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## 2011 Commission Summary for Sarpy County

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### Residential Real Property - Current

Number of Sales	5067	Median	96.41
Total Sales Price	\$853,594,705	Mean	97.11
Total Adj. Sales Price	\$853,592,705	Wgt. Mean	96.56
Total Assessed Value	\$824,207,473	Average Assessed Value of the Base	\$149,310
Avg. Adj. Sales Price	\$168,461	Avg. Assessed Value	\$162,662

### Confidence Interval - Current

95% Median C.I	96.26 to 96.57
95% Mean C.I	96.35 to 96.77
95% Wgt. Mean C.I	96.87 to 97.35
% of Value of the Class of all Real Property Value in the County	73.24
% of Records Sold in the Study Period	9.48
% of Value Sold in the Study Period	10.33

### Residential Real Property - History

Year	Number of Sales	LOV	Median
2010	5,570	97	97
2009	6,577	96	96
2008	7,907	98	98
2007	9,017	98	98

## 2011 Commission Summary for Sarpy County

### Commercial Real Property - Current

Number of Sales	139	Median	96.70
Total Sales Price	\$170,342,512	Mean	95.07
Total Adj. Sales Price	\$170,006,450	Wgt. Mean	91.55
Total Assessed Value	\$155,642,448	Average Assessed Value of the Base	\$895,483
Avg. Adj. Sales Price	\$1,223,068	Avg. Assessed Value	\$1,119,730

### Confidence Interval - Current

95% Median C.I	94.00 to 98.78
95% Mean C.I	93.28 to 96.86
95% Wgt. Mean C.I	87.84 to 95.26
% of Value of the Class of all Real Property Value in the County	23.04
% of Records Sold in the Study Period	4.96
% of Value Sold in the Study Period	6.20

### Commercial Real Property - History

Year	Number of Sales	LOV	Median
2010	271	97	97
2009	345	96	96
2008	359	97	97
2007	318	96	96



## 2011 Opinions of the Property Tax Administrator for Sarpy 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
<b>Residential Real Property</b>	<b>96</b>	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Commercial Real Property</b>	<b>97</b>	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Agricultural Land</b>	<b>72</b>	The qualitative measures calculated in the base stat sample best reflect the dispersion of the assessed values within the population. The quality of assessment meets generally accepted mass appraisal practices.	No recommendation.
<b>Special Valuation of Agricultural Land</b>	<b>72</b>	The qualitative measures calculated in the base stat 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.



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Ruth A. Sorensen  
Property Tax Administrator





## **2011 Assessment Actions for Sarpy County**

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

#### **Residential**

Sarpy County's residential appraisers are assigned particular geographical areas of the county for to conduct annual valuations of these areas. The appraisers are responsible for conducting sales review and verification, analysis of the data, physical inspections, data collection of all building permits, and the overall analysis of market areas.

Inspections and other in-depth reviews for 2011 were conducted in certain areas by these appraisers based on the cyclical schedule developed by the county and appraiser, or as market indication suggested certain areas lacked uniformity and proportionality. Following the data gathering or verification process, the county implemented the most current Marshall and Swift cost tables. New depreciation tables were analyzed and developed using local market information provided by the sales.

The appraisers also conducted analysis of vacant lot/land sales to determine land values for the various neighborhoods and market areas to include the four rural residential market areas. The county also analyzes and updates their standard operating procedure regarding the valuation of vacant residential subdivisions to assign value uniformly using the proportioned methodology or the discounted cash flow methodology.

One of the few exceptions to the utilization of the cost approach is an area of privately owned military housing in the town of Bellevue. In this area income information was capitalized to arrive at estimates of value.

The aforementioned assessment actions resulted in value changes for 91.8 percent of the residential properties in Sarpy County due to decrease and/or increase in valuation.

## 2011 Residential Assessment Survey for Sarpy County

1.	<b>Valuation data collection done by:</b>	
	Staff Appraisers	
2.	<b>List the valuation groupings used by the County and describe the unique characteristics that effect value:</b>	
	<b>Valuation Grouping</b>	<b>Assessor Location(s)/Neighborhood(s) included</b>
	01	Bellevue Area
	02	Gretna Area
	03	Lavista Area
	04	Mobile Home Parks
	05	Millard Area
	06	Omaha Area
	07	Papillion Area
	08	Recreational/Lake Area
	09	Rural Sarpy
	10	Springfield Area
3.	<b>List and describe the approach(es) used to estimate the market value of residential properties.</b>	
	Cost approach to value with market transactions used to adjust depreciation tables.	
4.	<b>When was the last lot value study completed?</b>	
	The last lot value study was completed in 2010 for tax year 2011.	
5.	<b>Describe the methodology used to determine the residential lot values.</b>	
	Market transactions of similar vacant lots were used to determine lot values.	
6.	<b>What costing year for the cost approach is being used for each valuation grouping?</b>	
	The county uses the most current costing available for the entire county. For 2011 the June 2010 cost tables are used.	
7.	<b>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?</b>	
	Depreciation tables are based on local market information.	
8.	<b>Are individual depreciation tables developed for each valuation grouping?</b>	
	No, the depreciation tables are developed for the entire county as environmental or physical factors equally affect all of the county.	
9.	<b>How often does the County update the depreciation tables?</b>	
	Depreciation studies are conducted annually.	
10.	<b>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?</b>	
	Yes	
11.	<b>Describe the method used to determine whether a sold parcel is substantially changed.</b>	

	Verification of the sale as of the date of sale to determine what actually was purchased or sold as of the given date. A determination is made as to whether it has been modified since that date. Substantially changes are excluded from the state sales file.
12.	<b>Please provide any documents related to the policies or procedures used for the residential class of property.</b>

**77 Sarpy**  
**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 : 5,067  
Total Sales Price : 853,594,705  
Total Adj. Sales Price : 853,592,705  
Total Assessed Value : 824,207,473  
Avg. Adj. Sales Price : 168,461  
Avg. Assessed Value : 162,662

MEDIAN : 96  
WGT. MEAN : 97  
MEAN : 97

COV : 09.14  
STD : 08.88  
Avg. Abs. Dev : 04.83

95% Median C.I. : 96.26 to 96.57  
95% Wgt. Mean C.I. : 96.35 to 96.77  
95% Mean C.I. : 96.87 to 97.35

COD : 05.01  
PRD : 100.57

MAX Sales Ratio : 375.93  
MIN Sales Ratio : 41.11

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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	729	96.25	96.93	96.41	05.03	100.54	41.11	226.31	96.10 to 96.64	166,175	160,202
01-OCT-08 To 31-DEC-08	506	97.44	97.92	97.16	05.07	100.78	64.33	135.71	96.79 to 98.03	164,577	159,909
01-JAN-09 To 31-MAR-09	432	97.61	98.16	97.51	04.74	100.67	81.72	129.66	96.94 to 98.10	167,557	163,379
01-APR-09 To 30-JUN-09	853	96.29	96.97	96.10	04.75	100.91	69.84	136.17	95.93 to 96.75	157,350	151,217
01-JUL-09 To 30-SEP-09	889	96.02	96.31	96.30	04.57	100.01	60.62	126.43	95.73 to 96.41	177,889	171,305
01-OCT-09 To 31-DEC-09	673	96.06	96.68	96.62	04.79	100.06	61.93	135.70	95.67 to 96.39	169,927	164,179
01-JAN-10 To 31-MAR-10	322	96.72	97.84	97.64	05.39	100.20	62.10	147.90	96.33 to 97.41	164,451	160,563
01-APR-10 To 30-JUN-10	663	96.02	97.35	96.02	05.88	101.39	76.88	375.93	95.58 to 96.35	176,642	169,614
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	2,520	96.70	97.35	96.65	04.92	100.72	41.11	226.31	96.51 to 96.88	163,104	157,647
01-JUL-09 To 30-JUN-10	2,547	96.12	96.87	96.47	05.09	100.41	60.62	375.93	95.92 to 96.34	173,762	167,624
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	2,847	96.32	96.88	96.50	04.72	100.39	60.62	136.17	96.14 to 96.53	168,285	162,399
<u>ALL</u>	5,067	96.41	97.11	96.56	05.01	100.57	41.11	375.93	96.26 to 96.57	168,461	162,662

**VALUATION GROUPING**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	1,099	96.61	97.15	96.92	04.27	100.24	41.11	144.50	96.41 to 96.86	156,639	151,819
02	482	96.62	97.19	96.50	05.00	100.72	71.85	130.54	96.04 to 97.29	195,724	188,865
03	1,149	96.21	96.74	96.34	04.41	100.42	74.10	136.17	95.95 to 96.44	157,565	151,794
04	327	96.76	98.08	97.54	06.06	100.55	79.53	149.59	96.17 to 97.50	128,025	124,872
05	1,309	96.35	96.77	96.44	04.80	100.34	69.84	143.11	96.01 to 96.67	191,904	185,081
06	67	96.95	97.20	96.91	04.97	100.30	82.41	129.66	94.85 to 97.22	157,815	152,931
07	552	96.10	97.14	96.37	05.44	100.80	76.92	135.71	95.64 to 96.64	159,390	153,603
08	63	94.50	104.46	95.15	22.70	109.78	60.62	375.93	92.06 to 97.34	155,895	148,327
09	19	98.62	96.24	95.90	09.13	100.35	64.33	110.70	89.10 to 106.17	243,159	233,178
<u>ALL</u>	5,067	96.41	97.11	96.56	05.01	100.57	41.11	375.93	96.26 to 96.57	168,461	162,662

**PROPERTY TYPE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	5,030	96.42	97.01	96.56	04.78	100.47	41.11	149.59	96.27 to 96.57	169,534	163,708
06	21	92.60	109.77	88.58	41.26	123.92	60.62	375.93	69.02 to 100.26	27,904	24,717
07	16	99.39	112.39	93.54	28.58	120.15	64.33	330.92	86.80 to 116.33	15,701	14,686
<u>ALL</u>	5,067	96.41	97.11	96.56	05.01	100.57	41.11	375.93	96.26 to 96.57	168,461	162,662

**77 Sarpy**  
**RESIDENTIAL**

**PAD 2011 R&O Statistics (Using 2011 Values)**

Qualified

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 WGT. MEAN : 97  
 MEAN : 97  
 COD : 05.01  
 PRD : 100.57

COV : 09.14  
 STD : 08.88  
 Avg. Abs. Dev : 04.83  
 MAX Sales Ratio : 375.93  
 MIN Sales Ratio : 41.11

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 95% Wgt. Mean C.I. : 96.35 to 96.77  
 95% Mean C.I. : 96.87 to 97.35

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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	
<u>Low \$</u>												
1 TO 4999	8	93.83	96.67	94.31	11.58	102.50	74.10	126.83	74.10 to 126.83	1,588	1,497	
5000 TO 9999	5	226.31	223.38	207.31	46.23	107.75	74.95	375.93	N/A	6,658	13,803	
<u>Total \$</u>												
1 TO 9999	13	103.30	145.41	176.11	56.82	82.57	74.10	375.93	86.80 to 226.31	3,538	6,230	
10000 TO 29999	78	100.98	104.70	104.36	10.37	100.33	62.10	198.20	99.17 to 106.57	24,124	25,176	
30000 TO 59999	220	98.80	98.70	98.44	07.13	100.26	59.46	144.50	97.69 to 100.00	39,962	39,338	
60000 TO 99999	291	98.03	99.35	99.04	07.66	100.31	64.33	149.59	96.76 to 98.68	85,393	84,575	
100000 TO 149999	1,782	96.40	96.84	96.77	04.30	100.07	41.11	139.14	96.19 to 96.59	129,298	125,127	
150000 TO 249999	2,040	96.14	96.55	96.52	04.29	100.03	76.88	129.66	95.93 to 96.38	186,794	180,292	
250000 TO 499999	624	96.19	96.26	96.14	04.99	100.12	78.22	126.43	95.74 to 96.62	311,178	299,159	
500000 +	19	94.10	93.14	92.48	07.57	100.71	71.85	118.19	87.55 to 96.64	651,582	602,604	
<u>ALL</u>	5,067	96.41	97.11	96.56	05.01	100.57	41.11	375.93	96.26 to 96.57	168,461	162,662	



## **2011 Correlation Section for Sarpy County**

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### **A. Residential Real Property**

As noted in the Assessment Actions piece of the Survey, Sarpy County conducts a complete reappraisal annually. The statistical results presented in this report display the results of their efforts. The measures of central are all within the acceptable range, and the quality statistics indicate uniform and proportionate valuation has been achieved.

The coefficient of dispersion is rather low in the residential class indicating that on average, selling prices of properties are within a small percentage of the assessed values. Given the fact that a complete residential reappraisal was completed for 2011, it is justifiable to see the dispersion relatively tightly clustered around the median. Neighborhoods in Sarpy County tend to be fairly homogenous as well. The process of updating cost tables annually and calculating new depreciation schedules assures the sold properties are valued in the same relation as the unsold properties.

Sarpy County uses approximately 240 neighborhoods to monitor variations in sales activity. On a broader scale, the county monitors regions of the county in 10 value groupings. Those groupings are reported in the statistical analysis and demonstrate that each grouping is valued appropriately.

A general overview of the statistics along with the assessment practices demonstrated by the county both indicate that the level of value is within the acceptable range and the valuation groupings in the county bear a consistent relationship to market value.

**2011 Correlation Section  
for Sarpy County**

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**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 Sarpy County

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### 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 Sarpy County

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### 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 Sarpy County**

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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 Assessment Actions for Sarpy County**

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

### **Commercial**

For tax year 2011, Sarpy County conducted a market analysis of the commercial class of property. Occupancy codes that were sufficiently represented by sales with indicated levels of value outside the acceptable range were reviewed and adjusted appropriately.

The county also reviewed and inspected properties based on the county's cyclical review schedule. Particular areas include mini-warehouses, motels and hotels.

Sarpy County's commercial appraisers are responsible for conducting sales review and verification, physical inspections, data collection of new building permits, and the overall analysis of subclass values.

Completion of the assessment actions resulted in value changes for 16 percent of the commercial properties in Sarpy County.

## 2011 Commercial Assessment Survey for Sarpy County

1.	<b>Valuation data collection done by:</b>
	Staff Appraisers
2.	<b>List the valuation groupings used by the County and describe the unique characteristics that effect value:</b>
	Specifics are detailed in the Marshall & Swift occupancy code. For example: regional shopping center, service garage, storage warehouses, etc.
3.	<b>List and describe the approach(es) used to estimate the market value of commercial properties.</b>
	The cost approach, sales approach, and income approach are all used. Greater weight is put on the income approach to value.
4.	<b>When was the last lot value study completed?</b>
	The last lot value study was completed in 2010 for tax year 2011
5.	<b>Describe the methodology used to determine the commercial lot values.</b>
	Sales comparison with consideration to size, shape, location, and zoning.
6.	<b>What costing year for the cost approach is being used for each valuation grouping?</b>
	The costing year is based on the reappraisal occupancy code. An example is Hotels (343) were reappraised for 2011 and the June 2010 cost tables were used.
7.	<b>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?</b>
	Tables are used from TerraScan, but the cost approach is seldom used to establish values.
8.	<b>Are individual depreciation tables developed for each valuation grouping?</b>
	Yes, TerraScan has different depreciation tables for each occupancy code.
9.	<b>How often does the County update the depreciation tables?</b>
	As often as the CAMA vendor (TerraScan) updates the tables.
10.	<b>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?</b>
	The cost tables and market data remains the same for the pick-up work.
11.	<b>Describe the method used to determine whether a sold parcel is substantially changed.</b>
	Sale verification is done by contacting the buyer and seller along with a field inspection. Examples of properties substantially changed after the sale would be occupancy code changed, buildings razed, remodel, addition, and change in the condition of the property.
12.	<b>Please provide any documents related to the policies or procedures used for the commercial class of property.</b>

**77 Sarpy**  
**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 : 139  
Total Sales Price : 170,342,512  
Total Adj. Sales Price : 170,006,450  
Total Assessed Value : 155,642,448  
Avg. Adj. Sales Price : 1,223,068  
Avg. Assessed Value : 1,119,730

MEDIAN : 97  
WGT. MEAN : 92  
MEAN : 95  
COD : 08.31  
PRD : 103.84

COV : 11.33  
STD : 10.77  
Avg. Abs. Dev : 08.04  
MAX Sales Ratio : 128.85  
MIN Sales Ratio : 63.22

95% Median C.I. : 94.00 to 98.78  
95% Wgt. Mean C.I. : 87.84 to 95.26  
95% Mean C.I. : 93.28 to 96.86

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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	15	97.89	97.32	88.34	06.30	110.17	68.57	117.33	93.75 to 101.88	601,900	531,702
01-OCT-07 To 31-DEC-07	20	93.47	92.52	93.06	07.19	99.42	65.61	103.52	88.95 to 100.00	947,099	881,340
01-JAN-08 To 31-MAR-08	21	95.68	93.46	95.68	08.75	97.68	64.62	106.17	87.94 to 100.00	440,769	421,746
01-APR-08 To 30-JUN-08	10	93.11	93.51	89.22	06.38	104.81	82.54	110.93	85.56 to 98.24	5,551,860	4,953,349
01-JUL-08 To 30-SEP-08	16	94.08	91.55	83.37	12.45	109.81	63.22	120.53	79.82 to 100.00	1,767,382	1,473,463
01-OCT-08 To 31-DEC-08	15	94.74	96.39	93.74	06.76	102.83	77.91	128.85	92.00 to 100.00	598,600	561,150
01-JAN-09 To 31-MAR-09	8	99.64	97.32	96.68	10.56	100.66	78.13	111.80	78.13 to 111.80	750,875	725,971
01-APR-09 To 30-JUN-09	3	88.97	92.97	96.24	05.09	96.60	88.18	101.76	N/A	479,000	460,973
01-JUL-09 To 30-SEP-09	7	100.38	103.12	102.34	08.82	100.76	81.67	117.56	81.67 to 117.56	3,016,071	3,086,700
01-OCT-09 To 31-DEC-09	9	100.00	97.47	95.09	04.84	102.50	86.80	106.25	89.34 to 103.33	395,497	376,090
01-JAN-10 To 31-MAR-10	7	94.34	92.14	88.94	06.48	103.60	82.30	100.00	82.30 to 100.00	548,000	487,417
01-APR-10 To 30-JUN-10	8	100.00	99.36	100.27	06.33	99.09	85.60	115.84	85.60 to 115.84	506,516	507,875
<u>Study Yrs</u>											
01-JUL-07 To 30-JUN-08	66	95.02	94.06	90.56	07.65	103.86	64.62	117.33	92.07 to 98.24	1,405,231	1,272,613
01-JUL-08 To 30-JUN-09	42	95.02	94.48	87.66	09.92	107.78	63.22	128.85	92.00 to 99.27	1,064,312	932,936
01-JUL-09 To 30-JUN-10	31	100.00	98.03	99.71	06.83	98.32	81.67	117.56	94.34 to 100.38	1,050,326	1,047,311
<u>Calendar Yrs</u>											
01-JAN-08 To 31-DEC-08	62	94.61	93.68	88.58	08.88	105.76	63.22	128.85	91.67 to 97.73	1,645,675	1,457,787
01-JAN-09 To 31-DEC-09	27	100.00	98.39	100.21	07.95	98.18	78.13	117.56	89.34 to 103.33	1,189,480	1,191,941
<u>ALL</u>	139	96.70	95.07	91.55	08.31	103.84	63.22	128.85	94.00 to 98.78	1,223,068	1,119,730

**VALUATION GROUPING**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	139	96.70	95.07	91.55	08.31	103.84	63.22	128.85	94.00 to 98.78	1,223,068	1,119,730
<u>ALL</u>	139	96.70	95.07	91.55	08.31	103.84	63.22	128.85	94.00 to 98.78	1,223,068	1,119,730

**PROPERTY TYPE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
02	9	92.39	93.82	91.73	08.23	102.28	81.67	111.80	82.54 to 103.53	3,326,606	3,051,649
03	75	97.14	95.28	91.62	08.85	103.99	63.22	128.85	92.86 to 99.89	1,204,719	1,103,818
04	55	95.29	94.99	91.31	07.58	104.03	64.62	111.44	93.46 to 100.00	903,875	825,295
<u>ALL</u>	139	96.70	95.07	91.55	08.31	103.84	63.22	128.85	94.00 to 98.78	1,223,068	1,119,730

**77 Sarpy**  
**COMMERCIAL**

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95% Mean C.I. : 93.28 to 96.86

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<b>SALE PRICE *</b>											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$</u>												
1 TO 4999	1	91.67	91.67	91.67	00.00	100.00	91.67	91.67	N/A	4,035	3,699	
5000 TO 9999	1	103.33	103.33	103.33	00.00	100.00	103.33	103.33	N/A	6,000	6,200	
<u>Total \$</u>												
1 TO 9999	2	97.50	97.50	98.64	05.98	98.84	91.67	103.33	N/A	5,018	4,950	
10000 TO 29999	2	103.19	103.19	102.60	03.09	100.58	100.00	106.38	N/A	21,099	21,648	
30000 TO 59999	9	94.05	94.58	94.84	06.08	99.73	82.30	105.34	88.97 to 101.29	42,056	39,884	
60000 TO 99999	11	95.83	95.39	95.43	12.64	99.96	63.22	128.85	76.53 to 117.33	80,500	76,818	
100000 TO 149999	13	96.70	94.71	94.60	05.83	100.12	77.91	103.53	87.12 to 100.00	119,073	112,639	
150000 TO 249999	17	96.77	98.07	97.96	07.19	100.11	86.29	116.13	88.89 to 106.17	184,992	181,214	
250000 TO 499999	29	93.46	94.86	94.43	08.61	100.46	64.62	120.53	89.08 to 100.00	359,254	339,243	
500000 +	56	97.40	93.99	91.16	08.56	103.10	65.52	117.56	92.07 to 99.89	2,742,483	2,500,042	
<u>ALL</u>	139	96.70	95.07	91.55	08.31	103.84	63.22	128.85	94.00 to 98.78	1,223,068	1,119,730	

**77 Sarpy**  
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**OCCUPANCY CODE**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Blank	20	96.59	96.64	88.38	08.23	109.35	79.82	116.13	89.08 to 100.38	1,267,786	1,120,444
303	1	88.89	88.89	88.89	00.00	100.00	88.89	88.89	N/A	225,000	200,000
304	1	89.34	89.34	89.34	00.00	100.00	89.34	89.34	N/A	1,186,472	1,060,000
319	1	87.30	87.30	87.30	00.00	100.00	87.30	87.30	N/A	25,500,000	22,261,935
326	2	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	158,750	158,750
343	2	93.52	93.52	90.97	10.70	102.80	83.51	103.52	N/A	1,489,450	1,355,000
344	11	95.83	101.84	107.07	11.85	95.12	76.53	128.85	88.95 to 117.56	734,873	786,864
349	6	98.35	95.03	87.09	11.97	109.12	65.61	115.84	65.61 to 115.84	763,693	665,102
350	1	92.86	92.86	92.86	00.00	100.00	92.86	92.86	N/A	350,000	325,000
352	8	89.75	90.41	91.28	06.79	99.05	81.67	103.53	81.67 to 103.53	3,560,556	3,250,250
353	8	90.23	89.51	95.19	10.84	94.03	63.22	106.25	63.22 to 106.25	307,793	292,993
380	1	98.24	98.24	98.24	00.00	100.00	98.24	98.24	N/A	10,200,000	10,020,000
384	1	99.27	99.27	99.27	00.00	100.00	99.27	99.27	N/A	68,500	68,000
386	2	104.02	104.02	105.56	03.86	98.54	100.00	108.04	N/A	810,000	855,000
392	1	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	230,000	230,000
406	23	100.00	95.95	97.38	05.82	98.53	81.44	105.34	92.54 to 101.29	498,843	485,783
407	1	99.96	99.96	99.96	00.00	100.00	99.96	99.96	N/A	980,000	979,618
410	1	68.57	68.57	68.57	00.00	100.00	68.57	68.57	N/A	3,500,000	2,400,000
412	9	94.34	89.93	84.58	09.25	106.33	65.52	100.83	74.77 to 99.89	1,501,333	1,269,889
413	1	97.14	97.14	97.14	00.00	100.00	97.14	97.14	N/A	1,100,000	1,068,552
426	5	88.18	92.60	91.06	05.66	101.69	86.80	100.00	N/A	446,283	406,374
442	2	110.27	110.27	115.70	09.31	95.31	100.00	120.53	N/A	212,500	245,866
451	1	96.78	96.78	96.78	00.00	100.00	96.78	96.78	N/A	1,350,000	1,306,573
453	4	92.72	90.17	85.69	04.36	105.23	80.77	94.48	N/A	448,000	383,886
470	4	101.67	96.97	89.34	06.86	108.54	80.00	104.53	N/A	227,000	202,800
494	2	99.91	99.91	99.49	08.21	100.42	91.71	108.11	N/A	1,950,000	1,940,000
528	14	93.88	92.49	93.35	06.39	99.08	64.62	105.44	90.40 to 97.73	807,500	753,785
531	5	100.00	99.12	96.28	06.21	102.95	83.50	111.44	N/A	1,114,000	1,072,600
<u>ALL</u>	<u>139</u>	<u>96.70</u>	<u>95.07</u>	<u>91.55</u>	<u>08.31</u>	<u>103.84</u>	<u>63.22</u>	<u>128.85</u>	<u>94.00 to 98.78</u>	<u>1,223,068</u>	<u>1,119,730</u>



**2011 Correlation Section  
for Sarpy County**

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**A. Commerical Real Property**

A general overview of the statistics indicates the level of value for commercial property is within the acceptable range. Sarpy County analyzes the commercial property in the context of occupancy code comparability rather than by specific geographical locations. General groups include warehouses, retail shopping, office buildings, and apartments. The county analyzes these groupings of commercial properties annually and reappraisals are completed based on market indication and by cyclical schedules to revalue.

A review of the statistics suggests all occupancy code groups sufficiently represented by sales are within the acceptable range. That coupled with the assessment actions completed by the county both support a level of value within the acceptable range.

**2011 Correlation Section  
for Sarpy County**

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**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 Sarpy County**

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**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 Sarpy County

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### **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 Sarpy County**

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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 Assessment Actions for Sarpy County**

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

#### **Agricultural**

The rural appraiser is responsible for conducting sales review and verification, analysis of the data, physical inspections, data collection of all building permits, and overall analysis of market areas.

Inspections and other in-depth reviews for 2011 were conducted in certain areas by the appraiser based on cyclical schedule developed by the county and appraiser, or as the market indications suggest certain areas lack uniformity and proportionality. Following the data gathering and/or verification process, the county implemented the most current Marshall and Swift cost tables. New depreciation tables were analyzed and developed using local market information provided by the sales. The same depreciation tables were utilized for all dwellings within Sarpy County.

The appraisers conducted a market analysis of vacant lot/land sales to determine land values and adjustments for the parcels, neighborhoods and market areas. The county analyzed sales from comparable counties to determine the special valuation market values.

The county continues to verify land use along with the utilization of the latest soils survey from the United States Department of Agriculture in determining the different land use segments applied to each parcel.

The aforementioned assessment actions resulted in value changes for 99.5% of the agricultural properties in Sarpy County due to an increase and/or decrease in valuation.

## 2011 Agricultural Assessment Survey for Sarpy County

1.	<b>Valuation data collection done by:</b>	
	Staff appraiser	
2.	<b>List each market area, and describe the location and the specific characteristics that make each unique.</b>	
	Market Area	Description of unique characteristics
	Special Valuation	One market exists within Sarpy County for agricultural special valuation
	FRM	Agricultural parcels greater than 20 acres
	FRM 1	Agricultural parcels less than 20 acres
	FRM 2	Agricultural parcels with a commercial component
	FRMD	Agricultural parcels with high density development certainty
	FRMF	Agricultural parcels with floodway impact
	FRML	Agricultural parcels within ALPR market area
3.	<b>Describe the process that is used to determine and monitor market areas.</b>	
	Analysis of sales and market conditions. Title 350, Chapter 50-001.18	
4.	<b>Describe the process used to identify and value rural residential land and recreational land in the county.</b>	
	1. Use of the parcel is identified 2. Market area is identified based on use 3. Conduct sales and market analysis 4. Apply valuation	
5.	<b>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?</b>	
	Yes. The market is similar	
6.	<b>What land characteristics are used to assign differences in assessed values?</b>	
	1- Agricultural land characteristics are soil type and land use. 2- Non-agricultural land is based on characteristics found to be significant within the market. Some items considered, but not limited to, are parcel use, parcel type, location, geographic characteristics, zoning, city size, etc.	
7.	<b>What process is used to annually update land use? (Physical inspection, FSA maps, etc.)</b>	
	Physical inspection, FSA maps, aerial photos, interviews with the landowner.	
8.	<b>Describe the process used to identify and monitor the influence of non-agricultural characteristics.</b>	
	Sales and market analysis. Title 350, Chapter 50-001.19	
9.	<b>Have special valuations applications been filed in the county? If yes, is there a value difference for the special valuation parcels.</b>	
	Yes. Special valuation values are considerably less than market values.	
10.	<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 was used for the general population of the class?</b>	
	Yes	

11.	<b>Describe the method used to determine whether a sold parcel is substantially changed.</b>
	Verification of the property characteristic data as of the date of sale establishes what sold for what price. If property characteristics changed after that date and the changed influenced its market value, it is determined to be substantially changed.
12.	<b>Please provide any documents related to the policies or procedures used for the agricultural class of property.</b>



## **STANDARD OPERATING PROCEDURE – SARPY COUNTY ASSESSOR**

Date: 02/17/2010

### **SPECIAL VALUATION METHODOLOGY**

**OBJECTIVE:** To establish the policy and method of valuing improved and unimproved farm land.

**REFERENCE:** NEBRASKA ADMINISTRATIVE CODE TITLE 350  
CHAPTER 11 (03/15/2009)  
CHAPTER 14 (03/15/2009)

**POLICY:** Sarpy County is influenced by market forces outside of the typical agricultural market. The influences are residential, commercial and recreational in nature. Therefore, the total of Sarpy County is covered under the Agricultural and Horticultural Special Valuation program.

**MARKET AREAS:** There is one agricultural market area within Sarpy County.

**METHODOLOGY:** Each farm parcel is to have a periodic inspection with all site improvements documented on the property record file. The land portion of the property record file is to be inventoried based upon its actual use and soil classification. As documented in Title 350 Chapter 14 of the Nebraska Administrative Code. The identified uses need to be classified as an agricultural purpose or other land uses.

**VALUATION:**

**AGRICULTURAL LAND VALUATION:** Sarpy County has no sales that are purely for an agricultural purpose. Therefore, Sarpy County relies on sales information received from the Property Assessment Division of the Nebraska Department of Revenue. For 2011, the PAD selected comparable counties from which to draw land sales that were analyzed to establish the agricultural special valuation.

**OTHER LAND USE VALUATION:** The uses that are not agricultural or horticultural land are to be valued at 100% market value. The uses are identified, most typically as residential, commercial or recreational. Once identified, the area values will be arrived at by applying the same policies and practices that are used in valuing their counter parts that are not enrolled in the Special Valuation Program.

Sarpy County  
2011 Analysis of Special Valuation

Ratio Study

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**Final Statistics**

**Confidence Intervals**

County	# sales	Median	Mean	Wt Mean	AAD	COD	PRD	95% Median C.I.	95% Mean C.I.	95% Wt Mean C.I.
County	270	71.87%	77.81%	71.06%	19.07%			69.93%	74.74%	68.29%
						26.54%		77.34%	80.87%	73.83%
						109.49%				
Burt	80	67.32%	70.05%	67.29%	12.37%	18.38%	104.10%	62.01%	66.45%	63.53%
								71.23%	73.65%	71.06%
Nemaha	56	77.55%	82.00%	75.76%	18.96%	24.45%	108.24%	70.43%	75.32%	69.22%
								85.34%	88.68%	82.30%
Otoe	70	85.71%	86.01%	79.87%	21.62%	25.23%	107.70%	75.84%	79.36%	72.90%
								91.86%	92.66%	86.84%
Richardson	64	67.68%	74.85%	64.87%	20.83%	30.78%	115.38%	63.98%	67.66%	58.73%
								79.68%	82.03%	71.01%

**Majority Land Use**

95% MLU	Irrigated		Dry		Grass	
	# Sales	Median	# Sales	Median	# Sales	Median
County	3	88.31%	100	73.20%	8	64.23%
Burt	3	88.31%	43	71.41%	2	48.39%
Nemaha	0	N/A	14	85.84%	3	73.78%
Otoe	0	N/A	24	80.38%	0	N/A
Richardson	0	N/A	19	71.22%	3	96.02%

80% MLU	Irrigated		Dry		Grass	
	# Sales	Median	# Sales	Median	# Sales	Median
County	7	61.70%	180	72.58%	17	65.08%
Burt	7	61.70%	59	69.35%	3	47.10%
Nemaha	0	N/A	36	84.40%	5	69.89%
Otoe	0	N/A	43	81.64%	3	71.60%
Richardson	0	N/A	42	70.04%	6	80.55%



**2011 Correlation Section  
for Sarpy County**

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**A. Agricultural Land**

**A1. Correlation for Special Valuation of Agricultural Land**

The level of value for special valuation in Sarpy County was developed using assessment-to-sales ratios developed using sale data from uninfluenced counties considered comparable to Sarpy County. Income rental rates, production factors, topography, and other factors were considered to determine general areas of comparability. The 2011 assessed values established by Sarpy County were used to estimate value for the uninfluenced sales and the results were measured against the sale prices.

Based on this analysis it is the opinion of the Division that the level of value of Agricultural Special Value in Sarpy County is 72%.

**2011 Correlation Section  
for Sarpy County**

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**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 Sarpy County

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### 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 Sarpy County

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### **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 Sarpy County**

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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.



<b>Total Real Property</b> Sum Lines 17, 25, & 30	<b>Records : 58,250</b>	<b>Value : 10,894,150,092</b>	<b>Growth 213,562,772</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>	726	11,580,165	3,011	53,535,999	1,485	32,939,991	5,222	98,056,155	
<b>02. Res Improve Land</b>	26,575	623,335,021	10,584	353,055,400	9,941	368,011,206	47,100	1,344,401,627	
<b>03. Res Improvements</b>	27,120	3,171,835,884	10,630	1,807,770,009	9,998	1,539,617,705	47,748	6,519,223,598	
<b>04. Res Total</b>	27,846	3,806,751,070	13,641	2,214,361,408	11,483	1,940,568,902	52,970	7,961,681,380	169,313,585
<b>% of Res Total</b>	52.57	47.81	25.75	27.81	21.68	24.37	90.94	73.08	79.28
<b>05. Com UnImp Land</b>	295	52,343,679	195	40,828,571	79	17,984,661	569	111,156,911	
<b>06. Com Improve Land</b>	1,110	276,422,268	104	47,084,944	108	43,480,176	1,322	366,987,388	
<b>07. Com Improvements</b>	1,127	987,927,004	109	219,127,523	114	115,600,229	1,350	1,322,654,756	
<b>08. Com Total</b>	1,422	1,316,692,951	304	307,041,038	193	177,065,066	1,919	1,800,799,055	31,577,428
<b>% of Com Total</b>	74.10	73.12	15.84	17.05	10.06	9.83	3.29	16.53	14.79
<b>09. Ind UnImp Land</b>	72	8,154,006	67	6,849,070	113	14,452,763	252	29,455,839	
<b>10. Ind Improve Land</b>	226	34,896,462	128	34,337,850	276	97,203,206	630	166,437,518	
<b>11. Ind Improvements</b>	227	108,000,292	128	101,321,280	277	304,023,585	632	513,345,157	
<b>12. Ind Total</b>	299	151,050,760	195	142,508,200	390	415,679,554	884	709,238,514	7,635,811
<b>% of Ind Total</b>	33.82	21.30	22.06	20.09	44.12	58.61	1.52	6.51	3.58
<b>13. Rec UnImp Land</b>	0	0	3	158,198	98	6,061,102	101	6,219,300	
<b>14. Rec Improve Land</b>	0	0	13	656,600	37	1,710,004	50	2,366,604	
<b>15. Rec Improvements</b>	0	0	13	586,537	356	8,246,971	369	8,833,508	
<b>16. Rec Total</b>	0	0	16	1,401,335	454	16,018,077	470	17,419,412	131,050
<b>% of Rec Total</b>	0.00	0.00	3.40	8.04	96.60	91.96	0.81	0.16	0.06
<b>Res &amp; Rec Total</b>	27,846	3,806,751,070	13,657	2,215,762,743	11,937	1,956,586,979	53,440	7,979,100,792	169,444,635
<b>% of Res &amp; Rec Total</b>	52.11	47.71	25.56	27.77	22.34	24.52	91.74	73.24	79.34
<b>Com &amp; Ind Total</b>	1,721	1,467,743,711	499	449,549,238	583	592,744,620	2,803	2,510,037,569	39,213,239
<b>% of Com &amp; Ind Total</b>	61.40	58.47	17.80	17.91	20.80	23.61	4.81	23.04	18.36
<b>17. Taxable Total</b>	29,567	5,274,494,781	14,156	2,665,311,981	12,520	2,549,331,599	56,243	10,489,138,361	208,657,874
<b>% of Taxable Total</b>	52.57	50.29	25.17	25.41	22.26	24.30	96.55	96.28	97.70

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	10	68,467	1,885,847	0	0	0
19. Commercial	11	1,294,833	13,703,656	0	0	0
20. Industrial	2	58,642	1,381,358	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	10	68,467	1,885,847
19. Commercial	0	0	0	11	1,294,833	13,703,656
20. Industrial	0	0	0	2	58,642	1,381,358
21. Other	0	0	0	0	0	0
22. Total Sch II				23	1,421,942	16,970,861

Schedule III : Mineral Interest Records

Mineral Interest	Records	Urban Value	Records	SubUrban Value	Records	Rural Value	Records	Total Value	Growth
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	1,012	571	628	2,211

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	1	21,571	397	22,769,363	733	85,027,471	1,131	107,818,405
28. Ag-Improved Land	0	0	174	30,528,090	687	111,566,520	861	142,094,610
29. Ag Improvements	0	0	175	27,580,653	701	127,518,063	876	155,098,716
30. Ag Total							2,007	405,011,731

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	138	0.00	24,590,148	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	22	32.37	384,468	
36. FarmSite Improv Land	0	0.00	0	169	523.42	11,754,632	
37. FarmSite Improvements	0	0.00	0	118	0.00	2,990,505	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	1.53	0	
40. Other- Non Ag Use	0	0.00	0	0	1.11	89	
	Records	Acres	Value	Records	Acres	Value	Growth
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	590	0.00	112,349,438	728	0.00	136,939,586	4,904,898
34. HomeSite Total				728	0.00	136,939,586	
35. FarmSite UnImp Land	110	599.35	2,729,563	132	631.72	3,114,031	
36. FarmSite Improv Land	664	2,038.57	46,798,375	833	2,561.99	58,553,007	
37. FarmSite Improvements	500	0.00	15,168,625	618	0.00	18,159,130	0
38. FarmSite Total				750	3,193.71	79,826,168	
39. Road & Ditches	0	0.34	0	0	1.87	0	
40. Other- Non Ag Use	0	4.60	368	0	5.71	457	
41. Total Section VI				1,478	3,201.29	216,766,211	4,904,898

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	1	20.05	21,571	550	18,320.80	41,077,907
44. Recapture Value N/A	1	20.05	300,750	550	18,320.80	206,226,660
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	1,416	70,614.96	147,044,841	1,967	88,955.81	188,144,319
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	795.93	12.79%	2,505,587	15.57%	3,148.00
46. 1A	487.78	7.84%	1,482,360	9.21%	3,038.99
47. 2A1	583.80	9.38%	1,593,193	9.90%	2,729.00
48. 2A	3,055.29	49.08%	7,781,820	48.35%	2,547.00
49. 3A1	791.66	12.72%	1,789,152	11.12%	2,260.00
50. 3A	259.98	4.18%	548,559	3.41%	2,110.00
51. 4A1	150.36	2.42%	251,853	1.56%	1,675.00
52. 4A	99.97	1.61%	143,657	0.89%	1,437.00
53. Total	6,224.77	100.00%	16,096,181	100.00%	2,585.83
<b>Dry</b>					
54. 1D1	2,741.40	4.13%	8,575,095	5.30%	3,128.00
55. 1D	19,351.47	29.16%	58,422,123	36.10%	3,019.00
56. 2D1	1,279.46	1.93%	3,466,057	2.14%	2,709.00
57. 2D	5,880.56	8.86%	14,842,525	9.17%	2,524.00
58. 3D1	28,669.98	43.20%	64,220,768	39.69%	2,240.00
59. 3D	437.94	0.66%	909,598	0.56%	2,076.99
60. 4D1	7,091.78	10.69%	10,261,802	6.34%	1,447.00
61. 4D	912.85	1.38%	1,124,642	0.69%	1,232.01
62. Total	66,365.44	100.00%	161,822,610	100.00%	2,438.36
<b>Grass</b>					
63. 1G1	249.16	3.52%	359,292	4.69%	1,442.01
64. 1G	1,358.98	19.18%	1,811,522	23.66%	1,333.00
65. 2G1	96.43	1.36%	122,080	1.59%	1,266.00
66. 2G	302.28	4.27%	349,739	4.57%	1,157.00
67. 3G1	2,272.18	32.07%	2,533,483	33.09%	1,115.00
68. 3G	166.89	2.36%	168,224	2.20%	1,007.99
69. 4G1	1,863.79	26.31%	1,673,700	21.86%	898.01
70. 4G	774.38	10.93%	638,081	8.33%	823.99
71. Total	7,084.09	100.00%	7,656,121	100.00%	1,080.75
<b>Irrigated Total</b>					
	6,224.77	6.99%	16,096,181	8.55%	2,585.83
<b>Dry Total</b>					
	66,365.44	74.54%	161,822,610	85.96%	2,438.36
<b>Grass Total</b>					
	7,084.09	7.96%	7,656,121	4.07%	1,080.75
72. Waste	2,725.14	3.06%	222,083	0.12%	81.49
73. Other	6,634.93	7.45%	2,448,525	1.30%	369.04
74. Exempt	9.90	0.01%	0	0.00%	0.00
75. Market Area Total	89,034.37	100.00%	188,245,520	100.00%	2,114.30

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
<b>76. Irrigated</b>	0.00	0	353.91	927,003	5,870.86	15,169,178	6,224.77	16,096,181
<b>77. Dry Land</b>	0.00	0	15,649.87	38,531,544	50,715.57	123,291,066	66,365.44	161,822,610
<b>78. Grass</b>	18.66	21,460	1,266.59	1,424,893	5,798.84	6,209,768	7,084.09	7,656,121
<b>79. Waste</b>	1.39	111	513.69	45,170	2,210.06	176,802	2,725.14	222,083
<b>80. Other</b>	0.00	0	613.41	229,654	6,021.52	2,218,871	6,634.93	2,448,525
<b>81. Exempt</b>	0.00	0	0.00	0	9.90	0	9.90	0
<b>82. Total</b>	<b>20.05</b>	<b>21,571</b>	<b>18,397.47</b>	<b>41,158,264</b>	<b>70,616.85</b>	<b>147,065,685</b>	<b>89,034.37</b>	<b>188,245,520</b>

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
<b>Irrigated</b>	6,224.77	6.99%	16,096,181	8.55%	2,585.83
<b>Dry Land</b>	66,365.44	74.54%	161,822,610	85.96%	2,438.36
<b>Grass</b>	7,084.09	7.96%	7,656,121	4.07%	1,080.75
<b>Waste</b>	2,725.14	3.06%	222,083	0.12%	81.49
<b>Other</b>	6,634.93	7.45%	2,448,525	1.30%	369.04
<b>Exempt</b>	9.90	0.01%	0	0.00%	0.00
<b>Total</b>	<b>89,034.37</b>	<b>100.00%</b>	<b>188,245,520</b>	<b>100.00%</b>	<b>2,114.30</b>

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

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	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	7,856,723,550	7,961,681,380	104,957,830	1.34%	169,313,585	-0.82%
02. Recreational	16,689,344	17,419,412	730,068	4.37%	131,050	3.59%
03. Ag-Homesite Land, Ag-Res Dwelling	131,275,048	136,939,586	5,664,538	4.32%	4,904,898	0.58%
<b>04. Total Residential (sum lines 1-3)</b>	<b>8,004,687,942</b>	<b>8,116,040,378</b>	<b>111,352,436</b>	<b>1.39%</b>	<b>174,349,533</b>	<b>-0.79%</b>
05. Commercial	1,762,302,841	1,800,799,055	38,496,214	2.18%	31,577,428	0.39%
06. Industrial	699,930,082	709,238,514	9,308,432	1.33%	7,635,811	0.24%
07. Ag-Farmsite Land, Outbuildings	82,429,585	79,826,168	-2,603,417	-3.16%	0	-3.16%
08. Minerals	0	0	0		0	
<b>09. Total Commercial (sum lines 5-8)</b>	<b>2,544,662,508</b>	<b>2,589,863,737</b>	<b>45,201,229</b>	<b>1.78%</b>	<b>39,213,239</b>	<b>0.24%</b>
<b>10. Total Non-Agland Real Property</b>	<b>10,549,350,450</b>	<b>10,705,904,572</b>	<b>156,554,122</b>	<b>1.48%</b>	<b>213,562,772</b>	<b>-0.54%</b>
11. Irrigated	12,160,414	16,096,181	3,935,767	32.37%		
12. Dryland	120,247,372	161,822,610	41,575,238	34.57%		
13. Grassland	8,553,169	7,656,121	-897,048	-10.49%		
14. Wasteland	232,078	222,083	-9,995	-4.31%		
15. Other Agland	487	2,448,525	2,448,038	502,677.21%		
<b>16. Total Agricultural Land</b>	<b>141,193,520</b>	<b>188,245,520</b>	<b>47,052,000</b>	<b>33.32%</b>		
<b>17. Total Value of all Real Property</b> (Locally Assessed)	<b>10,690,543,970</b>	<b>10,894,150,092</b>	<b>203,606,122</b>	<b>1.90%</b>	<b>213,562,772</b>	<b>-0.09%</b>

# **Three Year Plan of Assessment for Sarpy County**

## **October 31, 2010**

### **Introduction**

Pursuant to NEB. Laws 2005, LB 263, Section 9, on or before June 15<sup>th</sup> each year, the assessor shall prepare a plan of assessment, which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all 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<sup>st</sup> of each year, the assessor shall present the plan to the county board of equalization and the assessor shall 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 Property Assessment and Taxation on or before October 31<sup>st</sup> of each year.

### **Duties of the County Assessor**

The duties of the county assessor are stated in the Nebraska State Statutes, 77-1311. Along with the general supervision and the direction of the assessment of all taxable property in the county, the assessor is responsible for the following:

- Annually revise the real property assessments for the correction of errors and equitably portion valuations.
- Obey all rules and regulations made under Chapter 77 and the instructions and orders sent by the Property Tax Administrator and the Tax Equalization and Review Commission.
- Examine records from the offices of the register of deeds, county clerk, county judge, and the clerk of the district court for proper ownership of property.
- Prepare the assessment roll.
- Provide public access to records.
- Submit a plan of assessment to the county board and the division of property assessment.

### **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 defined by law as “the market value of real property in the ordinary course of trade” Neb. Rev. Stat. 77-112 (reissue 2003). Assessment levels required for real property are as follows:

- 100% of actual value for all classes of real property excl; agricultural and horticultural land.
- 75% of actual value for agricultural and horticultural land.
- 75% of special value for agricultural and horticultural land which meets qualifications for special valuation under 77-1344 and 75% if its recapture value as defined in 77-1343 when the land is disqualified for special valuation under 77-1347.

## **General Description of Real Property in Sarpy County**

	<u>Parcels</u>	<u>% of total parcels</u>
Residential	53,850	91
Commercial	1,919	3
Industrial	884	2
Recreational	470	1
Agricultural	2,007	3

92% of the parcels are coded as residential property; commercial/Industrial parcels make up 4.5%; agricultural is at 2.5%. In 2009/2010, building permits in Sarpy County were issued as follows:

		Permits issued from 1/01/2009 to 9/12/2010
Residential	4,270	
Commercial	357	
Industrial	108	
Agricultural	99	

### **Current Resources**

The Sarpy County Assessor's office is currently staffed as follows:

- (1) Elected County Assessor
- (1) Chief Deputy Assessor
- (9) Real Estate Appraisers
- (8) Administrative Staff

### **Cadastral Mapping**

Cadastral mapping is accomplished through our Geographic Information System. We have in-house technical support from our Information Systems Department and have two people on the assessor's staff that has advanced mapping skills. Maps are provided to the public through both departments via the internet. The I.A.A.O. recommends keeping printed quarter sheets on hand. Our quarter sheets are kept in the office of the register of deeds and are available for public viewing.

### **Computer Assisted Mass Appraisal (CAMA)**

Automated Systems, Inc provides the Terra Scan CAMA Software Package along with updates to Terra Scan and the Marshall-Swift Cost Data. The sketching section of Terra Scan is not adequate for our needs and is replaced by a separate software program named Apex. Unfortunately, these two software systems do not interface. CAMA data is used to supply appraisal information to the county website.

### **Geographic Information System**

The GIS system is controlled by our Information Systems Department with the assessor having use of ArcViewer and ArcReader. This provides our appraisers with tools for plotting sales, permits, identify areas for reappraisal, etc. Maps are helpful for explaining assessment practices to property owners and county board members.

In 2010, we began working with oblique imagery as the over-flight of Sarpy County was completed and processed through quality control in the Information Systems Department. Our intention is to use current oblique imagery along with street-level property photos, and our existing property records to begin desktop re-valuation of residential and rural parcels.

### **Internet Access to County Information**

Much of the contents from assessment records are on the internet in the form of free public information and premium services. It is the policy of the Information Systems Department to charge a fee for some assessment information and for the generation of custom reports. The public use of the Sarpy County Website has increased each year and has proved to be a helpful tool to property owners. The parcel look-up section of the county website does not provide a "search by name" capability due to privacy concerns.

In 2010, we added internet access to previous year's Nebraska Personal Property Schedules in order to expedite the annual filings with our office. Post card reminders of important filing dates were also added into our Standard Operating Procedures.

### **Current Assessment Procedures for Real Property**

The population of Sarpy County continues to grow rapidly as evidenced by the preliminary numbers issued by the U.S. Census and the increase in permits for the construction of new homes, apartments, and commercial buildings. Agricultural land is being platted for residential development with a complimenting number of commercial plattings to support the population growth throughout the county.

The number of deeds filed with the register of deeds has shown an increase over last year. All sales of real property are noted and submitted to an extensive sales verification process before they are considered an arms-length transaction.

Copies of building permits are submitted to our office with the major permits (new construction, building additions, etc.) receiving prompt attention. The minor building permits (decks, sheds, patios, etc.) are generally addressed when we re-inspect the sub-division or market area. We are always collecting income and expense data for one or more classes of commercial properties to be appraised.

New construction in the rural areas of Sarpy County often takes place without a building permit. The review and comparison of aerial photography along with physical inspection is necessary to collect data for listing and valuation. Inspections in the years 2009 and 2010 indicate a great need for increasing our property inspection efforts in the rural areas. Our lone, staff appraiser assigned to this area is simply inadequate for the amount of work involved with catch-up and maintenance.

### **Review of Assessment Sales Ratio Studies before Assessment Actions**

Ratio studies are performed during the year to determine the level of our assessments in individual market areas. This serves as an indicator of possible inspection and re-valuation needs in a specific area. While statistical studies are performed in house we work from the preliminary statistics issued by the Property Assessment Division.

### **Approaches to Value**

Residential assessed values are determined by using a cost approach to value adjusted to the market via depreciation tables. The depreciation tables are derived from sales analysis. Our office uses two years worth of qualified sales as the market data for our statistical analysis and measurement.

We rely on the local real estate market and national real estate publications to assist us with the income approach to value on commercial properties. However, all three approaches to value are considered.

Agricultural land may receive a special valuation by enrolling in an Agricultural Special Valuation Program (greenbelt) or simply valued at 75% of market value, where applicable. There are specific requirements for receiving special valuation and the assessor must closely observe the predominant use of each parcel to be certain of agricultural or horticultural uses.

### **Reconciliation of Final Value and Documentation**

Three approaches to value are generally accepted in the performance of mass appraisal. A minimum of two approaches to value is applied to every improved parcel, as appropriate, to determine fair market value.

### **Review Assessment Sales Ratio Studies after Assessment**

Staff appraisers review their own market-area statistics before and after assessment actions. The statistics are discussed with the chief deputy assessor to determine possible actions to be taken by the appraiser.

### **Notices and Public Relations**

Several notices or documents are sent to the property owners with regard to the taxable status of their property:

- Changes in Valuation Notices are mailed at the end of May. The Sarpy County Website provides an increasing amount of taxpayer information and forms.
- Permissive Exemptions are mailed on November 1<sup>st</sup> to previous filers.
- Personal Property filing reminders are mailed in April with directions for web access to the previous year's filing.
- Homestead Exemptions are mailed at the end of January to the previous year recipients of the exemption along with those who request that forms be mailed.

Public notification takes place in a newspaper of general circulation and on the Sarpy County website. The website has an assessor's area where frequently asked questions are answered and the assessor can be contacted via e-mail. Comments and questions via email continue to increase every year and receive prompt attention. Use of our website is regularly encouraged.

### **Level of Value, Quality and Uniformity for Assessment Year 2010**

<u>Property class</u>	<u>Median</u>	<u>COD</u>	<u>PRD</u>
Commercial	97.00	7.67	103.91
Agricultural	71		
Residential	97.00	4.65	100.63

### **Assessment Actions Planned for Assessment Year 2011**

#### **Residential**

The majority of our appraisal assets go toward the valuation of this particular property group. Adding newly constructed homes will remain our highest priority along with working the high value building permits which consist of building additions and major remodeling. Development of a team approach to updating property records in various market areas has been a success. We are re-inspecting more properties and have increased our use of the Omaha Area Board of Realtors Multiple Listing Service along with several "For Sale by Owner" websites to assist us in discovering improvements to real property that may be missing from our records, such as finished basement areas.

The assessor's office has a great need for an additional staff appraiser assigned to our growing rural areas. The discovery process in the rural areas is difficult as rural parcels often require an inspection of the condition and characteristics of the improvements; inspection of the land use where agricultural land is involved; and determining if conditions have been met to receive or continue in the Agricultural Special Valuation program.

## **Commercial and Industrial**

Two hotels have recently been completed in Sarpy County and present a new valuation challenge for our office. The number of commercial valuations that are appealed to the Nebraska Tax Equalization and Review Commission is increasing. Preparation for each case is increasingly difficult as we see taxpayers being represented by attorneys and tax professionals. Interrogatories are often issued and must be completed by our staff appraisers with the assistance of an attorney. Many out-of-state tax representatives are now representing local property owners and request a large amount of information and consume a lot of our time. On most occasions, the commercial appraisal staff has been very successful at coming to an agreement with the property owner prior to a TERC hearing. Our commercial appraisers will continue to inspect and re-value several occupancy types of commercial property each year.

## **Agricultural/Rural**

We deal with rural valuation issues, daily. While the number of acres of agricultural land declines, the number of rural residences increases. Important TERC decisions from 2009 and 2010 indicate that our methodology in interpreting and applying our market data to a valuation model is generally sound. However, the valuation disparities with Douglas County frustrate local property owners and bring our valuations into question. In 2011, we will run sales analysis as we did in the two previous years while putting greater effort into identifying market characteristics that could help us develop either distinct, geographic market areas and/or market derived adjustments for negative influences to value. Actual farm and grazing land will see a noticeable increase in the assessed value due to the much publicized spike in agricultural sale prices fueled by the poor performance of competing investments and the high commodity prices.

## **General**

We are pressing Terra Scan for the implementation of T2. If we emerge from 2011 without a clear plan for assessor/treasurer system upgrading, we will look to other vendors for a new product.

## **Assessment Actions Planned for Assessment Year 2012**

### **Residential**

Sarpy County will still be the fastest growing county in the state. The final U.S. Census numbers have us firmly above 150,000 in population. A clear trend toward growth outside of the cities and incorporated areas means a greater focus on rural valuations practices. We will have a sufficient population count to merit an additional deputy assessor.

The electronic record will take over as our primary working record for all properties as our old, pencil drawings should all be converted to digital drawing. Paper records are finding their way to the archives much more rapidly.

The assessor will continue to be an advocate for more assessment and mapping information available on the internet. The Census numbers indicate the possible necessity of an additional deputy assessor. However, there is no intention toward one, this year.

### **Commercial/Industrial**

Additional appraisal training may be required to properly value hotel concerns. We anticipate an even greater load of TERC cases that will consume a large amount of the appraiser's time. The appraisers will select new occupancy codes to be re-listed and re-valued.

It will likely be time to perform a land study for the purpose of determining the accuracy of the Vacant Land Discount applied to vacant lots. Often

### **Agricultural/Rural**

The county board has several new commissioners and there appears to be a growing interest in assessed values. Hopefully, the decisions handed down by the TERC in response to the challenges to our methodology will strengthen the county board's confidence in our appraisal products. We expect some TERC appeals of the agricultural land values in spite of the well publicized inflation in selling prices.

The Agricultural Land Use Map that we updated in 2009 should continue to draw some objections from land owners as they become aware of the changes. We expect to be updating the land use map, frequently. The new soil map has been in force for over one year and still draws skepticism from farmers as to its accuracy. We will continue to look closely at the parcels receiving or requesting special valuation to determine agricultural or horticultural use along with updating our Land Use maps.

Buildings constructed in the rural areas that do not require a building permit will continue to be a priority as we return order to the rural property characteristics documented on our records. Agricultural land values will be adjusted as the land sales direct.

### **General**

The statistical measurements of the quality of assessment will continue to drive our decision making on which areas of the county need to be re-inspected. However, the rural/agricultural/recreational parcels are an exception. This group of parcels will still be in the process of improving the accuracy of our physical property characteristics.

The collection of street-level images (photos) must show some noticeable progress as many digital photos from the ground level do not exist.

## **Assessment Actions Planned for Assessment Year 2013**

### **Residential**

Reappraisal and re-inspection will continue as usual. We will be working with new data collection technology by now in the form of oblique aerial photography and updated street photos. We anticipate a have a staff of 20 or 21. We are at 19 as of this writing, but intend to add one rural appraiser and an additional deputy assessor.

### **Commercial/Industrial**

The building of commercial buildings will likely be steady with the opening of Werner Baseball Park and the investment by the City of Gretna in the Nebraska Crossing Outlet Mall. We will likely be defending many values at the TERC against fee appraisers and attorney's as we are experiencing an increase of same each year.

National publications of rents, vacancies, and capitalization rates will be of greater use as we start to see larger commercial/industrial concerns locate in Sarpy County. We are hopeful that our efforts at more frequent and open discussion with property owners will increase our understanding of our local market.

### **Agricultural/Rural**

This sector of our property tax base has realized some substantial increases in their land values in 2009, 2010, and 2011. Our presence in the rural areas will be more frequent as the population continue to grow outside of the cities and incorporated areas.

## 2011 Assessment Survey for Sarpy County

### A. Staffing and Funding Information

1.	<b>Deputy(ies) on staff:</b>
	One
2.	<b>Appraiser(s) on staff:</b>
	Nine
3.	<b>Other full-time employees:</b>
	Eight
4.	<b>Other part-time employees:</b>
	None
5.	<b>Number of shared employees:</b>
	None
6.	<b>Assessor's requested budget for current fiscal year:</b>
	\$1,138,569.00
7.	<b>Adopted budget, or granted budget if different from above:</b>
	\$1,039,383.01
8.	<b>Amount of the total budget set aside for appraisal work:</b>
9.	<b>Appraisal/Reappraisal budget, if not part of the total budget:</b>
10.	<b>Part of the budget that is dedicated to the computer system:</b>
	\$4,185.00
11.	<b>Amount of the total budget set aside for education/workshops:</b>
	\$4,500.00
12.	<b>Other miscellaneous funds:</b>
	None
13.	<b>Amount of last year's budget not used:</b>
	No

### B. Computer, Automation Information and GIS

1.	<b>Administrative software:</b>
	Terra-Scan
2.	<b>CAMA software:</b>
	Terra-Scan
3.	<b>Are cadastral maps currently being used?</b>
	Digital maps are provided through the GIS system
4.	<b>If so, who maintains the Cadastral Maps?</b>
	Assessor, in coordination with the GIS mapping staff
5.	<b>Does the county have GIS software?</b>
	Yes

6.	<b>Who maintains the GIS software and maps?</b>
	Information Systems Department within the County
7.	<b>Personal Property software:</b>
	Terra-Scan

### C. Zoning Information

1.	<b>Does the county have zoning?</b>
	Yes
2.	<b>If so, is the zoning countywide?</b>
	Yes
3.	<b>What municipalities in the county are zoned?</b>
	Papillion, La Vista, Bellevue, Gretna, Springfield, Sarpy County
4.	<b>When was zoning implemented?</b>
	N/A

### D. Contracted Services

1.	<b>Appraisal Services:</b>
	None
2.	<b>Other services:</b>
	Printing of valuation change notices and informational post cards.



# 2011 Certification for Sarpy County

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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 Sarpy County Assessor.

Dated this 11th day of April, 2011.



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

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Ruth A. Sorensen  
Property Tax Administrator



