1982 and assuming the office in 1983. The office has one employee who helps with all the many duties of the County Clerk's position. Due to the combination of the many offices and duties, it is impossible for the County Clerk to devote 100% of her time to the duties of assessing. Each office held has its own share of duties, reports and deadlines which must be met. The County Clerk is also responsible for conducting the County Elections on election years.

The Assessor has contracted with Appraiser Larry Rexroth, to review sold properties, complete the annual pick-up work, analyze the statistical measures used by the Department of Property Assessment and Taxation, & provide opinions of the planned actions to be taken by the Assessor's office for the current assessment of all county real property.

Normal office hours are 35 hours a week, normal working hours for the County Clerk are 50-60 hours a week. The Clerk/Assessor has attended IAAO courses and attends the annual workshops & training provided by the Department of Property Assessment & Taxation.

The Assessor's general budget for 2009-2010 is \$28,018, including \$8,985 for Appraisal Fees.

Responsibilities:

Record Maintenance/Procedure Manual

The record cards are in hardcopy format and they contain the required information such as ownership, legal description, classification codes, building lists and measurements, parcel identification number, land size, value and annual value posting. The records also show any splits or sales of the parcel including the book and page of the transferring deed and prior owner. Current pictures and land summary is included on each record. The record cards are also in an electronic format.

Mapping/Software

The County has contracted with ASI/Terra Scan computer services through the Department of Revenue. All residential improvements have been entered into the CAMA program. Future plans are to utilize the sketching program. Sales have been entered into the sales file on the system and statistical information is received from the Department of Revenue. The County has a set of cadastral maps dated 1955 which have not been fully utilized, however the assessor does have 2 large wall maps on which ownership and splits are kept current. Zoning was adopted in McPherson County in 2000. The Village of Tryon is unincorporated but was included in the transition area of the Comprehensive Plan.

Reports

Assessor is responsible for the timely filings of the following schedules & reports:
Personal Property

County Abstract
Certification of Values to Subdivisions
School District Taxable Value Report
Certificate of Taxes levied
Generate the County Tax Roll
Tax List Corrections as needed.
Administer Homestead Exemptions

Sales Review

The Assessor considers all sales to be arm's length, unless through the verification process, it is proven to be otherwise. Along with her personal knowledge, the sales are verified with the buyer if at all possible; the seller or real estate agent may also be contacted if the buyer cannot be reached. Most of the verification is done by personal contact or by telephone. Since the Assessor is also the Register of Deeds, any special financing arrangements are known to her at the time the Deed and Mortgages are filed in her office. If the sale involves personal property or is an outlying sale, an extended effort is made to verify the sale. No sale is qualified or disqualified based on a particular percentage above or below the acceptable range. The Real Estate Transfer Statements are completed on a monthly basis and filed timely with the Department of Revenue.

County Progress for the Three Property Classes:

Residential: A county-wide revaluation was completed on all residential properties and mobile homes in 2007. It consisted of data collection and new pictures as needed. The RCN was updated, using the June/2006 Marshall Swift costing index. A new depreciation table, derived from the sales, was applied to all residential properties in the county. Property Record Cards were updated for all residential property. Market studies are done each year on Residential Property sales. Adjustments are made, if needed, or a county wide revaluation will be implemented if warranted.

Commercial: There are a total of 9 Commercial properties in McPherson County. A reappraisal of all commercial property in the county was done by Appraiser Larry Rexroth in 2005. The commercial property will be entered into the CAMA program as time allows. New listings were made with re-measuring and new data collected. Pictures of the commercial property were also updated. Market studies are done each year on any Commercial Property sales.

Agricultural:

The new 2009 soil survey has been implemented in 2010. Soil types and land valuation groups are entered and captured on the Terra Scan Computer system. The County has established one market area for the entire county. Market studies are done on all agricultural sales each year. Land usage was reviewed & land values were set based on the market.

Pickup Work

New Improvements are added to the tax roll each year. Publications are made each year in the local paper informing patrons of the need to report new and improved structures. Building permits are required for all residential improvements and all other non-Ag improvements. Information Statements are also received in the Assessor's office for any new improvements. Pickup work commences as soon as the project is reported and all values are established for the new improvements in a timely manner each year prior to the March 20th deadline.

Future Appraisal Plans:

- 2010: Add new improvements to the property record cards. Implementation of the new soil survey & conversion was completed. Terra Scan records & Property Record cards were updated with the new information. Review market study on mobile homes & acreages, and residential properties and set values accordingly. Conduct a market study on all classes of Agricultural land, (dryland, irrigated & grass) and set values to be within compliance of the statutory statistical requirements. Conduct ongoing visual inspection of McPherson County property when picking up new improvements.
- 2011: Add new improvements to the property record cards. Conduct a market study on all classes of Agricultural land and set the values to be within the required statistical measures. Review sales study on mobile homes and residential property to see if any county wide adjustments are needed to bring them within the required statistical level. Start review process of all agricultural and residential improvements. Conduct ongoing visual inspection of McPherson County Property when picking up new improvements.
- 2012: Add new improvements to the property record cards. Review sales statistical measures to determine if any adjustments are needed to bring county residential properties into the required range of value. Complete review process of all agricultural and residential improvements, create new depreciation tables & apply new values to all county improvements. Conduct a market study on Agricultural land (dryland, grassland and irrigated) and set values accordingly. Conduct ongoing visual inspection of McPherson County property when picking up new improvements.

These are tentative plans. Some of the reappraisals and adjustments to property classes may be done sooner if the market dictates changes need to be done earlier than planned. This report is submitted June 11, 2010.

JUDY M. DAILEY

McPherson County Clerk/Assessor

2011 Assessment Survey for McPherson County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	0
2.	Appraiser(s) on staff:
	0
3.	Other full-time employees:
	1
4.	Other part-time employees:
	0
5.	Number of shared employees:
	0
6.	Assessor's requested budget for current fiscal year:
	\$28,975
7.	Adopted budget, or granted budget if different from above:
	\$28,018
8.	Amount of the total budget set aside for appraisal work:
	\$8,985
9.	Appraisal/Reappraisal budget, if not part of the total budget:
	0
10.	Part of the budget that is dedicated to the computer system:
	\$3,000
11.	Amount of the total budget set aside for education/workshops:
	\$900
12.	Other miscellaneous funds:
	0
13.	Amount of last year's budget not used:
	\$8,420

B. Computer, Automation Information and GIS

1.	Administrative software:
	TerraScan
2.	CAMA software:
	TerraScan
3.	Are cadastral maps currently being used?
	No – a wall map is updated and kept current.
4.	If so, who maintains the Cadastral Maps?
	Not applicable.
5.	Does the county have GIS software?
	No – However, the Web Soil Survey of the Natural Resources Conservation Service was accessed to implement the new soil conversion.
6.	Who maintains the GIS software and maps?
	Not applicable.
7.	Personal Property software:
	TerraScan

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	The unincorporated Village of Tryon has been zoned as a transitional area including a 2 mile radius around the Village, the remainder of the county is zoned agricultural.
4.	When was zoning implemented?
	2000

D. Contracted Services

1.	Appraisal Services:
	The county contracts with appraiser, Larry Rexroth, for appraisal services.
2.	Other services:
	None

2011 Certification for Mcpherson County

This is to certify that the 2011 Reports and Opinions of the Property Tax Administrator have been sent to the following:

One copy by electronic transmission to the Tax Equalization and Review Commission.

One copy by electronic transmission to the Mcpherson County Assessor.

Dated this 11th day of April, 2011.



A handwritten signature in black ink that reads "Ruth A. Sorensen".

Ruth A. Sorensen
Property Tax Administrator

