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2012 Commission Summary for Banner County

Residential Real Property - Current

Number of Sales	8	Median	70.44
Total Sales Price	\$697,500	Mean	72.73
Total Adj. Sales Price	\$697,500	Wgt. Mean	78.21
Total Assessed Value	\$545,495	Average Assessed Value of the Base	\$28,517
Avg. Adj. Sales Price	\$87,188	Avg. Assessed Value	\$68,187

Confidence Interval - Current

95% Median C.I	38.11 to 111.92
95% Wgt. Mean C.I	49.57 to 106.85
95% Mean C.I	52.68 to 92.78
% of Value of the Class of all Real Property Value in the	1.39
% of Records Sold in the Study Period	8.51
% of Value Sold in the Study Period	20.35

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	4		75
2010	4	100	97
2009	7	100	76
2008	6	100	84

2012 Commission Summary for Banner 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	\$22,538
Avg. Adj. Sales Price	\$0	Avg. Assessed Value	\$0

Confidence Interval - Current

95% Median C.I	N/A
95% Wgt. Mean C.I	N/A
95% Mean C.I	N/A
% of Value of the Class of all Real Property Value in the County	0.10
% 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
2011	0		0
2010	0	100	0
2009	0	100	0
2008	0	100	0

2012 Opinions of the Property Tax Administrator for Banner 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 (2011). 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 these 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	72	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 9th day of April, 2012.



Ruth A. Sorensen

Ruth A. Sorensen
Property Tax Administrator

2012 Residential Assessment Actions for Banner County

For 2012, the County reviewed all improvements and took new pictures of them within Range 53W of Banner County. The Assessor also picked up two new mobile homes, one stick-built home and three outbuildings.

2012 Residential Assessment Survey for Banner County

1.	Valuation data collection done by:	
	The Assessor and her staff member	
2.	In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	10	Harrisburg—all residential parcels within the village of Harrisburg.
	80	Rural—all remaining residential parcels within the County.
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	The Assessor uses replacement cost new, minus depreciation.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	June 2010.	
5.	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?	
	The County uses the tables provided by the CAMA vendor.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	No	
7.	When were the depreciation tables last updated for each valuation grouping?	
	June 2010	
8.	When was the last lot value study completed for each valuation grouping?	
	In 2006	
9.	Describe the methodology used to determine the residential lot values?	
	By market value, and then by the square foot method for the three lot sizes found in Harrisburg.	
10.	How do you determine whether a sold parcel is substantially changed?	
	A substantially changed parcel would be determined by the extent of remodeling or significant additions to the improvements.	

04 Banner
RESIDENTIAL

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

Date Range: 7/1/2009 To 6/30/2011 Posted on: 3/21/2012

Number of Sales : 8
Total Sales Price : 697,500
Total Adj. Sales Price : 697,500
Total Assessed Value : 545,495
Avg. Adj. Sales Price : 87,188
Avg. Assessed Value : 68,187

MEDIAN : 70
WGT. MEAN : 78
MEAN : 73
COD : 27.29
PRD : 92.99

COV : 32.97
STD : 23.98
Avg. Abs. Dev : 19.22
MAX Sales Ratio : 111.92
MIN Sales Ratio : 38.11

95% Median C.I. : 38.11 to 111.92
95% Wgt. Mean C.I. : 49.57 to 106.85
95% Mean C.I. : 52.68 to 92.78

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DATE OF SALE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
<u>Qtrrs</u>											
01-JUL-09 To 30-SEP-09	2	50.98	50.98	49.86	25.25	102.25	38.11	63.84	N/A	69,000	34,403
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10	1	111.92	111.92	111.92	00.00	100.00	111.92	111.92	N/A	200,000	223,847
01-APR-10 To 30-JUN-10	2	68.79	68.79	71.36	27.07	96.40	50.17	87.41	N/A	58,000	41,390
01-JUL-10 To 30-SEP-10											
01-OCT-10 To 31-DEC-10	2	84.25	84.25	79.38	08.56	106.14	77.04	91.45	N/A	55,250	43,860
01-JAN-11 To 31-MAR-11											
01-APR-11 To 30-JUN-11	1	61.91	61.91	61.91	00.00	100.00	61.91	61.91	N/A	133,000	82,343
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	5	63.84	70.29	82.69	34.79	85.00	38.11	111.92	N/A	90,800	75,086
01-JUL-10 To 30-JUN-11	3	77.04	76.80	69.84	12.79	109.97	61.91	91.45	N/A	81,167	56,688
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	5	87.41	83.60	92.46	17.42	90.42	50.17	111.92	N/A	85,300	78,869
<u>ALL</u>	8	70.44	72.73	78.21	27.29	92.99	38.11	111.92	38.11 to 111.92	87,188	68,187

VALUATION GROUPING										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
10	2	75.63	75.63	75.90	15.59	99.64	63.84	87.41	N/A	64,500	48,957
80	6	69.48	71.77	78.73	31.23	91.16	38.11	111.92	38.11 to 111.92	94,750	74,597
<u>ALL</u>	8	70.44	72.73	78.21	27.29	92.99	38.11	111.92	38.11 to 111.92	87,188	68,187

PROPERTY TYPE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	8	70.44	72.73	78.21	27.29	92.99	38.11	111.92	38.11 to 111.92	87,188	68,187
06											
07											
<u>ALL</u>	8	70.44	72.73	78.21	27.29	92.99	38.11	111.92	38.11 to 111.92	87,188	68,187

04 Banner
RESIDENTIAL

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

Date Range: 7/1/2009 To 6/30/2011 Posted on: 3/21/2012

Number of Sales : 8
Total Sales Price : 697,500
Total Adj. Sales Price : 697,500
Total Assessed Value : 545,495
Avg. Adj. Sales Price : 87,188
Avg. Assessed Value : 68,187

MEDIAN : 70
WGT. MEAN : 78
MEAN : 73
COD : 27.29
PRD : 92.99

COV : 32.97
STD : 23.98
Avg. Abs. Dev : 19.22
MAX Sales Ratio : 111.92
MIN Sales Ratio : 38.11

95% Median C.I. : 38.11 to 111.92
95% Wgt. Mean C.I. : 49.57 to 106.85
95% Mean C.I. : 52.68 to 92.78

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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 \$ Ranges</u>												
Less Than 5,000												
Less Than 15,000												
Less Than 30,000	1	91.45	91.45	91.45	00.00	100.00	91.45	91.45	N/A	18,000	16,461	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	8	70.44	72.73	78.21	27.29	92.99	38.11	111.92	38.11 to 111.92	87,188	68,187	
Greater Than 14,999	8	70.44	72.73	78.21	27.29	92.99	38.11	111.92	38.11 to 111.92	87,188	68,187	
Greater Than 29,999	7	63.84	70.06	77.86	28.24	89.98	38.11	111.92	38.11 to 111.92	97,071	75,576	
<u>Incremental Ranges</u>												
0 TO 4,999												
5,000 TO 14,999												
15,000 TO 29,999	1	91.45	91.45	91.45	00.00	100.00	91.45	91.45	N/A	18,000	16,461	
30,000 TO 59,999	1	50.17	50.17	50.17	00.00	100.00	50.17	50.17	N/A	50,000	25,086	
60,000 TO 99,999	4	70.44	66.60	66.70	22.19	99.85	38.11	87.41	N/A	74,125	49,440	
100,000 TO 149,999	1	61.91	61.91	61.91	00.00	100.00	61.91	61.91	N/A	133,000	82,343	
150,000 TO 249,999	1	111.92	111.92	111.92	00.00	100.00	111.92	111.92	N/A	200,000	223,847	
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	8	70.44	72.73	78.21	27.29	92.99	38.11	111.92	38.11 to 111.92	87,188	68,187	

**2012 Correlation Section
for Banner County**

A. Residential Real Property

The Banner County Assessor deemed eight residential sales to be qualified during the two-year time period of the sales study. The last time the County produced eight residential sales was in assessment year 2006. Two of the eight qualified sales (or 25%) are to be found in the village of Harrisburg (Valuation Grouping 10), and the remaining six (75%) are rural residential (Valuation Grouping 80). From the 2012 abstract, the percentage of residential parcels labeled "Urban" is 77%, and the percentage of residential sales labeled "Rural" is therefore 23%: a veritable inversion of the current sample. The sample is clearly not representative of the residential population, and it could be argued that the number of sales is statistically insignificant. Therefore, none of the three measures of central tendency or either of the qualitative statistical measures will be used to estimate the level of value and the quality of assessment for this class of property.

It should be noted that the Banner County Assessor attempts to utilize (through verification) as many sales as possible. Her verification process consists of a questionnaire that is sent to both the buyer and seller of all residential, commercial and agricultural property in which the recorded transactions contain documentary tax stamps. The Assessor's estimate is that about one-half of the questionnaires are returned. For those sales that do not produce a response from either buyer or seller, the Assessor and her staff member use their personal knowledge of the County to aid in the qualification process. A non-verified sale is assumed to be qualified, unless further information to the contrary is discovered. As of 2012, the Assessor has completed the six-year cycle of physical review for all residential and commercial improvements within the County.

Due to the lack of adequate sales data and the non-representative sample, the level of value for residential property cannot be determined for Banner County.

**2012 Correlation Section
for Banner County**

B. Analysis of Sales Verification

Neb. Rev. Stat. § 77-1327(2) (2011) 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 (2010), 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 Nebraska Department of Revenue, Property Assessment Division (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.

2012 Correlation Section for Banner 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 of 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 International Association of Assessing Officers (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.

2012 Correlation Section for Banner 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 IAAO 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 on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Banner County**

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. 239.

2012 Commercial Assessment Actions for Banner County

No actions were taken to address commercial property for assessment year 2012, since there were no commercial properties to review and/or photograph within Range fifty-three west.

2012 Commercial Assessment Survey for Banner County

1.	Valuation data collection done by:	
	The Assessor and her staff member.	
2.	In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
		Since there are only eight commercial properties within the County, the Assessor believes that they would be better served by occupancy code, rather than be artificially relegated to a Harrisburg and Rural location.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	The approach used is replacement cost new, minus depreciation.	
3a.	Describe the process used to value unique commercial properties.	
	There are no unique commercial properties in Banner County.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	2010	
5.	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?	
	The County uses the tables provided by the CAMA vendor.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	No	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2010	
8.	When was the last lot value study completed for each valuation grouping?	
	There has not been a lot study, since there are no vacant commercial lots in Banner County.	
9.	Describe the methodology used to determine the commercial lot values.	
	There are only nine commercial parcels in the County, and therefore commercial lots carry a "site" value.	
10.	How do you determine whether a sold parcel is substantially changed?	
	If extensive remodeling or substantial additions were made to commercial improvements, this would describe a substantially changed parcel.	

04 Banner
COMMERCIAL

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

Date Range: 7/1/2008 To 6/30/2011 Posted on: 3/21/2012

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-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											
01-JUL-10 To 30-SEP-10											
01-OCT-10 To 31-DEC-10											
01-JAN-11 To 31-MAR-11											
01-APR-11 To 30-JUN-11											
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09											
01-JUL-09 To 30-JUN-10											
01-JUL-10 To 30-JUN-11											
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09											
01-JAN-10 To 31-DEC-10											
<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>											

04 Banner
COMMERCIAL

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

Date Range: 7/1/2008 To 6/30/2011 Posted on: 3/21/2012

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 *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Low \$ Ranges											
Less Than 5,000											
Less Than 15,000											
Less Than 30,000											
Ranges Excl. Low \$											
Greater Than 4,999											
Greater Than 14,999											
Greater Than 29,999											
Incremental Ranges											
0 TO 4,999											
5,000 TO 14,999											
15,000 TO 29,999											
30,000 TO 59,999											
60,000 TO 99,999											
100,000 TO 149,999											
150,000 TO 249,999											
250,000 TO 499,999											
500,000 TO 999,999											
1,000,000 +											
ALL											

**2012 Correlation Section
for Banner County**

A. Commercial Real Property

As shown by the Banner County commercial statistical profile, no qualified commercial sales occurred during the three-year timeframe of the commercial sales study. This reflects the lack of qualified commercial sales in Banner County for a considerable number of years, and indicates that there is not a viable commercial market in this agricultural-based County. In fact, there are only nine individual commercial properties within the County, and only two have the same occupancy code--and these are cellular towers.

The Assessor attempts to utilize (through sales verification) as many sales as possible. A questionnaire is sent to both the buyer and seller of all residential, commercial and agricultural property in which the recorded transactions contain documentary tax stamps. The Assessor's estimate is that about one-half of the questionnaires are returned. For those sales that do not produce a returned response from either buyer or seller, the Assessor and her staff member use their personal knowledge of the County to aid in the qualification process. A non-verified sale is assumed to be qualified, unless further information to the contrary is discovered. Since there have been virtually no commercial sales for the last five or more years, the verification process for commercial property has not been utilized as it has for the other property types.

The County has completed the residential and commercial six-year review with the completion of Range 53W in assessment year 2012 and utilizes a 2010 cost index to value commercial improvements.

However, due to the complete lack of any qualified sales data, it is believed that the level of value for commercial property in Banner County cannot be determined.

**2012 Correlation Section
for Banner County**

B. Analysis of Sales Verification

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The Nebraska Department of Revenue, Property Assessment Division (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.

**2012 Correlation Section
for Banner 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 of 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 International Association of Assessing Officers (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.

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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.

2012 Correlation Section for Banner 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 IAAO 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.

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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 on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Banner County**

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. 239.

2012 Agricultural Assessment Actions for Banner County

For assessment year 2012, the Assessor addressed the agricultural property class by doing the following: all irrigated land was raised to closer match 75% of the market; dry land was increased by roughly \$10 per acre to match the current market (with the exception of 4D); grass was raised (on average) by about \$10 per acre as well (with the exception of subclass 4G1).

2012 Agricultural Assessment Survey for Banner County

1.	Valuation data collection done by:	
	The Assessor and her staff member.	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
		The county has no identified agricultural market areas.
3.	Describe the process that is used to determine and monitor market areas.	
	If the Assessor would notice a significant difference in the market activity in a particular area within the County as compared to the remainder of the County, she would further monitor this to determine if it was significant enough to establish a separate, unique market area.	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	A small parcel of land would be considered rural residential, unless it adjoins an active agricultural operation, and this is usually determined by response to a mailed questionnaire. Recreational land must have recreation as its primary use to be classified as "recreational." Leasing land during hunting season for a limited period of time does not constitute recreational classification. Hunting preserves are classified as recreational if hunting is the primary use.	
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	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	By sending copies of GIS maps to one-third of landowners each year to confirm land use.	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	The Assessor states that there is no defined process at present, since there appears to be no non-agricultural influence in Banner County.	
8.	Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels.	
	No.	
9.	How do you determine whether a sold parcel is substantially changed?	
	New improvements put on a previously unimproved parcel of land would constitute "substantially changed."	

04 Banner
AGRICULTURAL LAND

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

Date Range: 7/1/2008 To 6/30/2011 Posted on: 3/21/2012

Number of Sales : 50
Total Sales Price : 8,870,405
Total Adj. Sales Price : 8,820,405
Total Assessed Value : 5,611,065
Avg. Adj. Sales Price : 176,408
Avg. Assessed Value : 112,221

MEDIAN : 72
WGT. MEAN : 64
MEAN : 73
COD : 20.74
PRD : 114.13

COV : 29.52
STD : 21.43
Avg. Abs. Dev : 14.87
MAX Sales Ratio : 141.07
MIN Sales Ratio : 39.22

95% Median C.I. : 64.20 to 76.31
95% Wgt. Mean C.I. : 56.19 to 71.04
95% Mean C.I. : 66.66 to 78.54

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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	3	70.15	69.13	69.00	08.34	100.19	59.85	77.39	N/A	96,316	66,459
01-OCT-08 To 31-DEC-08	8	85.41	94.99	76.91	22.35	123.51	57.81	141.07	57.81 to 141.07	117,843	90,635
01-JAN-09 To 31-MAR-09	4	66.18	67.06	65.70	11.26	102.07	54.96	80.93	N/A	173,375	113,903
01-APR-09 To 30-JUN-09	2	75.74	75.74	68.92	22.27	109.90	58.87	92.61	N/A	184,600	127,230
01-JUL-09 To 30-SEP-09	4	72.80	74.90	73.10	14.35	102.46	57.99	96.00	N/A	111,400	81,435
01-OCT-09 To 31-DEC-09	3	100.84	101.87	104.22	17.11	97.75	76.51	128.27	N/A	72,500	75,558
01-JAN-10 To 31-MAR-10	4	55.04	56.76	58.12	11.01	97.66	47.87	69.10	N/A	132,767	77,161
01-APR-10 To 30-JUN-10	4	71.88	68.00	59.98	09.07	113.37	53.26	74.99	N/A	155,225	93,107
01-JUL-10 To 30-SEP-10	3	64.20	64.87	61.80	09.21	104.97	56.33	74.07	N/A	80,043	49,468
01-OCT-10 To 31-DEC-10	6	71.83	67.45	67.27	11.75	100.27	52.05	81.43	52.05 to 81.43	251,501	169,180
01-JAN-11 To 31-MAR-11	3	56.40	62.10	67.53	13.74	91.96	53.33	76.57	N/A	137,891	93,111
01-APR-11 To 30-JUN-11	6	57.22	58.82	51.03	31.16	115.27	39.22	81.91	39.22 to 81.91	424,689	216,706
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	17	79.25	81.59	71.24	21.15	114.53	54.96	141.07	59.85 to 89.72	134,964	96,149
01-JUL-09 To 30-JUN-10	15	70.91	73.62	67.96	20.43	108.33	47.87	128.27	56.54 to 76.51	121,004	82,232
01-JUL-10 To 30-JUN-11	18	67.91	63.25	58.23	18.10	108.62	39.22	81.91	53.33 to 74.18	261,719	152,392
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	13	74.68	78.84	73.15	20.61	107.78	54.96	128.27	58.87 to 96.00	132,754	97,114
01-JAN-10 To 31-DEC-10	17	69.10	64.61	63.58	13.18	101.62	47.87	81.43	53.36 to 74.07	170,653	108,503
<u>ALL</u>	50	71.68	72.60	63.61	20.74	114.13	39.22	141.07	64.20 to 76.31	176,408	112,221

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Blank	50	71.68	72.60	63.61	20.74	114.13	39.22	141.07	64.20 to 76.31	176,408	112,221
<u>ALL</u>	50	71.68	72.60	63.61	20.74	114.13	39.22	141.07	64.20 to 76.31	176,408	112,221

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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
_____Irrigated_____											
County	2	94.47	94.47	56.37	49.33	167.59	47.87	141.07	N/A	109,680	61,823
Blank	2	94.47	94.47	56.37	49.33	167.59	47.87	141.07	N/A	109,680	61,823
_____Dry_____											
County	13	74.18	68.26	64.90	18.83	105.18	39.22	96.00	53.33 to 83.16	103,082	66,901
Blank	13	74.18	68.26	64.90	18.83	105.18	39.22	96.00	53.33 to 83.16	103,082	66,901
_____Grass_____											
County	8	74.02	75.93	62.54	25.01	121.41	42.70	138.09	42.70 to 138.09	243,551	152,320
Blank	8	74.02	75.93	62.54	25.01	121.41	42.70	138.09	42.70 to 138.09	243,551	152,320
_____ALL_____	50	71.68	72.60	63.61	20.74	114.13	39.22	141.07	64.20 to 76.31	176,408	112,221

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	5	53.26	67.65	46.91	40.22	144.21	41.07	141.07	N/A	371,872	174,433
Blank	5	53.26	67.65	46.91	40.22	144.21	41.07	141.07	N/A	371,872	174,433
_____Dry_____											
County	14	74.59	68.85	65.40	17.62	105.28	39.22	96.00	53.33 to 83.16	100,004	65,401
Blank	14	74.59	68.85	65.40	17.62	105.28	39.22	96.00	53.33 to 83.16	100,004	65,401
_____Grass_____											
County	12	76.85	80.68	67.82	23.08	118.96	42.70	138.09	58.87 to 83.38	251,617	170,639
Blank	12	76.85	80.68	67.82	23.08	118.96	42.70	138.09	58.87 to 83.38	251,617	170,639
_____ALL_____	50	71.68	72.60	63.61	20.74	114.13	39.22	141.07	64.20 to 76.31	176,408	112,221

Banner County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
4.10	Banner	1	N/A	850	850	750	750	700	700	583	727
17.30	Cheyenne	3	N/A	1,250	1,225	1,190	1,055	1,040	1,000	975	1,213
53.30	Kimball	3	N/A	1,210	1,100	950	895	840	700	665	927
53.40	Kimball	4	N/A	1,200	1,100	950	875	850	800	750	923
62.30	Morrill	3	N/A	1,210	1,210	1,210	1,075	1,075	1,075	1,075	1,147
79.30	ScottsBluff	3	N/A	N/A	1,850	1,348	1,350	1,198	1,200	1,200	1,468

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Banner	1	N/A	320	320	320	290	260	245	225	298
	Cheyenne	3	N/A	395	385	385	370	350	340	320	387
	Kimball	3	N/A	325	310	300	250	200	175	160	251
	Kimball	4	N/A	360	340	285	240	225	180	180	263
	Morrill	3	N/A	380	380	340	340	340	340	340	349
	ScottsBluff	3	N/A	N/A	330	310	260	230	230	210	275

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Banner	1	N/A	304	303	295	258	254	233	221	245
	Cheyenne	3	N/A	337	374	332	341	299	299	179	283
	Kimball	3	N/A	361	339	297	214	185	157	140	202
	Kimball	4	N/A	389	350	307	255	201	178	175	199
	Morrill	3	N/A	325	300	275	250	200	200	200	209
	ScottsBluff	3	N/A	N/A	250	240	235	215	215	200	214

*Land capability grouping averages calculated using data reported on the 2012 Form 45, Abstract of Assessment

2012 Correlation Section for Banner County

A. Agricultural Land

Banner County has a total land area of 746 square miles and agricultural land within the County is comprised of approximately 68% grass, 27% dry land and only 5% irrigated. The remaining two percent is classified as waste and other. The Banner County economy is almost entirely based on its agricultural market. Banner County lies within the North Platte NRD that instituted a moratorium on new water well drilling in 2001. Irrigation in the North Platte NRD is "derived from a combination of surface (canal) water and ground (well) water" (taken from the NPNRD web site). "In addition to placing a moratorium on new well drilling, certifying all ground water uses, and metering ground water uses, the North Platte NRD is also encouraging the permanent retirement of irrigated acres throughout the District. Since 2006, nearly 3,900 irrigated acres have been permanently retired in the Pumpkin Creek Basin. These lands were converted to dry land, rangeland, or wildlife habitat" (again, taken from the NPNRD web site). This has significantly affected the number of irrigable acres in Banner County.

Banner County currently has no defined agricultural market areas--however, it is surrounded by four counties that have multiple market areas: Scotts Bluff County, bordering Banner to the north, has three market areas (two of which are Special Value). Morrill County, bordering Banner to the east has three market areas. Cheyenne County, bordering Banner in a small portion of the southeast also has four agricultural market areas. Kimball County, bordering Banner to the south has four market areas, and two of these touch Banner (areas three and four).

The sales qualification and review process consists of a questionnaire sent to both the buyer and seller of all residential, commercial and agricultural property in which the recorded transactions contain documentary tax stamps. The Assessor estimates that about half of the questionnaires are returned. For those sales that do not produce a response from the buyer or seller, the Assessor and her staff member use their personal knowledge of the County to aid in the qualification process. A non-verified sale is assumed to be qualified, unless further information to the contrary is discovered.

Preliminary analysis of the sample indicated an imbalance in the second year of the sales study period (i.e., out of forty-one sales there were only six sales occurring during the second year, whereas seventeen sales occurred in the first year and eighteen sales in the third). Comparable sales from surrounding counties were identified with a sale date in the second year (7.01.2009 to 6.30.2010) that could be added to the original sample to assure proportionality among the three years, while not creating an imbalance in Majority Land Use (that is already within threshold parameters). Nine such comparable sales were identified and used. This produced a sample of fifty sales, with seventeen occurring during the first year of the study, fifteen during the second year, and eighteen occurring during the final year of the sales study period.

A review of the statistical data from the agricultural sample reveals a median of 72%, a weighted mean of 64% and a mean of 73%. Two of the three measures of central tendency are within acceptable range, and either the median or the mean could be used to describe the overall level of value of agricultural land in Banner County. The Coefficient of Dispersion is less than one point above the upper limit of its prescribed range at 20.74, and tends to confirm

**2012 Correlation Section
for Banner County**

the median. The Price-Related Differential is at 114.13. A review of 95% Majority Land Use reveals thirteen dry sales with a median of 74%, and a corresponding COD of 19 (rounded). Eight grass sales are also within acceptable median range at 74%.

For assessment year 2012, the Assessor addressed the agricultural property class by the following actions: all irrigated land was raised to closer match 75% of the market; dry land was increased by roughly \$10 per acre to match the current market (with the exception of LCG 4D); grass was raised on average by about \$10 per acre as well (with the exception of subclass 4G1).

Based on consideration of the available data, it is determined that the level of value of agricultural land in Banner County is 72%. Further, based on knowledge of the County's assessment practices, it is believed that agricultural land is assessed in a uniform and proportionate manner.

**2012 Correlation Section
for Banner County**

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

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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 on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Banner County**

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. 239.

Total Real Property Sum Lines 17, 25, & 30	Records : 1,916	Value : 193,392,520	Growth 377,575	Sum Lines 17, 25, & 41
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	27	15,415	0	0	2	5,200	29	20,615	
02. Res Improve Land	44	286,053	0	0	18	65,790	62	351,843	
03. Res Improvements	45	1,541,854	0	0	20	766,269	65	2,308,123	
04. Res Total	72	1,843,322	0	0	22	837,259	94	2,680,581	57,514
% of Res Total	76.60	68.77	0.00	0.00	23.40	31.23	4.91	1.39	15.23
05. Com UnImp Land	0	0	0	0	3	3,000	3	3,000	
06. Com Improve Land	2	15,000	0	0	3	17,027	5	32,027	
07. Com Improvements	2	130,458	0	0	4	37,356	6	167,814	
08. Com Total	2	145,458	0	0	7	57,383	9	202,841	90,917
% of Com Total	22.22	71.71	0.00	0.00	77.78	28.29	0.47	0.10	24.08
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	72	1,843,322	0	0	22	837,259	94	2,680,581	57,514
% of Res & Rec Total	76.60	68.77	0.00	0.00	23.40	31.23	4.91	1.39	15.23
Com & Ind Total	2	145,458	0	0	7	57,383	9	202,841	90,917
% of Com & Ind Total	22.22	71.71	0.00	0.00	77.78	28.29	0.47	0.10	24.08
17. Taxable Total	74	1,988,780	0	0	29	894,642	103	2,883,422	148,431
% of Taxable Total	71.84	68.97	0.00	0.00	28.16	31.03	5.38	1.49	39.31

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	Records	Urban Value	Records	SubUrban Value	Records	Rural Value	Records	Total Value	Growth
23. Producing	0	0	0	0	79	35,243,290	79	35,243,290	0
24. Non-Producing	0	0	0	0	111	67,210	111	67,210	0
25. Total	0	0	0	0	190	35,310,500	190	35,310,500	0

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	8	2	6	16

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	0	0	0	0	1,195	96,112,534	1,195	96,112,534
28. Ag-Improved Land	0	0	0	0	396	38,415,012	396	38,415,012
29. Ag Improvements	0	0	0	0	428	20,671,052	428	20,671,052
30. Ag Total							1,623	155,198,598

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	Rural Acres	Value	Records	Total Acres	Value	Growth
31. HomeSite UnImp Land	54	51.46	113,730	54	51.46	113,730	
32. HomeSite Improv Land	255	292.95	2,036,119	255	292.95	2,036,119	
33. HomeSite Improvements	255	0.00	15,912,793	255	0.00	15,912,793	0
34. HomeSite Total				309	344.41	18,062,642	
35. FarmSite UnImp Land	67	142.11	72,406	67	142.11	72,406	
36. FarmSite Improv Land	334	1,338.62	969,142	334	1,338.62	969,142	
37. FarmSite Improvements	392	0.00	4,758,259	392	0.00	4,758,259	229,144
38. FarmSite Total				459	1,480.73	5,799,807	
39. Road & Ditches	870	3,190.94	0	870	3,190.94	0	
40. Other- Non Ag Use	9	63.80	38,260	9	63.80	38,260	
41. Total Section VI				768	5,079.88	23,900,709	229,144

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	9	2,465.70	512,798	9	2,465.70	512,798

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	2,228.94	9.32%	1,894,607	10.89%	850.00
47. 2A1	1,277.60	5.34%	1,085,963	6.24%	850.00
48. 2A	6,814.16	28.49%	5,110,642	29.38%	750.00
49. 3A1	251.07	1.05%	188,303	1.08%	750.00
50. 3A	5,223.93	21.84%	3,656,754	21.02%	700.00
51. 4A1	6,188.17	25.87%	4,331,722	24.90%	700.00
52. 4A	1,935.07	8.09%	1,128,235	6.49%	583.05
53. Total	23,918.94	100.00%	17,396,226	100.00%	727.30
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	27,802.48	22.79%	8,896,787	24.48%	320.00
56. 2D1	11,137.12	9.13%	3,563,886	9.81%	320.00
57. 2D	42,003.36	34.42%	13,441,084	36.98%	320.00
58. 3D1	4,835.03	3.96%	1,402,163	3.86%	290.00
59. 3D	16,818.69	13.78%	4,372,865	12.03%	260.00
60. 4D1	14,828.59	12.15%	3,633,051	10.00%	245.00
61. 4D	4,589.13	3.76%	1,032,608	2.84%	225.01
62. Total	122,014.40	100.00%	36,342,444	100.00%	297.85
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	13,113.95	4.19%	3,990,791	5.20%	304.32
65. 2G1	4,881.26	1.56%	1,478,301	1.93%	302.85
66. 2G	50,022.46	15.98%	14,762,063	19.23%	295.11
67. 3G1	4,295.93	1.37%	1,108,857	1.44%	258.12
68. 3G	41,151.39	13.15%	10,452,473	13.62%	254.00
69. 4G1	68,329.20	21.83%	15,936,549	20.76%	233.23
70. 4G	131,152.00	41.91%	29,027,252	37.82%	221.33
71. Total	312,946.19	100.00%	76,756,286	100.00%	245.27
Irrigated Total					
	23,918.94	5.10%	17,396,226	13.25%	727.30
Dry Total					
	122,014.40	26.00%	36,342,444	27.68%	297.85
Grass Total					
	312,946.19	66.69%	76,756,286	58.46%	245.27
72. Waste	7,528.44	1.60%	225,869	0.17%	30.00
73. Other	2,838.14	0.60%	577,064	0.44%	203.32
74. Exempt	0.00	0.00%	0	0.00%	0.00
75. Market Area Total	469,246.11	100.00%	131,297,889	100.00%	279.81

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	23,918.94	17,396,226	23,918.94	17,396,226
77. Dry Land	0.00	0	0.00	0	122,014.40	36,342,444	122,014.40	36,342,444
78. Grass	0.00	0	0.00	0	312,946.19	76,756,286	312,946.19	76,756,286
79. Waste	0.00	0	0.00	0	7,528.44	225,869	7,528.44	225,869
80. Other	0.00	0	0.00	0	2,838.14	577,064	2,838.14	577,064
81. Exempt	0.00	0	0.00	0	0.00	0	0.00	0
82. Total	0.00	0	0.00	0	469,246.11	131,297,889	469,246.11	131,297,889

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	23,918.94	5.10%	17,396,226	13.25%	727.30
Dry Land	122,014.40	26.00%	36,342,444	27.68%	297.85
Grass	312,946.19	66.69%	76,756,286	58.46%	245.27
Waste	7,528.44	1.60%	225,869	0.17%	30.00
Other	2,838.14	0.60%	577,064	0.44%	203.32
Exempt	0.00	0.00%	0	0.00%	0.00
Total	469,246.11	100.00%	131,297,889	100.00%	279.81

2012 County Abstract of Assessment for Real Property, Form 45 Compared with the 2011 Certificate of Taxes Levied (CTL)

04 Banner

	2011 CTL County Total	2012 Form 45 County Total	Value Difference (2012 form 45 - 2011 CTL)	Percent Change	2012 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	2,620,253	2,680,581	60,328	2.30%	57,514	0.11%
02. Recreational	0	0	0		0	
03. Ag-Homesite Land, Ag-Res Dwelling	17,868,742	18,062,642	193,900	1.09%	0	1.09%
04. Total Residential (sum lines 1-3)	20,488,995	20,743,223	254,228	1.24%	57,514	0.96%
05. Commercial	202,841	202,841	0	0.00%	90,917	-44.82%
06. Industrial	0	0	0		0	
07. Ag-Farmsite Land, Outbuildings	5,730,432	5,799,807	69,375	1.21%	229,144	-2.79%
08. Minerals	22,534,270	35,310,500	12,776,230	56.70	0	56.70
09. Total Commercial (sum lines 5-8)	28,467,543	41,313,148	12,845,605	45.12%	320,061	44.00%
10. Total Non-Agland Real Property	48,956,538	62,094,631	13,138,093	26.84%	377,575	26.06%
11. Irrigated	16,298,278	17,396,226	1,097,948	6.74%		
12. Dryland	34,849,007	36,342,444	1,493,437	4.29%		
13. Grassland	76,931,854	76,756,286	-175,568	-0.23%		
14. Wasteland	223,036	225,869	2,833	1.27%		
15. Other Agland	614,266	577,064	-37,202	-6.06%		
16. Total Agricultural Land	128,916,441	131,297,889	2,381,448	1.85%		
17. Total Value of all Real Property (Locally Assessed)	177,872,979	193,392,520	15,519,541	8.73%	377,575	8.51%

2011 Plan of Assessment for Banner County, Nebraska Assessment Years 2012, 2013, and 2014

Date: June 13, 2011

Plan of Assessment Requirements:

Pursuant to Neb. Laws 2005, LB 263, Section 9, on or before June 15 each year, the assessor shall prepare a plan of assessment (herein after referred to as the "plan") which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of Property Assessment and Taxation on or before October 31 each year.

Real Property Assessment Requirements:

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

Assessment levels required for real property for 2012 are as follows:

- (1) 100% of actual value for all classes of real property excluding agricultural and horticultural land
- (2) 75% of actual value for agricultural land and horticultural land (as amended by LB 968); and
- (3) 75% of special value for agricultural and horticultural land which meets the qualifications for special valuation under 77-1344 and 80% of its recapture value as defined in 77-1343 when the land is disqualified for special valuation under 77-1347.

Reference, Neb Rev Stat 77-201 (R S Supp 2004)

General Description of Real Property in Banner County

Per the 2011 County Abstract, Banner County consists of the following real property types:

	Parcels	% of Total Parcels	Value	% of Taxable Value Base
Residential	65	3.46%	2,621,577	1.47%
Commercial	9	0.48%	202,841	0.11%
Recreational				
Agricultural	1615	86.04%	152,440,618	85.39%
Mineral Interest- Producing	71	3.78%	22,679,790	12.70%
Mineral Interest- Non-Producing	108	5.75%	66,460	0.04%
Game & Parks	9	0.48%	511,637	0.29%
	1877		178,522,923	

Agricultural land - taxable acres

The county is predominately agricultural consisting of the following sub classes:

Irrigation	23,800.49
Dry crop	121,546.82
Grass & CRP	313,665.16
Waste	7,301.40
Other (feedlot & shelterbelt)	2,899.32

Total of 469,213.18 acres with a value of \$128,762,756

New property : For assessment year 2011, an estimated 3 information statements were filed for new property construction within the county, however 10 parcels were on the pickup list

For more information see 2011 Reports & Opinions, Abstract and Assessor Survey

Current Resources

A. Staff/Budget/Training

Presently have 1 employee who works part time in the summer months and full time during the winter

The 2010-11 budget for the assessor's office was \$49,528 plus \$5600 included in Miscellaneous General for Appraisal (which includes pickup work and oil and gas appraisal) The assessor's office was split from the ex-officio office as of January 2011

Training – The employee has attended Class 101

B Cadastral Maps accuracy/condition, other land use maps, aerial photos

Cadastral maps are in a large book and will be discontinued. Aerial photos with individual mylar overlays containing ownership information, land use, and soil types are approximately 20 years old. The ownership on aerial photos is updated as deeds are filed

C Property Record Cards – new cards were prepared for the 2006 year.

For strictly ag land parcels, the land valuation sheets are printed on the MIPS program and placed behind the property record card in a plastic page protector.

Property Records Cards for parcels with improvements are a manila folder with the property record card imprinted on the front. A listing of each individual building with values for each year is permanently attached to the back of the manila folder. Each building is numbered on the site photo. A small snapshot in a photo sleeve has a corresponding number. This number is also noted on the MIPS improvement printouts and the yearly listing as mentioned.

House sketches, house photos, and farm site sketches have been updated in the MIPS CAMA

D We received a grant for an ESRI software and instructions in August of 2005. The GIS program now contains the ownership, soil conversion, and land use. We have networked the GIS program with the MIPS real estate administrative program. Our office will be working with the road department to prepare a layer showing roads locations, legal proceedings establishing roads, and the location of bridges, culverts, and all traffic signage.

E Web based – property record information access – There are no plans at this time to supply this information through a web site.

Current Assessment Procedures for Real Property

A. Discover, List & Inventory all property.

Copies of the deeds and Form 521's filed with the Register of Deeds are processed as they are received. A copy of the 521 is filed in a notebook with a copy of the deed and agland inventory sheets if applicable. At the time the 521's are processed a form letter is sent to the seller and the buyer requesting information concerning the sale.

Information statements are not filed on a regular basis – discovery of new improvements is usually through personal observation of county officials or other reports

B Data Collection

One sixth of the improvements were physically reviewed for 2011. Photos were taken for any improvements missed in previous reviews and any new improvements.

Market data is obtained from the Form 521 and the questionnaire mailed to buyers and sellers.

C Review assessment sales ratio studies

Market data is entered on an Excel spreadsheet with formulas which figure average selling price, median, COD, and PRD for irrigated, dry crop, grass, CRP, shelterbelts, waste, and sites. All sales (improved sales are used with the value of improvements being subtracted from the assessed value and also the selling price) are used in these computations. With time permitting the above studies are also computed with the unimproved sales only.

D Approaches to Value

- 1 Market approach; sales comparison – Used for agland sales. Have had an increasing number of sales in recent years so that sales comparison approach is more accurate than previous years. Strictly residential sales are still limited. Usually the agland sales where purchaser is actually occupying home are also included in the residential sales for computations.
- 2 Cost approach; cost manual used and date of manual and latest depreciation study- The Marshall Swift costing manual for 2010 available in conjunction with the MIPS CAMA program were used for 2011. Depreciation was figured on the 6 qualified sales and the current depreciation schedules were checked with these figures.

- 3 Income Approach, income and expense data collection – Because of the wide variety of rental and lease arrangements on agland, this method is not an accurate measure of value. Banner County also has few rental houses available for any kind of an income study.
 - 4. Land valuation studies, establish market areas, special value – sales are plotted on a large map using different colors for each years sales. This is used to determine if market areas would be appropriate. Banner County does not have zoning at the present time so special value is not a consideration
- E Reconciliation of Final Value and documentation – statements are attached to the property record card explaining the method used for final valuations
- F Review assessment sales ratio studies after assessment actions – New values for the current year are reported on the Assessed Value Update
- G Notices and Public Relations. Change of value notices are sent to every landowner in Banner County irregardless if the value changed or not. In the past we have included a printout of the land valuation groups and acres, value, etc. However, because of a computer problem we not longer do this -a notice is included with the COV telling the landowner that if they so requested we would furnish this information.

Level of Value, Quality and Uniformity for assessment year 2011:

Property Class	Median	COD	PRD
Residential	Insufficient sales		
Commercial	no sales		
Agricultural Land	74%	19.82	111.03

*COD means coefficient of dispersion and PRD means price related differential

For more information regarding statistical measures see 2011 Reports & Opinions

Assessment Actions Planned for Assessment Year 2012

Residential – The improvements located in Range 53 will be reviewed. Review will be conducted by the assessor and employee with possible part time help. The individual building photos in the property record cards are several years old so new pictures of all buildings will be taken and filed in the records.

Commercial - Commercial properties that are located in Range 53 will be reviewed at the same time as the residential and farm buildings.

Agricultural Land – We are using the GIS program to check land use and acreages. If there are questions, the landowner is contacted to provide us with authorization to obtain an FSA map.

Special Value – Agland - no special value anticipated

Assessment Actions Planned for Assessment Year 2013

Residential – The improvements in Range 58 will be reviewed. The same data collectors as the previous year. The individual building photos in the property record cards are several years old so new pictures of all buildings will be taken and filed in the records.

Commercial – Commercial property in Range 58 will be reviewed at the same time as the rural residential and farm outbuildings

Agricultural Land-

Special Value – Agland – no special value anticipated. Land use will continue to be check by using the GIS and FSA maps for questionable acreages.

Assessment Actions Planned for Assessment Year 2014

Residential – The improvements in Range 57 will be reviewed. The individual building photos in the property record cards are several years old so new pictures of all buildings will be taken and filed in the records.

Commercial – Commercial property in Range 57 will be reviewed at the same time as the rural residential and farm outbuildings

Agricultural Land- . Land use will continue to be check by using the GIS and FSA maps for questionable acreages.

Special Value – Agland – no special value anticipated

Other Functions performed by the assessor's office, but not limited to:

1. Record Maintenance, mapping updates, and ownership changes
2. Annually prepare and file Assessor Administrative Reports required by law/regulation:
 - a. Abstracts (Real & Personal Property)
 - b. Assessor Survey
 - c. Sales information to PA&T rosters and annual Assessed Value Update w/Abstract
 - d. Certification of Value to Political Subdivisions
 - e. School District Taxable Value Report
 - f. Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
 - g. Certificate of Taxes Levied Report
 - h. Report of current values for properties owned by Board of Educational Lands & Funds
 - i. Report of all Exempt Property and Taxable Government Owned Property
 - j. Annual Plan of Assessment Report
- 3 Personal Property; administer annual filing of 185 schedules with a value of 10,935,154, prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required
- 4 Permissive Exemptions: administer 6 annual filings of applications for new or continued exempt use, review and make recommendations to county board.
- 5 Taxable Government Owned Property – annual review of government owned property not used for public purpose, send notices of intent to tax, etc
6. Homestead Exemptions: administer 25 annual filings of applications, approval/denial process, taxpayer notifications, and taxpayer assistance.
- 7 Centrally Assessed – review of valuations as certified by PA&T for railroads and public service entities, establish assessment records and tax billing for tax list.
- 8 Tax Districts and Tax Rates – management of school district and other tax entity boundary changes necessary for correct assessment and tax information; input/review of tax rates used for tax billing process
9. Tax Lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed.
- 10 Tax List Corrections – prepare tax list correction documents for county board approval

9 County Board of Equalization – attend county board of equalization meetings for valuation protests – assemble and provide information.

10

11 TERC appeals – prepare information and attend taxpayer appeal hearings before TERC, defend valuation

12 TERC State wide Equalization – attend hearings if applicable to county, defend values, and/or implement orders of the TERC

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

Conclusion:

The 2011-2012 budget request will be approximately the same as the previous year.

Respectfully submitted:

Assessor's signature _____ Date: _____

2012 Assessment Survey for Banner County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	None
2.	Appraiser(s) on staff:
	None
3.	Other full-time employees:
	One
4.	Other part-time employees:
	None
5.	Number of shared employees:
	None
6.	Assessor's requested budget for current fiscal year:
	\$59,790
7.	Adopted budget, or granted budget if different from above:
	\$59,790
8.	Amount of the total assessor's budget set aside for appraisal work:
	None
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	\$5,600 for Pritchard & Abbott to appraise oil and gas.
10.	Part of the assessor's budget that is dedicated to the computer system:
	None of the Assessor's budget is used for the computer system. All Banner County offices have their computer system expenses taken out of the same fund.
11.	Amount of the assessor's budget set aside for education/workshops:
	\$700
12.	Other miscellaneous funds:
	None
13.	Amount of last year's assessor's budget not used:
	\$5,765

B. Computer, Automation Information and GIS

1.	Administrative software:
	New MIPS/PC Admin.
2.	CAMA software:
	New MIPS
3.	Are cadastral maps currently being used?
	No, GIS maps are now being used
4.	If so, who maintains the Cadastral Maps?
	N/A
5.	Does the county have GIS software?

	Yes
6.	Is GIS available on a website? If so, what is the name of the website?
	Not at this time, but the County is considering putting the property information on a website.
7.	Who maintains the GIS software and maps?
	Assessor's staff.
8.	Personal Property software:
	New MIPS

C. Zoning Information

1.	Does the county have zoning?
	No
2.	If so, is the zoning countywide?
	N/A
3.	What municipalities in the county are zoned?
	N/A
4.	When was zoning implemented?
	N/A

D. Contracted Services

1.	Appraisal Services:
	Pritchard & Abbott for oil and gas. The pick-up work and physical inspection of property is accomplished "in house."
2.	Other services:
	New MIPS for CAMA and Admin. software.

2012 Certification for Banner County

This is to certify that the 2012 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 Banner County Assessor.

Dated this 9th day of April, 2012.



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

Ruth A. Sorensen
Property Tax Administrator

