

Table of Contents

2012 Commission Summary

2012 Opinions of the Property Tax Administrator

Residential Reports

- Residential Assessment Actions
- Residential Assessment Survey
- Residential Statistics

Residential Correlation

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

Commercial Reports

- Commercial Assessment Actions
- Commercial Assessment Survey
- Commercial Statistics

Commercial Correlation

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

Agricultural and/or Special Valuation Reports

- Agricultural Assessment Actions
- Agricultural Assessment Survey
- Agricultural Average Acre Values Table
- Agricultural Land Statistics
- Special Valuation Methodology, if applicable
- Special Valuation Statistics, if applicable

Agricultural and/or Special Valuation Correlation

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

County Reports

- 2012 County Abstract of Assessment for Real Property, Form 45
- 2012 County Agricultural Land Detail
- 2012 County Abstract of Assessment for Real Property Compared with the 2011 Certificate of Taxes Levied (CTL)
- County Assessor's Three Year Plan of Assessment

Assessment Survey – General Information

Certification

Maps

Market Areas

Registered Wells > 500 GPM

Valuation History Charts

2012 Commission Summary for Box Butte County

Residential Real Property - Current

Number of Sales	177	Median	95.63
Total Sales Price	\$17,756,507	Mean	96.64
Total Adj. Sales Price	\$17,755,007	Wgt. Mean	94.90
Total Assessed Value	\$16,849,592	Average Assessed Value of the Base	\$65,795
Avg. Adj. Sales Price	\$100,311	Avg. Assessed Value	\$95,195

Confidence Interval - Current

95% Median C.I	92.29 to 98.58
95% Wgt. Mean C.I	92.33 to 97.47
95% Mean C.I	93.45 to 99.83
% of Value of the Class of all Real Property Value in the	35.39
% of Records Sold in the Study Period	3.94
% of Value Sold in the Study Period	5.70

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	205	96	96
2010	305	97	97
2009	385	99	99
2008	434	99	99

2012 Commission Summary for Box Butte County

Commercial Real Property - Current

Number of Sales	21	Median	92.57
Total Sales Price	\$4,005,000	Mean	95.30
Total Adj. Sales Price	\$4,005,000	Wgt. Mean	75.02
Total Assessed Value	\$3,004,363	Average Assessed Value of the Base	\$141,695
Avg. Adj. Sales Price	\$190,714	Avg. Assessed Value	\$143,065

Confidence Interval - Current

95% Median C.I	81.10 to 104.22
95% Wgt. Mean C.I	51.57 to 98.46
95% Mean C.I	82.29 to 108.31
% of Value of the Class of all Real Property Value in the County	13.68
% of Records Sold in the Study Period	2.61
% of Value Sold in the Study Period	2.63

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	15	93	93
2010	48	95	95
2009	48	95	95
2008	60	97	97

2012 Opinions of the Property Tax Administrator for Box Butte 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	96	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	93	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 Box Butte County

For assessment year 2012 the County completed residential pick-up work and continues with the review of Alliance residential to be completed in assessment year 2013.

2012 Residential Assessment Survey for Box Butte County

1.	Valuation data collection done by:	
	The Assessor and her staff	
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	Alliance—residential properties within the city of Alliance and what would technically be classified as suburban (since there is no separate suburban market within the County).
	20	Hemingford—residential properties within the town of Hemingford and its environs.
	81	Rural Res 1—all rural residential properties that are close in proximity and have ready access to the paved roads within the County (Hwy 385, Hwy 2, Hwy 87, Hwy 71, 10 th Street West, and County Road 70).
	82	Rural Res 2—rural residential properties that do not meet the criteria of Area 1, nor are in any of the Rainbow Acres subdivisions.
	83	Rainbow Acres—only those rural residential properties that are within the Rainbow subdivisions.
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Replacement cost new, minus depreciation.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	Alliance residential is currently using the 2005 cost index (and is in process to be converted in 2013); Hemingford cost is 2009, and all rural residential is priced using the 2008 cost index.	
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 Terra Scan.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	Yes	
7.	When were the depreciation tables last updated for each valuation grouping?	
	When each grouping was last reviewed.	
8.	When was the last lot value study completed for each valuation grouping?	
	During the reappraisal of each valuation grouping.	
9.	Describe the methodology used to determine the residential lot values?	
	The methodology used is the market approach, and then the lots are valued by square foot.	
10.	How do you determine whether a sold parcel is substantially changed?	
	The Assessor considers a sold parcel substantially changed when new improvements	

are added to previously vacant lots, or when major additions that would affect market value are made to existing improvements. Also, when older, poor condition homes are purchased and the improvement is demolished or totally remodeled—this would be considered “substantially changed.”
--

07 Box Butte

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 : 177
 Total Sales Price : 17,756,507
 Total Adj. Sales Price : 17,755,007
 Total Assessed Value : 16,849,592
 Avg. Adj. Sales Price : 100,311
 Avg. Assessed Value : 95,195

MEDIAN : 96
 WGT. MEAN : 95
 MEAN : 97
 COD : 15.57
 PRD : 101.83

COV : 22.42
 STD : 21.67
 Avg. Abs. Dev : 14.89
 MAX Sales Ratio : 208.18
 MIN Sales Ratio : 17.60

95% Median C.I. : 92.29 to 98.58
 95% Wgt. Mean C.I. : 92.33 to 97.47
 95% Mean C.I. : 93.45 to 99.83

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DATE OF SALE *										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Qtrts</u>											
01-JUL-09 To 30-SEP-09	22	95.58	95.75	95.93	09.69	99.81	76.20	123.39	87.59 to 100.10	98,868	94,846
01-OCT-09 To 31-DEC-09	18	95.53	98.05	93.29	15.89	105.10	70.44	161.08	82.13 to 105.33	105,981	98,871
01-JAN-10 To 31-MAR-10	18	108.49	108.26	103.37	19.35	104.73	54.95	166.52	86.26 to 122.41	63,611	65,756
01-APR-10 To 30-JUN-10	25	100.37	99.42	96.77	15.19	102.74	74.48	140.14	86.28 to 108.75	112,516	108,885
01-JUL-10 To 30-SEP-10	19	97.09	93.00	94.73	16.83	98.17	17.60	142.67	79.72 to 100.92	77,526	73,441
01-OCT-10 To 31-DEC-10	27	89.40	91.00	91.15	17.06	99.84	50.61	138.05	82.51 to 100.88	130,661	119,102
01-JAN-11 To 31-MAR-11	17	94.32	89.81	93.07	11.14	96.50	35.24	107.20	82.06 to 98.58	99,059	92,192
01-APR-11 To 30-JUN-11	31	94.38	98.36	95.70	14.34	102.78	71.00	208.18	89.49 to 102.09	97,726	93,523
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	83	98.79	100.07	96.66	15.55	103.53	54.95	166.52	91.48 to 100.72	96,875	93,639
01-JUL-10 To 30-JUN-11	94	94.33	93.62	93.45	15.07	100.18	17.60	208.18	89.40 to 97.50	103,344	96,570
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	89	97.15	97.28	95.07	17.92	102.32	17.60	166.52	89.40 to 100.79	100,660	95,695
<u>ALL</u>	177	95.63	96.64	94.90	15.57	101.83	17.60	208.18	92.29 to 98.58	100,311	95,195

VALUATION GROUPING										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
10	147	95.34	95.74	94.45	14.89	101.37	17.60	166.52	90.61 to 98.57	94,798	89,533
20	12	99.30	110.01	98.05	20.47	112.20	76.40	208.18	87.09 to 116.86	64,017	62,770
81	6	96.60	97.31	99.31	10.93	97.99	76.73	115.21	76.73 to 115.21	164,517	163,388
82	11	92.29	89.58	94.10	16.32	95.20	54.95	125.59	66.26 to 111.77	185,395	174,459
83	1	142.67	142.67	142.67	00.00	100.00	142.67	142.67	N/A	25,000	35,667
<u>ALL</u>	177	95.63	96.64	94.90	15.57	101.83	17.60	208.18	92.29 to 98.58	100,311	95,195

PROPERTY TYPE *										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	175	95.63	96.48	94.87	15.37	101.70	17.60	208.18	92.35 to 98.57	101,109	95,918
06											
07	2	110.52	110.52	104.72	29.09	105.54	78.37	142.67	N/A	30,500	31,941
<u>ALL</u>	177	95.63	96.64	94.90	15.57	101.83	17.60	208.18	92.29 to 98.58	100,311	95,195

**07 Box Butte
RESIDENTIAL**

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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	1	110.83	110.83	110.83	00.00	100.00	110.83	110.83	N/A	3,600	3,990	
Less Than 15,000	7	110.83	120.18	126.42	24.36	95.06	71.00	208.18	71.00 to 208.18	9,657	12,209	
Less Than 30,000	12	125.77	119.68	120.76	26.37	99.11	17.60	208.18	98.81 to 142.67	16,142	19,492	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	176	95.60	96.56	94.90	15.58	101.75	17.60	208.18	92.29 to 98.57	100,860	95,714	
Greater Than 14,999	170	95.43	95.67	94.78	14.88	100.94	17.60	166.52	91.48 to 98.39	104,044	98,613	
Greater Than 29,999	165	94.76	94.96	94.62	13.69	100.36	35.24	166.52	90.61 to 97.57	106,432	100,701	
<u>Incremental Ranges</u>												
0 TO 4,999	1	110.83	110.83	110.83	00.00	100.00	110.83	110.83	N/A	3,600	3,990	
5,000 TO 14,999	6	110.44	121.74	127.30	28.52	95.63	71.00	208.18	71.00 to 208.18	10,667	13,579	
15,000 TO 29,999	5	140.14	118.97	117.72	21.81	101.06	17.60	161.08	N/A	25,220	29,689	
30,000 TO 59,999	26	98.02	99.60	99.17	21.58	100.43	35.24	166.52	84.21 to 107.76	43,533	43,173	
60,000 TO 99,999	62	94.19	93.46	93.19	12.85	100.29	50.61	138.05	86.28 to 98.86	81,053	75,535	
100,000 TO 149,999	46	94.35	95.11	94.84	10.34	100.28	76.05	125.59	88.47 to 99.29	117,678	111,604	
150,000 TO 249,999	28	95.49	93.58	93.86	13.07	99.70	61.44	134.36	87.89 to 100.30	175,391	164,620	
250,000 TO 499,999	3	92.86	96.47	98.79	09.69	97.65	84.78	111.77	N/A	360,000	355,630	
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	177	95.63	96.64	94.90	15.57	101.83	17.60	208.18	92.29 to 98.58	100,311	95,195	

**2012 Correlation Section
for Box Butte County**

A. Residential Real Property

As the above 2012 residential improved statistical profile reveals, there were 177 residential sales deemed qualified by the Assessor that occurred during the two-year timeframe of the sales study period. All three measures of central tendency are within acceptable range with the median at 96%, the weighted mean at 95% and the mean at 97%, and any could be used to function as the point estimate for the overall residential level of value (LOV). The Coefficient of Dispersion is less than one point above its prescribed range (at 15.57), but the price-related differential is within acceptable range at 101.83. Further, the 95% Median Confidence interval is narrow (6.29 points) and the bounds are within range. Both the tight confidence interval and the reasonable COD support the median measure of central tendency. No Valuation Grouping with a significant number of sales exhibits a median outside of the prescribed range for level of value.

The process of sales verification and qualification within Box Butte County consists of a mailed questionnaire sent to both the buyer and seller of all sales transactions for all three property classes excepting only those that current IAAO standards recommend for possible exclusion. The Assessor estimates response at approximately one-half. Non-respondents are sent a second document and this appears to raise the response rate to about seventy-five percent. If no response is provided after the second mailing, it is Assessor's policy to automatically qualify those sales, with the provision that if it is later discovered that the sale is not truly arms'-length, it is then disqualified. Copies of returned questionnaires are attached to the Assessor's copy of the Real Estate Transfer statement F521, and kept in notebooks by sale year.

For assessment year 2012 the County completed residential pick-up work and continues with the physical review of Alliance residential to be completed in assessment year 2013.

Considering all of the above information, the overall residential level of value is determined to be 96%. Since the COD is less than one point above the recommended upper limit and the PRD is within its prescribed range, it is believed that these meet generally accepted mass appraisal practices. This is confirmed by the known assessment practices of the County in the conduct of sales verification, and review--these are consistent, and therefore the residential property class overall is believed to be treated in a uniform and proportionate manner.

**2012 Correlation Section
for Box Butte 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 Box Butte 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 Box Butte 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 Box Butte 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 Box Butte County

Commercial pick-up work was completed, and the on-going process of Alliance commercial review is continuing with the estimated completion date of 2013. In order to address specific valuation groupings that were outside of acceptable range, the Assessor made the following percentage adjustments: Hemingford commercial improvements only (within the Original Town area) were raised five-percent to bring these closer to market value. Alliance commercial improvements were increased by eight-percent to bring these closer to current market value.

2012 Commercial Assessment Survey for Box Butte County

1.	Valuation data collection done by:	
	Stanard Appraisal	
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	Alliance—all commercial properties within the city of Alliance and those that would technically be classified as suburban—since there is no separate commercial market within the County.
	20	Hemingford—commercial properties within the town of Hemingford (and surrounding immediate area—again, no suburban commercial market exists).
	80	Rural Comm—all rural commercial properties.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	The County tries to utilize all three approaches to value commercial value (cost, market and income).	
3a.	Describe the process used to value unique commercial properties.	
	Currently, Box Butte County has no unique commercial properties—but if it did, it would rely on the expertise of the contracted appraiser.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	Alliance: 2005, and in process to be updated for 2013; Hemingford: 2009; Rural commercial: 2008.	
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?	
	Yes	
7.	When were the depreciation tables last updated for each valuation grouping?	
	When the particular valuation grouping is re-appraised.	
8.	When was the last lot value study completed for each valuation grouping?	
	Alliance 2005; Hemingford 2009; Rural 2008.	
9.	Describe the methodology used to determine the commercial lot values.	
	The market approach is used to determine commercial lot values, and the lots are then valued by the square foot method.	
10.	How do you determine whether a sold parcel is substantially changed?	
	The parcel is determined to be substantially changed when substantial improvement is made to the existing property, or if the building is converted to a new occupancy code due to extensive remodeling.	

07 Box Butte

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 : 21
 Total Sales Price : 4,005,000
 Total Adj. Sales Price : 4,005,000
 Total Assessed Value : 3,004,363
 Avg. Adj. Sales Price : 190,714
 Avg. Assessed Value : 143,065

MEDIAN : 93
 WGT. MEAN : 75
 MEAN : 95
 COD : 20.10
 PRD : 127.03

COV : 29.99
 STD : 28.58
 Avg. Abs. Dev : 18.61
 MAX Sales Ratio : 177.16
 MIN Sales Ratio : 38.94

95% Median C.I. : 81.10 to 104.22
 95% Wgt. Mean C.I. : 51.57 to 98.46
 95% Mean C.I. : 82.29 to 108.31

Printed:3/29/2012 2:44:14PM

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>Qrtrs</u>											
01-JUL-08 To 30-SEP-08											
01-OCT-08 To 31-DEC-08	2	100.24	100.24	101.39	08.02	98.87	92.20	108.28	N/A	70,000	70,974
01-JAN-09 To 31-MAR-09	1	177.16	177.16	177.16	00.00	100.00	177.16	177.16	N/A	36,000	63,778
01-APR-09 To 30-JUN-09	3	92.57	87.06	87.87	06.49	99.08	75.29	93.32	N/A	278,333	244,571
01-JUL-09 To 30-SEP-09	1	93.29	93.29	93.29	00.00	100.00	93.29	93.29	N/A	372,500	347,487
01-OCT-09 To 31-DEC-09	1	86.14	86.14	86.14	00.00	100.00	86.14	86.14	N/A	150,000	129,217
01-JAN-10 To 31-MAR-10	1	90.01	90.01	90.01	00.00	100.00	90.01	90.01	N/A	150,000	135,018
01-APR-10 To 30-JUN-10											
01-JUL-10 To 30-SEP-10	4	94.30	88.10	55.95	20.50	157.46	49.12	114.68	N/A	457,750	256,121
01-OCT-10 To 31-DEC-10	2	92.66	92.66	95.75	12.48	96.77	81.10	104.22	N/A	35,500	33,992
01-JAN-11 To 31-MAR-11	3	103.99	86.62	83.97	25.00	103.16	38.94	116.93	N/A	68,833	57,800
01-APR-11 To 30-JUN-11	3	80.71	98.52	87.95	25.09	112.02	77.06	137.80	N/A	71,000	62,445
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	6	92.95	106.47	92.92	21.28	114.58	75.29	177.16	75.29 to 177.16	168,500	156,573
01-JUL-09 To 30-JUN-10	3	90.01	89.81	90.96	02.64	98.74	86.14	93.29	N/A	224,167	203,907
01-JUL-10 To 30-JUN-11	12	94.30	91.10	62.60	23.19	145.53	38.94	137.80	77.06 to 114.68	193,458	121,100
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	6	92.93	102.96	91.44	19.69	112.60	75.29	177.16	75.29 to 177.16	232,250	212,366
01-JAN-10 To 31-DEC-10	7	90.01	89.67	59.82	15.94	149.90	49.12	114.68	49.12 to 114.68	293,143	175,355
<u>ALL</u>	21	92.57	95.30	75.02	20.10	127.03	38.94	177.16	81.10 to 104.22	190,714	143,065

VALUATION GROUPING										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
10	18	92.93	96.38	74.40	22.61	129.54	38.94	177.16	80.71 to 108.28	214,111	159,294
20	3	92.20	88.87	90.77	04.41	97.91	81.10	93.32	N/A	50,333	45,688
<u>ALL</u>	21	92.57	95.30	75.02	20.10	127.03	38.94	177.16	81.10 to 104.22	190,714	143,065

PROPERTY TYPE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
02	4	123.04	124.63	97.59	26.70	127.71	75.29	177.16	N/A	95,250	92,952
03	17	92.20	88.40	72.64	14.52	121.70	38.94	116.93	80.71 to 103.99	213,176	154,856
04											
<u>ALL</u>	21	92.57	95.30	75.02	20.10	127.03	38.94	177.16	81.10 to 104.22	190,714	143,065

**07 Box Butte
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 : 21
 Total Sales Price : 4,005,000
 Total Adj. Sales Price : 4,005,000
 Total Assessed Value : 3,004,363
 Avg. Adj. Sales Price : 190,714
 Avg. Assessed Value : 143,065

MEDIAN : 93
 WGT. MEAN : 75
 MEAN : 95
 COD : 20.10
 PRD : 127.03

COV : 29.99
 STD : 28.58
 Avg. Abs. Dev : 18.61
 MAX Sales Ratio : 177.16
 MIN Sales Ratio : 38.94

95% Median C.I. : 81.10 to 104.22
 95% Wgt. Mean C.I. : 51.57 to 98.46
 95% Mean C.I. : 82.29 to 108.31

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
___ Low \$ Ranges ___												
Less Than 5,000												
Less Than 15,000												
Less Than 30,000	1	81.10	81.10	81.10	00.00	100.00	81.10	81.10	N/A	26,000	21,085	
___ Ranges Excl. Low \$ ___												
Greater Than 4,999	21	92.57	95.30	75.02	20.10	127.03	38.94	177.16	81.10 to 104.22	190,714	143,065	
Greater Than 14,999	21	92.57	95.30	75.02	20.10	127.03	38.94	177.16	81.10 to 104.22	190,714	143,065	
Greater Than 29,999	20	92.93	96.02	74.98	20.41	128.06	38.94	177.16	86.14 to 104.22	198,950	149,164	
___ Incremental Ranges ___												
0 TO 4,999												
5,000 TO 14,999												
15,000 TO 29,999	1	81.10	81.10	81.10	00.00	100.00	81.10	81.10	N/A	26,000	21,085	
30,000 TO 59,999	6	110.58	119.50	115.58	22.13	103.39	80.71	177.16	80.71 to 177.16	45,000	52,012	
60,000 TO 99,999	6	92.76	87.53	87.60	15.46	99.92	38.94	108.28	38.94 to 108.28	71,917	63,001	
100,000 TO 149,999	2	95.87	95.87	94.67	19.62	101.27	77.06	114.68	N/A	117,500	111,237	
150,000 TO 249,999	3	86.14	83.81	82.53	05.70	101.55	75.29	90.01	N/A	176,667	145,803	
250,000 TO 499,999	1	93.29	93.29	93.29	00.00	100.00	93.29	93.29	N/A	372,500	347,487	
500,000 TO 999,999	1	92.57	92.57	92.57	00.00	100.00	92.57	92.57	N/A	540,000	499,881	
1,000,000 +	1	49.12	49.12	49.12	00.00	100.00	49.12	49.12	N/A	1,600,000	785,945	
___ ALL ___	21	92.57	95.30	75.02	20.10	127.03	38.94	177.16	81.10 to 104.22	190,714	143,065	

OCCUPANCY CODE											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
Blank	2	70.85	70.85	60.09	30.67	117.91	49.12	92.57	N/A	1,070,000	642,913	
303	1	90.01	90.01	90.01	00.00	100.00	90.01	90.01	N/A	150,000	135,018	
326	1	177.16	177.16	177.16	00.00	100.00	177.16	177.16	N/A	36,000	63,778	
344	4	80.91	81.25	81.75	02.93	99.39	77.06	86.14	N/A	88,500	72,352	
349	1	104.22	104.22	104.22	00.00	100.00	104.22	104.22	N/A	45,000	46,898	
352	3	108.28	107.12	89.28	19.25	119.98	75.29	137.80	N/A	115,000	102,677	
353	3	100.17	102.35	105.34	07.48	97.16	92.20	114.68	N/A	72,000	75,848	
386	2	98.64	98.64	95.12	05.42	103.70	93.29	103.99	N/A	224,750	213,780	
494	1	93.32	93.32	93.32	00.00	100.00	93.32	93.32	N/A	65,000	60,659	
528	2	63.68	63.68	63.77	38.85	99.86	38.94	88.42	N/A	74,750	47,665	
531	1	116.93	116.93	116.93	00.00	100.00	116.93	116.93	N/A	55,000	64,314	
___ ALL ___	21	92.57	95.30	75.02	20.10	127.03	38.94	177.16	81.10 to 104.22	190,714	143,065	

**2012 Correlation Section
for Box Butte County**

A. Commercial Real Property

There were twenty-one improved commercial sales that were determined to be qualified by the Assessor during the three-year timeframe of the sales study period (7.01.08 to 6.30.11). Of these twenty-one sales, eighteen occurred in Valuation Grouping 10 (Alliance) and the remaining three are from Valuation Grouping 20 (Hemingford). The largest Occupancy Code group contains four sales and is coded 344 (office building). Two of the twenty-one sales are mobile home parks (and are occupancy code "Blank"). The overall statistical profile indicates that two of the three measures of central tendency are within acceptable range: a median of 93% and a mean of 95% (the third measure, the weighted mean is at 75%). Further review of the overall statistical profile reveals that one of the qualitative statistical measures is within its prescribed limits--a COD of 20.10. The Price-Related Differential is significantly above the upper limit (103) of its acceptable range at 127.03. It should be noted, that if the highest dollar sale was hypothetically removed (book 98, page 234 that sold for \$1.6 million), the PRD would fall to 105.82.

Box Butte County's sales qualification procedures for commercial property are as follows: a questionnaire is sent via mail to both the buyer and seller of commercial property (excepting only those that IAAO standards currently recommend for exclusion). If no response occurs after two mailings of the questionnaire, the Assessor's policy is to automatically qualify these, with the note that if in the future, it is discovered that the sale is not truly arms'-length, it then is disqualified. Copies of returned questionnaires are attached to the Assessor's copy of the Real Estate Transfer document F521, and kept in notebooks by year.

Regarding the six-year inspection cycle, Box Butte County has completed the physical review of Valuation Groupings 20 (Hemingford) and 80 (Rural) commercial. Valuation Grouping 10 (Alliance) must still be completed, and the task is currently in process. The estimated completion date of the review is assessment year 2013. For assessment year 2012, in order to address specific valuation groupings that were outside of acceptable range, the Assessor made the following percentage adjustments: Hemingford commercial improvements only (within the Original Town area) were raised five-percent to bring these closer to market value. Alliance commercial improvements were increased by eight-percent to bring these closer to current market value.

A review of the County's assessment practices appear to be consistent and it is believed there is uniform and proportionate treatment of all commercial property within the County. Therefore, it is believed that the overall median at 93% can be used to describe the level of value for the commercial property class. The qualitative statistics are deemed to meet generally accepted mass appraisal practices, since the COD is within its prescribed range, and the hypothetical removal of the highest dollar sale would move the PRD within less than three points of its prescribed parameters.

**2012 Correlation Section
for Box Butte 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 Box Butte 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 Box Butte 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 Box Butte 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 Box Butte County

For assessment year 2012, the Box Butte County Assessor reviewed the agricultural market areas, the data of the three-year sales study period, and made the following changes:

In Market Area 1, all irrigated land capability groups were raised, and the four lower grass LCG's were lowered, in order to closer reflect 75% of the market.

All irrigated and dry land subclasses were raised in agricultural Market Area 2.

Agricultural Market Area 3 received increases to all but two of the irrigated Land Capability Groups (the exceptions were 2A1 and 2A). All dry land LCG's were raised, as well as the four lowest grass land subclasses.

2012 Agricultural Assessment Survey for Box Butte County

1.	Valuation data collection done by:	
	The Assessor	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	1	The market area consists of land primarily in the southern part of the County that is mostly sandhills and the majority use is for grazing cattle.
	2	Agricultural land in the central portion of the County that has richer soils and a fairly level to slightly rolling topography.
	3	This agricultural market area has more rolling to steep hill land, and irrigation wells found in this northern area are deeper than those in Market Area 2.
3.	Describe the process that is used to determine and monitor market areas.	
	The process used by the Assessor is a review of comparable sales within each market area, with special attention paid to those that border an adjacent agricultural market area. Land use is also monitored in each agricultural market area.	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	Primary use of the land is the major factor utilized to identify rural residential versus recreational land within Box Butte County. Land that has no primary residential use would be considered recreational. Recreational use shall be considered when land use is primarily for the preservation of the land for purposes of recreation and/or hunting.	
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, within their respective market areas. There are also differences in well depth that are taken into account when the sites in these areas are valued.	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Use of GIS, FSA maps, taxpayer information, and physical inspection.	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	The process is the review of returned agricultural questionnaires that would indicate a possible non-agricultural use.	
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?	
	Major improvements added to previously unimproved land would be one example of a substantially changed parcel. A major land use change (for example, dry to irrigated) could also signify a parcel is substantially changed.	

07 Box Butte

PAD 2012 R&O Statistics (Using 2012 Values)

AGRICULTURAL LAND

Qualified

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

Number of Sales : 54
 Total Sales Price : 23,830,811
 Total Adj. Sales Price : 23,257,211
 Total Assessed Value : 16,435,411
 Avg. Adj. Sales Price : 430,689
 Avg. Assessed Value : 304,359

MEDIAN : 72
 WGT. MEAN : 71
 MEAN : 73
 COD : 18.39
 PRD : 103.17

COV : 23.30
 STD : 16.99
 Avg. Abs. Dev : 13.15
 MAX Sales Ratio : 115.74
 MIN Sales Ratio : 39.94

95% Median C.I. : 66.77 to 74.61
 95% Wgt. Mean C.I. : 63.20 to 78.13
 95% Mean C.I. : 68.38 to 77.44

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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	Asstd. Val	
<u>Qtrts</u>												
01-JUL-08 To 30-SEP-08	4	76.36	70.42	66.57	19.49	105.78	39.94	89.02	N/A	206,925	137,748	
01-OCT-08 To 31-DEC-08	1	64.57	64.57	64.57	00.00	100.00	64.57	64.57	N/A	6,848,000	4,421,622	
01-JAN-09 To 31-MAR-09	6	91.68	83.94	88.55	18.30	94.79	44.31	103.14	44.31 to 103.14	206,575	182,929	
01-APR-09 To 30-JUN-09	5	82.06	88.58	84.50	14.36	104.83	69.84	115.74	N/A	166,686	140,854	
01-JUL-09 To 30-SEP-09	3	72.06	79.62	73.11	11.43	108.90	71.04	95.75	N/A	200,833	146,837	
01-OCT-09 To 31-DEC-09	7	83.86	79.53	83.38	14.77	95.38	49.61	98.08	49.61 to 98.08	720,857	601,084	
01-JAN-10 To 31-MAR-10	5	65.72	65.17	68.30	06.97	95.42	56.96	71.75	N/A	241,638	165,047	
01-APR-10 To 30-JUN-10	2	78.22	78.22	83.01	14.64	94.23	66.77	89.66	N/A	175,500	145,676	
01-JUL-10 To 30-SEP-10	4	73.40	74.00	71.14	22.26	104.02	49.03	100.18	N/A	201,375	143,258	
01-OCT-10 To 31-DEC-10	5	57.32	60.93	57.99	15.11	105.07	46.14	73.39	N/A	382,745	221,960	
01-JAN-11 To 31-MAR-11	4	69.42	66.93	63.98	08.35	104.61	54.26	74.61	N/A	397,623	254,380	
01-APR-11 To 30-JUN-11	8	59.76	62.25	60.06	13.45	103.65	48.11	81.32	48.11 to 81.32	248,903	149,489	
<u>Study Yrs</u>												
01-JUL-08 To 30-JUN-09	16	81.82	80.80	69.49	18.49	116.28	39.94	115.74	69.84 to 99.01	609,286	423,404	
01-JUL-09 To 30-JUN-10	17	71.75	75.17	79.98	14.80	93.99	49.61	98.08	65.72 to 89.66	423,982	339,099	
01-JUL-10 To 30-JUN-11	21	65.90	65.07	61.84	15.96	105.22	46.14	100.18	55.88 to 73.39	300,045	185,536	
<u>Calendar Yrs</u>												
01-JAN-09 To 31-DEC-09	21	83.86	82.96	83.53	16.22	99.32	44.31	115.74	72.06 to 95.75	367,685	307,140	
01-JAN-10 To 31-DEC-10	16	66.53	67.69	65.43	15.50	103.45	46.14	100.18	56.96 to 73.39	267,401	174,963	
<u>ALL</u>	54	71.52	72.91	70.67	18.39	103.17	39.94	115.74	66.77 to 74.61	430,689	304,359	

AREA (MARKET)											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Asstd. Val	
1	11	71.94	72.27	65.89	13.94	109.68	48.11	115.74	61.66 to 81.13	836,643	551,286	
2	26	71.45	72.99	76.44	21.93	95.49	39.94	100.18	57.32 to 86.33	387,160	295,962	
3	17	71.29	73.20	67.11	15.81	109.07	46.14	103.14	60.31 to 83.86	234,587	157,427	
<u>ALL</u>	54	71.52	72.91	70.67	18.39	103.17	39.94	115.74	66.77 to 74.61	430,689	304,359	

07 Box Butte
AGRICULTURAL LAND

PAD 2012 R&O Statistics (Using 2012 Values)

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 MIN Sales Ratio : 39.94

95% Median C.I. : 66.77 to 74.61
 95% Wgt. Mean C.I. : 63.20 to 78.13
 95% Mean C.I. : 68.38 to 77.44

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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	3	71.75	86.21	75.79	20.72	113.75	71.14	115.74	N/A	259,453	196,649
1	1	115.74	115.74	115.74	00.00	100.00	115.74	115.74	N/A	76,200	88,191
2	2	71.45	71.45	71.46	00.43	99.99	71.14	71.75	N/A	351,080	250,879
_____Dry_____											
County	10	71.07	69.01	67.40	14.55	102.39	49.03	89.02	56.96 to 83.86	117,149	78,955
2	3	56.96	54.44	54.55	04.85	99.80	49.03	57.32	N/A	111,627	60,889
3	7	72.06	75.26	72.54	10.32	103.75	59.20	89.02	59.20 to 89.02	119,516	86,697
_____Grass_____											
County	8	77.39	79.22	80.16	19.87	98.83	39.94	103.14	39.94 to 103.14	182,783	146,518
1	3	73.65	75.57	78.01	04.15	96.87	71.94	81.13	N/A	179,667	140,152
2	2	67.04	67.04	59.02	40.42	113.59	39.94	94.14	N/A	170,500	100,623
3	3	100.00	90.99	94.54	11.10	96.24	69.84	103.14	N/A	194,087	183,481
_____ALL_____	54	71.52	72.91	70.67	18.39	103.17	39.94	115.74	66.77 to 74.61	430,689	304,359

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	13	71.04	70.05	65.72	12.91	106.59	48.11	115.74	55.88 to 73.39	439,507	288,847
1	5	72.81	75.27	67.68	20.53	111.21	48.11	115.74	N/A	320,285	216,781
2	8	70.41	66.79	64.96	07.58	102.82	54.26	74.61	54.26 to 74.61	514,020	333,888
_____Dry_____											
County	12	71.07	71.42	70.35	16.04	101.52	49.03	100.18	57.32 to 83.86	116,791	82,157
2	4	57.14	65.87	67.17	22.54	98.06	49.03	100.18	N/A	115,720	77,725
3	8	71.68	74.20	71.91	10.00	103.18	59.20	89.02	59.20 to 89.02	117,327	84,373
_____Grass_____											
County	9	81.13	79.48	80.35	16.91	98.92	39.94	103.14	69.84 to 100.00	187,718	150,829
1	3	73.65	75.57	78.01	04.15	96.87	71.94	81.13	N/A	179,667	140,152
2	2	67.04	67.04	59.02	40.42	113.59	39.94	94.14	N/A	170,500	100,623
3	4	90.79	88.64	90.90	14.24	97.51	69.84	103.14	N/A	202,365	183,940
_____ALL_____	54	71.52	72.91	70.67	18.39	103.17	39.94	115.74	66.77 to 74.61	430,689	304,359

Box Butte County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
7.10	Box Butte	1	N/A	1,203	1,036	1,208	1,230	1,223	1,225	1,228	1,219
7.20	Box Butte	2	N/A	1,586	1,594	1,577	1,230	1,206	1,182	1,216	1,522
7.30	Box Butte	3	N/A	1,261	1,100	1,023	850	814	820	844	1,155
23.40	Dawes	4	N/A	1,215	N/A	1,100	870	870	850	850	1,038
62.20	Morrill	2	N/A	975	925	825	N/A	650	650	650	697
79.30	ScottsBluff	3	N/A	N/A	1,850	1,348	1,350	1,198	1,200	1,200	1,468
81.10	Sheridan	1	N/A	975	900	780	750	750	750	750	837
83.10	Sioux	1	N/A	640	600	500	500	500	470	470	519

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Box Butte	1	N/A	350	N/A	270	225	225	225	225	275
	Box Butte	2	N/A	465	465	465	300	300	250	250	429
	Box Butte	3	N/A	480	470	450	300	300	300	300	448
	Dawes	4	N/A	450	N/A	400	360	360	350	350	419
	Morrill	2	N/A	240	240	240	N/A	240	240	240	240
	ScottsBluff	3	N/A	N/A	330	310	260	230	230	210	275
	Sheridan	1	N/A	460	460	440	410	400	350	350	416
	Sioux	1	N/A	350	260	255	250	250	250	230	260

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Box Butte	1	N/A	271	245	253	205	204	201	200	206
	Box Butte	2	N/A	297	263	250	250	224	223	225	240
	Box Butte	3	N/A	336	327	300	300	251	251	250	269
	Dawes	4	N/A	350	330	330	246	246	246	246	265
	Morrill	2	N/A	220	220	220	N/A	220	220	220	220
	ScottsBluff	3	N/A	N/A	250	240	235	215	215	200	214
	Sheridan	1	N/A	370	295	285	250	245	230	220	233
	Sioux	1	N/A	230	230	230	210	210	185	195	197

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

2012 Correlation Section for Box Butte County

A. Agricultural Land

Box Butte County has a total of 1,078 square miles of land, and agricultural land consists of approximately 47% grass 29% dry land and about 23% irrigated. The remaining one percent is classified as waste and other. The County currently has three clearly defined agricultural market areas based on topography, soil type and availability of water. Agricultural Market Area One land is primarily in the southern part of the County that is mostly sandhills and the majority use of the land is grass for grazing cattle. Market Area Two agricultural land is located in the central portion of the County that has richer soils and a fairly level to slightly rolling topography. Agricultural Market Area Three has more rolling to steep hilly land, and irrigation wells found in this northern area are necessarily deeper than those in Market Area 2. Box Butte County lies within the Upper Niobrara White NRD. "In 2003, the UNWNRD [Upper Niobrara White NRD] established a stay on new high capacity wells to prevent the over-appropriation of the water supply. Working with Nebraska Department of Natural Resources (DNR), the UNWNRD strives to maintain a balance of supply and demand for ground and surface water. Currently, DNR has determined that the majority of the UNWNRD is fully appropriated. Fully appropriated means the balance between the water supply and demand has been reached...no new high capacity wells or surface water rights are allowed in this area" (taken from the UNWNRD website).

Counties contiguous to Box Butte are Dawes to the north, Sheridan to the east, Morrill to the south (with a small portion of Scotts Bluff on the southwest), and Sioux to the west. Of the neighboring counties, only Sheridan lacks defined agricultural market areas.

Sales verification and qualification within Box Butte County consists of a mailed questionnaire sent to both the buyer and seller of all sales transactions for all three property classes (excepting only those that current IAAO standards recommend for possible exclusion). The response rate is estimated at approximately one-half. Non-respondents are sent a second document and this appears to raise the response rate to about seventy-five percent. If no response occurs, the Assessor's policy is to automatically qualify these, with the note that if in the future, it is discovered that the sale is not truly armslength, it then is disqualified. Copies of returned questionnaires are attached to the Assessor's copy of the Real Estate Transfer document (F521), and kept in notebooks by year.

Preliminary analysis indicated that there was time non-proportionality countywide and by agricultural market area. The preliminary sample contained fifty-six sales with the following composition: Area One contained ten sales--three in the first year, two in the second and five in the third. Area Two's sales were comprised of seven in the first year of the study period, nine in the second and fifteen in the third. The fifteen sales that constitute Area Three had three sales in the first year, and six sales in each of the remaining two years. Further analysis also revealed that there was absolutely no feasible way that time uniformity and MLU uniformity (not only for the entire county, but for the individual market areas) were going to be obtained by merely identifying and borrowing comparable sales. Only Area Three may obtain both time and MLU balance by using comparable sales. There were simply not enough comparable sales from contiguous counties that fit both the time and MLU needs for Market Areas One and Two.

2012 Correlation Section for Box Butte County

Therefore, only three comparable sales were identified that could be utilized: one for Area One and two for Area Three. Since the 10% minimum threshold of variance of total sales per year as part of Department policy could not be met in Areas One and Two, five Box Butte County sales were randomly eliminated from the third year of the study period in Market Area Two. This action left seven sales in the first year, nine in the second and ten in the third (keeping the 10% variance threshold). Since the Area One sample was over-represented by grass (74% versus 17%) for the area base, no comparable sales occurring in the second year of the study could be used (all four were predominantly grass). The comparable sale included in the Area One sample was all irrigated. However, representativeness by Majority Land Use was still not obtained for the County overall, or by Market Areas One and Two. The inclusion of the other two comparable sales produced both time and Majority Land Use balance only for Market Area Three.

For assessment year 2012, the Box Butte County Assessor reviewed the agricultural market areas, the data of the three-year sales study period, and made the following changes: in Market Area One, all irrigated Land Capability Groups were raised, and the four lower grass LCG's were lowered, in order to closer reflect 75% of the market. All irrigated and dry land subclasses were raised in agricultural Market Area Two. Agricultural Market Area Three received increases to all but two of the irrigated Land Capability Groups (the exceptions were 2A1 and 2A). All dry land LCG's were raised, as well as the four lowest grass land subclasses.

The resulting statistical profile indicates fifty-four sales with a median of 72%, a weighted mean of 71% and a mean of 73%. The overall COD is 18.39 and the PRD is at 103.17. All three overall measures are within acceptable range and any could act as the point estimate of the level of value for agricultural land in Box Butte County. The 95% Median Confidence Interval is rather narrow at 7.84 (74.61 – 66.77), and tends to confirm the median. Both qualitative statistics are within their prescribed parameters, and indicate overall assessment uniformity and proportionality.

Since only agricultural Market Area Three is representative for both time and Majority Land Use, an individual analysis of the other two market areas (One and Two) would be statistically inappropriate. The statistical analysis of Area Three reveals a median of 71%, a mean of 73% and a weighted mean of 67%. The Coefficient of Dispersion is at 15.81 and the Price-Related Differential is 109.07. Two of the three measures of central tendency are within acceptable range, and only the COD is within its prescribed parameters.

Based on the review of all available information, it is determined that the level of value for agricultural land in Box Butte County is 72%, and the qualitative statistical measures meet generally accepted mass appraisal standards.

**2012 Correlation Section
for Box Butte 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 Box Butte 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 Box Butte 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 Box Butte 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 : 8,119

Value : 834,756,903

Growth 6,952,629

Sum Lines 17, 25, & 41

Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	290	1,640,290	26	257,190	119	776,683	435	2,674,163	
02. Res Improve Land	3,107	18,603,658	68	1,064,136	396	6,044,891	3,571	25,712,685	
03. Res Improvements	3,501	224,145,390	80	6,530,680	472	36,308,832	4,053	266,984,902	
04. Res Total	3,791	244,389,338	106	7,852,006	591	43,130,406	4,488	295,371,750	733,957
% of Res Total	84.47	82.74	2.36	2.66	13.17	14.60	55.28	35.38	10.56
05. Com UnImp Land	141	2,123,184	5	106,900	28	177,521	174	2,407,605	
06. Com Improve Land	494	8,677,169	21	1,093,968	30	1,753,561	545	11,524,698	
07. Com Improvements	519	65,362,092	23	13,630,674	84	9,790,193	626	88,782,959	
08. Com Total	660	76,162,445	28	14,831,542	112	11,721,275	800	102,715,262	5,461,141
% of Com Total	82.50	74.15	3.50	14.44	14.00	11.41	9.85	12.30	78.55
09. Ind UnImp Land	0	0	1	14,622	0	0	1	14,622	
10. Ind Improve Land	0	0	1	28,986	4	665,503	5	694,489	
11. Ind Improvements	0	0	1	3,532,792	4	7,248,903	5	10,781,695	
12. Ind Total	0	0	2	3,576,400	4	7,914,406	6	11,490,806	0
% of Ind Total	0.00	0.00	33.33	31.12	66.67	68.88	0.07	1.38	0.00
13. Rec UnImp Land	0	0	0	0	0	0	0	0	
14. Rec Improve Land	1	15,275	0	0	1	10,966	2	26,241	
15. Rec Improvements	1	600	0	0	1	22,741	2	23,341	
16. Rec Total	1	15,875	0	0	1	33,707	2	49,582	0
% of Rec Total	50.00	32.02	0.00	0.00	50.00	67.98	0.02	0.01	0.00
Res & Rec Total	3,792	244,405,213	106	7,852,006	592	43,164,113	4,490	295,421,332	733,957
% of Res & Rec Total	84.45	82.73	2.36	2.66	13.18	14.61	55.30	35.39	10.56
Com & Ind Total	660	76,162,445	30	18,407,942	116	19,635,681	806	114,206,068	5,461,141
% of Com & Ind Total	81.89	66.69	3.72	16.12	14.39	17.19	9.93	13.68	78.55
17. Taxable Total	4,452	320,567,658	136	26,259,948	708	62,799,794	5,296	409,627,400	6,195,098
% of Taxable Total	84.06	78.26	2.57	6.41	13.37	15.33	65.23	49.07	89.10

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	5	82,524	5,493,610	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	5	82,524	5,493,610
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				5	82,524	5,493,610

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	370	27	115	512

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	2	25,811	54	9,406,358	2,121	258,502,482	2,177	267,934,651
28. Ag-Improved Land	0	0	49	11,547,170	549	97,100,578	598	108,647,748
29. Ag Improvements	0	0	52	5,368,181	594	43,178,923	646	48,547,104
30. Ag Total							2,823	425,129,503

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	1	1.00	500	
32. HomeSite Improv Land	0	0.00	0	46	51.01	378,080	
33. HomeSite Improvements	0	0.00	0	39	43.01	4,259,245	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	1	2.02	3,081	
36. FarmSite Improv Land	0	0.00	0	46	158.42	320,806	
37. FarmSite Improvements	0	0.00	0	49	0.00	1,108,936	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	305.95	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Records	Acres	Value	Records	Acres	Value	Growth
31. HomeSite UnImp Land	65	64.99	107,420	66	65.99	107,920	
32. HomeSite Improv Land	489	503.96	3,485,530	535	554.97	3,863,610	
33. HomeSite Improvements	359	362.08	30,051,752	398	405.09	34,310,997	757,531
34. HomeSite Total				464	620.96	38,282,527	
35. FarmSite UnImp Land	44	102.58	90,874	45	104.60	93,955	
36. FarmSite Improv Land	478	2,319.88	4,059,530	524	2,478.30	4,380,336	
37. FarmSite Improvements	565	0.00	13,127,171	614	0.00	14,236,107	0
38. FarmSite Total				659	2,582.90	18,710,398	
39. Road & Ditches	0	5,661.49	0	0	5,967.44	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				1,123	9,171.30	56,992,925	757,531

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

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	0	0.00	0	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	0	0.00	0	0	0.00	0

Schedule VIII : Agricultural Records : Special Value

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	0	0.00	0	0	0.00	0
44. Recapture Value N/A	0	0.00	0	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	0	0.00	0	0	0.00	0
44. Market Value	0	0	0	0	0	0

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	5,272.68	15.05%	6,344,176	14.86%	1,203.22
47. 2A1	67.18	0.19%	69,623	0.16%	1,036.36
48. 2A	5,940.11	16.95%	7,176,170	16.81%	1,208.09
49. 3A1	66.72	0.19%	82,065	0.19%	1,229.99
50. 3A	8,812.49	25.15%	10,780,557	25.25%	1,223.33
51. 4A1	10,533.56	30.07%	12,907,930	30.23%	1,225.41
52. 4A	4,341.98	12.39%	5,333,444	12.49%	1,228.34
53. Total	35,034.72	100.00%	42,693,965	100.00%	1,218.62
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	2,735.14	28.27%	957,329	36.05%	350.01
56. 2D1	0.00	0.00%	0	0.00%	0.00
57. 2D	3,050.43	31.53%	823,622	31.01%	270.00
58. 3D1	24.71	0.26%	5,561	0.21%	225.05
59. 3D	1,242.63	12.85%	279,604	10.53%	225.01
60. 4D1	1,938.76	20.04%	436,240	16.43%	225.01
61. 4D	681.74	7.05%	153,399	5.78%	225.01
62. Total	9,673.41	100.00%	2,655,755	100.00%	274.54
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	3,802.83	2.98%	1,030,711	3.92%	271.04
65. 2G1	61.56	0.05%	15,082	0.06%	245.00
66. 2G	7,259.95	5.69%	1,833,263	6.97%	252.52
67. 3G1	127.32	0.10%	26,037	0.10%	204.50
68. 3G	16,474.18	12.91%	3,363,914	12.79%	204.19
69. 4G1	59,827.95	46.88%	12,014,881	45.67%	200.82
70. 4G	40,061.10	31.39%	8,022,158	30.50%	200.25
71. Total	127,614.89	100.00%	26,306,046	100.00%	206.14
Irrigated Total					
	35,034.72	20.05%	42,693,965	59.35%	1,218.62
Dry Total					
	9,673.41	5.54%	2,655,755	3.69%	274.54
Grass Total					
	127,614.89	73.02%	26,306,046	36.57%	206.14
72. Waste	1,515.99	0.87%	45,487	0.06%	30.00
73. Other	925.82	0.53%	230,733	0.32%	249.22
74. Exempt	5,602.11	3.21%	0	0.00%	0.00
75. Market Area Total	174,764.83	100.00%	71,931,986	100.00%	411.59

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 2

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	54,928.83	54.83%	87,138,345	57.16%	1,586.39
47. 2A1	4,140.40	4.13%	6,597,754	4.33%	1,593.51
48. 2A	25,170.22	25.13%	39,683,658	26.03%	1,576.61
49. 3A1	87.52	0.09%	107,651	0.07%	1,230.02
50. 3A	4,532.47	4.52%	5,464,053	3.58%	1,205.54
51. 4A1	9,459.83	9.44%	11,184,555	7.34%	1,182.32
52. 4A	1,857.56	1.85%	2,259,059	1.48%	1,216.14
53. Total	100,176.83	100.00%	152,435,075	100.00%	1,521.66
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	48,959.26	51.70%	22,766,134	55.99%	465.00
56. 2D1	3,290.83	3.48%	1,530,241	3.76%	465.00
57. 2D	26,132.51	27.60%	12,151,685	29.88%	465.00
58. 3D1	117.05	0.12%	35,115	0.09%	300.00
59. 3D	2,623.89	2.77%	787,167	1.94%	300.00
60. 4D1	12,393.25	13.09%	3,098,547	7.62%	250.02
61. 4D	1,178.76	1.24%	294,742	0.72%	250.04
62. Total	94,695.55	100.00%	40,663,631	100.00%	429.41
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	12,496.82	14.60%	3,710,877	18.03%	296.95
65. 2G1	431.93	0.50%	113,567	0.55%	262.93
66. 2G	19,069.02	22.28%	4,774,824	23.20%	250.40
67. 3G1	152.83	0.18%	38,213	0.19%	250.04
68. 3G	8,236.34	9.62%	1,848,299	8.98%	224.41
69. 4G1	29,504.94	34.47%	6,566,470	31.90%	222.55
70. 4G	15,714.81	18.36%	3,530,639	17.15%	224.67
71. Total	85,606.69	100.00%	20,582,889	100.00%	240.44
Irrigated Total					
	100,176.83	34.87%	152,435,075	70.92%	1,521.66
Dry Total					
	94,695.55	32.97%	40,663,631	18.92%	429.41
Grass Total					
	85,606.69	29.80%	20,582,889	9.58%	240.44
72. Waste	1,275.06	0.44%	38,258	0.02%	30.00
73. Other	5,493.46	1.91%	1,213,034	0.56%	220.81
74. Exempt	371.88	0.13%	0	0.00%	0.00
75. Market Area Total	287,247.59	100.00%	214,932,887	100.00%	748.25

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 3

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	9,799.21	63.19%	12,358,814	69.00%	1,261.21
47. 2A1	68.25	0.44%	75,075	0.42%	1,100.00
48. 2A	4,207.29	27.13%	4,302,183	24.02%	1,022.55
49. 3A1	4.37	0.03%	3,715	0.02%	850.11
50. 3A	456.79	2.95%	371,729	2.08%	813.79
51. 4A1	896.35	5.78%	735,291	4.11%	820.32
52. 4A	76.46	0.49%	64,566	0.36%	844.44
53. Total	15,508.72	100.00%	17,911,373	100.00%	1,154.92
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	50,386.01	60.71%	24,185,307	65.03%	480.00
56. 2D1	176.32	0.21%	82,870	0.22%	470.00
57. 2D	21,288.66	25.65%	9,580,267	25.76%	450.02
58. 3D1	141.75	0.17%	42,525	0.11%	300.00
59. 3D	3,420.93	4.12%	1,026,279	2.76%	300.00
60. 4D1	6,949.07	8.37%	2,084,721	5.61%	300.00
61. 4D	629.18	0.76%	188,754	0.51%	300.00
62. Total	82,991.92	100.00%	37,190,723	100.00%	448.12
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	11,011.53	11.68%	3,696,911	14.56%	335.73
65. 2G1	127.65	0.14%	41,788	0.16%	327.36
66. 2G	16,440.30	17.44%	4,932,322	19.43%	300.01
67. 3G1	114.55	0.12%	34,365	0.14%	300.00
68. 3G	9,309.87	9.88%	2,338,042	9.21%	251.14
69. 4G1	21,545.93	22.86%	5,416,283	21.33%	251.38
70. 4G	35,718.30	37.89%	8,927,220	35.16%	249.93
71. Total	94,268.13	100.00%	25,386,931	100.00%	269.31
Irrigated Total					
	15,508.72	7.86%	17,911,373	22.04%	1,154.92
Dry Total					
	82,991.92	42.06%	37,190,723	45.76%	448.12
Grass Total					
	94,268.13	47.77%	25,386,931	31.24%	269.31
72. Waste	1,219.14	0.62%	36,587	0.05%	30.01
73. Other	3,350.24	1.70%	746,091	0.92%	222.70
74. Exempt	287.32	0.15%	0	0.00%	0.00
75. Market Area Total	197,338.15	100.00%	81,271,705	100.00%	411.84

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	12,051.40	17,783,716	138,668.87	195,256,697	150,720.27	213,040,413
77. Dry Land	44.33	20,066	4,724.72	1,952,213	182,591.83	78,537,830	187,360.88	80,510,109
78. Grass	21.47	5,067	2,241.86	485,371	305,226.38	71,785,428	307,489.71	72,275,866
79. Waste	3.04	91	96.21	2,886	3,910.94	117,355	4,010.19	120,332
80. Other	3.91	587	136.74	26,875	9,628.87	2,162,396	9,769.52	2,189,858
81. Exempt	4.88	0	802.39	0	5,454.04	0	6,261.31	0
82. Total	72.75	25,811	19,250.93	20,251,061	640,026.89	347,859,706	659,350.57	368,136,578

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	150,720.27	22.86%	213,040,413	57.87%	1,413.48
Dry Land	187,360.88	28.42%	80,510,109	21.87%	429.71
Grass	307,489.71	46.64%	72,275,866	19.63%	235.05
Waste	4,010.19	0.61%	120,332	0.03%	30.01
Other	9,769.52	1.48%	2,189,858	0.59%	224.15
Exempt	6,261.31	0.95%	0	0.00%	0.00
Total	659,350.57	100.00%	368,136,578	100.00%	558.33

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

07 Box Butte

	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	293,428,323	295,371,750	1,943,427	0.66%	733,957	0.41%
02. Recreational	58,382	49,582	-8,800	-15.07%	0	-15.07%
03. Ag-Homesite Land, Ag-Res Dwelling	37,692,201	38,282,527	590,326	1.57%	757,531	-0.44%
04. Total Residential (sum lines 1-3)	331,178,906	333,703,859	2,524,953	0.76%	1,491,488	0.31%
05. Commercial	90,570,339	102,715,262	12,144,923	13.41%	5,461,141	7.38%
06. Industrial	11,327,283	11,490,806	163,523	1.44%	0	1.44%
07. Ag-Farmsite Land, Outbuildings	18,550,906	18,710,398	159,492	0.86%	0	0.86%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	120,448,528	132,916,466	12,467,938	10.35%	5,461,141	5.82%
10. Total Non-Agland Real Property	451,627,434	466,620,325	14,992,891	3.32%	6,952,629	1.78%
11. Irrigated	157,098,438	213,040,413	55,941,975	35.61%		
12. Dryland	71,471,672	80,510,109	9,038,437	12.65%		
13. Grassland	73,318,209	72,275,866	-1,042,343	-1.42%		
14. Wasteland	136,410	120,332	-16,078	-11.79%		
15. Other Agland	1,747,061	2,189,858	442,797	25.35%		
16. Total Agricultural Land	303,771,790	368,136,578	64,364,788	21.19%		
17. Total Value of all Real Property (Locally Assessed)	755,399,224	834,756,903	79,357,679	10.51%	6,952,629	9.59%

**2011
BOX BUTTE COUNTY
THREE YEAR PLAN
OF ASSESSMENT**

Requirement

The assessor shall prepare a plan of assessment, pursuant to Neb. Laws 2005, LB 263 Section 9, on or before June 15 each year. The assessor shall present the plan to the county board of equalization on or before July 31 each year. A copy of the plan and any amendments made shall be sent to the Department of Revenue Property Assessment Division on or before October 31 each year.

General Description of Real Property in Box Butte County

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

	Parcels	% of Total	% of Taxable Value
Residential	4,487	55	38.84
Commercial	800	10	12.03
Industrial	6	<1	1.49
Recreational	2	<1	0
Agricultural	2,803	35	47.64
	-----	-----	-----
Totals	8,098	100	100

Current Resources

- Staff *
 - Assessor with current certification and hours of continuing education
 - Deputy with current certification and hours of continuing education
 - Two full-time clerical employees
 - Hired appraiser from Stanard Appraisal
 - Our lister is employed by Stanard Appraisal
 - Part-time, local
- Budget
 - Our fiscal year is July 1-June 30 each year
 - The adopted budget for 2010-2011 yr was \$234,380
 - \$65,000 was budgeted for reappraisal
 - ◆ A resolution was passed to add \$25,000 to reappraisal
 - ◆ The \$65,000 was spent by April
 - \$2,000 was budgeted for pick up work
 - ◆ Pick up work was completed by Assessor and staff
 - ◆ Budgeted amount was used up for TERC prep fees

- The adopted budget for 2011-2012 is \$234,550
 - \$65,000 is budgeted for reappraisal
 - ◆ Alliance reappraisal cannot be completed for 2013 with the budgeted amount
 - \$5,000 is budgeted for pickup work and TERC prep
- Equipment
 - Leased CAMA program with Terra Scan
 - Deed plotter (1998 version) software program
 - Microsoft Windows Server 2003
 - Internet access with local provider
 - Four workstations
 - Cadastral books maintained monthly with real estate transfers
 - GIS contracted with GIS Workshop, Inc.

Current Assessment Procedures

- Update ownership by receipt of real estate transfers from register of deeds office
- Maintain sales file with monthly qualified sales
 - Conduct sales study
- Receive building permits monthly from the City's Building and Zoning office
 - Review properties as "pick-up" work annually
- Zoning is county wide, however the county does not enforce building permits for rural improvements
 - Our pick-up work for rural is currently by discovery
 - The Assessor's office promotes rural property owners to complete an Information Statement Form in the office
- Data collection is constant
 - Application for value change from discovery is applied annually between January 1 and March 19 each year
- Approaches to value are used in accordance with IAAO mass appraisal techniques
 - **Income approach** is applied to Alliance commercial properties (due to cycle of reappraisal)
 - Collected income and expense data
 - Analyzed data with market depreciation
 - **Cost approach** is used for all improved parcels
 - Marshall & Swift pricing system is used
 - Market depreciation applied
 - **Market approach** is used on all properties in regard to market depreciation

- Agricultural land sales are studied and valuations adjusted accordingly in their respective market areas
 - Agricultural land has three market areas
- Change of value notices are sent pursuant state statute 77-1315
- Levels of value are published in local newspapers and delivered to local radio station pursuant state statute 77-1315

Level of Value, Quality, and Uniformity for 2011 Assessment

	Median	COD	PRD
Residential	96%	18.52	106.36
Commercial	93%	18.99	96.60
Agricultural land	70%	27.14	117.88

Assessment Actions Planned for Assessment Year 2012

- Residential
 - Alliance
 - Continuing residential reappraisal
 - Make individual adjustments to properties via building permits if applied after data collector has reviewed
 - Hemingford
 - Study sales and adjust subclasses accordingly if needed
 - Inspect properties according to building permits and through discovery
 - Rural Residential
 - **Enforce use of Improvement Information Statement in lieu of a building permit**
 - Study sales and adjust values accordingly
- Commercial
 - Alliance
 - Inspect properties according to building permits and through discovery
 - Study sales and adjust values accordingly
 - Hemingford
 - Study sales and adjust values accordingly
 - Inspect properties according to building permits and through discovery
 - Rural
 - **Enforce use of Improvement Information Statement in lieu of a building permit**
 - Study sales and adjust values accordingly

- Agricultural land
 - Study sales and make adjustments if necessary
 - GIS land use is complete until next update of fly-over

Assessment Actions Planned for Assessment Year 2013

- Residential
 - Alliance
 - Complete residential reappraisal and apply market depreciation with new cost index
 - Study sales and adjust subclasses accordingly
 - Inspect properties according to building permits and through discovery
 - Hemingford
 - Inspect properties according to building permits and through discovery
 - Study sales and adjust accordingly
 - Rural Residential
 - Inspect properties through Improvement Information Statement and through discovery
 - Study sales and make adjustments if necessary
- Commercial
 - Alliance
 - Anticipate moving on for final phase of six year review
 - Hemingford, and Rural
 - Inspect properties according to building permits and through discovery
 - Study sales and adjust values accordingly
- Agricultural land
 - Study sales and make adjustments if necessary

Assessment Actions Planned for Assessment Year 2014

- Residential
 - Alliance
 - Inspect properties according to building permits and through discovery
 - Study sales and adjust if necessary
 - Hemingford
 - Inspect properties according to building permits and through discovery
 - Study sales and adjust if necessary
 - Rural Residential
 - Start new 6-year cycle review
 - Study sales and adjust if necessary

- Commercial
 - Hemingford
 - Inspect properties according to building permits and through discovery
 - Study sales and adjust if necessary
 - Alliance
 - Anticipate completion of review process
 - Rural
 - Start new 6-year cycle review
 - Study sales and adjust if necessary

- Agricultural land
 - Study sales and make adjustments if necessary

*Due to budget restraints, Alliance reappraisal will not get complete by 2013, the end of the county 6 year review cycle.

2012 Assessment Survey for Box Butte County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	One
2.	Appraiser(s) on staff:
	None
3.	Other full-time employees:
	Two
4.	Other part-time employees:
	None
5.	Number of shared employees:
	None
6.	Assessor's requested budget for current fiscal year:
	\$234,550
7.	Adopted budget, or granted budget if different from above:
	\$234,550
8.	Amount of the total assessor's budget set aside for appraisal work:
	\$70,000
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	N/A
10.	Part of the assessor's budget that is dedicated to the computer system:
	N/A; does not come from the Assessor's budget.
11.	Amount of the assessor's budget set aside for education/workshops:
	\$10,000
12.	Other miscellaneous funds:
	None
13.	Amount of last year's assessor's budget not used:
	None

B. Computer, Automation Information and GIS

1.	Administrative software:
	Terra Scan
2.	CAMA software:
	Terra Scan
3.	Are cadastral maps currently being used?
	No—the County is using their GIS
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?
	Yes, but only property records—not maps. http://boxbutte.gisworkshop.com
7.	Who maintains the GIS software and maps?
	The Deputy Assessor
8.	Personal Property software:
	Terra Scan

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	Alliance and Hemingford
4.	When was zoning implemented?
	2001

D. Contracted Services

1.	Appraisal Services:
	Stanard appraisal
2.	Other services:
	Terra Scan; GIS Workshop

2012 Certification for Box Butte 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 Box Butte County Assessor.

Dated this 9th day of April, 2012.



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

Ruth A. Sorensen
Property Tax Administrator

