

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 Dakota County

Residential Real Property - Current

Number of Sales	280	Median	93.83
Total Sales Price	\$29,232,924	Mean	94.73
Total Adj. Sales Price	\$29,232,924	Wgt. Mean	90.62
Total Assessed Value	\$26,490,852	Average Assessed Value of the Base	\$77,742
Avg. Adj. Sales Price	\$104,403	Avg. Assessed Value	\$94,610

Confidence Interval - Current

95% Median C.I	90.12 to 95.37
95% Wgt. Mean C.I	88.74 to 92.50
95% Mean C.I	91.94 to 97.52
% of Value of the Class of all Real Property Value in the	41.86
% of Records Sold in the Study Period	4.32
% of Value Sold in the Study Period	5.25

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	390	94	94
2010	387	95	95
2009	424	93	93
2008	444	95	95

2012 Commission Summary for Dakota County

Commercial Real Property - Current

Number of Sales	36	Median	90.64
Total Sales Price	\$11,953,354	Mean	97.04
Total Adj. Sales Price	\$11,878,354	Wgt. Mean	83.50
Total Assessed Value	\$9,918,395	Average Assessed Value of the Base	\$339,797
Avg. Adj. Sales Price	\$329,954	Avg. Assessed Value	\$275,511

Confidence Interval - Current

95% Median C.I	80.03 to 108.95
95% Wgt. Mean C.I	74.85 to 92.14
95% Mean C.I	84.73 to 109.35
% of Value of the Class of all Real Property Value in the County	24.87
% of Records Sold in the Study Period	4.08
% of Value Sold in the Study Period	3.31

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	35	98	98
2010	44	96	96
2009	61	96	96
2008	60	97	97

2012 Opinions of the Property Tax Administrator for Dakota 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	94	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	69	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 Dakota County

For tax year 2012, the county conducted a review the residential property in South Sioux City. New depreciation tables, based on market generated depreciation were created for all properties included in a total revalue or physical review.

Ratio studies were conducted on all properties not included in a total revalue or physical review, and market adjustments were made in those situations where sufficient statistical information was available to support adjustment.

The County's draft statistics indicated unacceptable values existed in Valuation Grouping 9, which is the town of Homer. Further research revealed the sales in the suburban subdivisions in GEO Code 703 and 704 required action to bring the median in to range. The following changes were made in subdivisions as necessary.

- 1) Village of Homer residential property built between 1965 and 1985 was increased 12%
- 2) All homes in South Sioux City Rural with Geo code 703 or 704 built between 1965 and 2000 were increased 13%

Other than the reviews identified above, the county reported to have completed pick-up work of new and omitted construction.

2012 Residential Assessment Survey for Dakota County

1.	Valuation data collection done by:	
	Appraiser/Assessor and Staff	
2.	In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:	
		<u>Description of unique characteristics</u>
	1	Dakota City
	2	Dakota City V
	3	Dakota City R
	4	Dakota City RV
	5	Emerson
	6	Emerson V
	7	Emerson R
	8	Emerson RV
	9	Homer
	10	Homer V
	11	Homer R
	12	Homer RV
	13	Hubbard
	14	Hubbard V
	15	Hubbard R
	16	Hubbard RV
	17	Jackson
	18	Jackson V
	19	Jackson R
	20	Jackson RV
	21	Rural
	22	Rural V
	23	South Sioux City
	24	South Sioux City V
	25	South Sioux City R
	26	South Sioux City RV
	51	SSC Proj
	52	Likuwanabch
	53	Dakota Flats
	54	Pasado Tiempo
	55	Canyon Est
	56	Cotwd Est
	57	Pasadio Tiempo 2

3.	List and describe the approach(es) used to estimate the market value of residential properties.
	Market sales with Market generated depreciation
4.	What is the costing year of the cost approach being used for each valuation grouping?
	2003 adjusted for time
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?
	Local Market
6.	Are individual depreciation tables developed for each valuation grouping?
	Where necessary, some groups share a depreciation table
7.	When were the depreciation tables last updated for each valuation grouping?
	On going
8.	When was the last lot value study completed for each valuation grouping?
	On going
9.	Describe the methodology used to determine the residential lot values?
	Sales comparison
10.	How do you determine whether a sold parcel is substantially changed?
	Physical inspection, all sales are physically reviewed

**22 Dakota
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 : 280
 Total Sales Price : 29,232,924
 Total Adj. Sales Price : 29,232,924
 Total Assessed Value : 26,490,852
 Avg. Adj. Sales Price : 104,403
 Avg. Assessed Value : 94,610

MEDIAN : 94
 WGT. MEAN : 91
 MEAN : 95
 COD : 16.46
 PRD : 104.54

COV : 25.12
 STD : 23.80
 Avg. Abs. Dev : 15.44
 MAX Sales Ratio : 208.53
 MIN Sales Ratio : 25.33

95% Median C.I. : 90.12 to 95.37
 95% Wgt. Mean C.I. : 88.74 to 92.50
 95% Mean C.I. : 91.94 to 97.52

Printed:4/3/2012 8:02:40AM

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>Qrtrs</u>											
01-JUL-09 To 30-SEP-09	37	85.58	86.94	86.59	14.48	100.40	52.31	114.99	82.46 to 97.13	114,981	99,558
01-OCT-09 To 31-DEC-09	61	94.71	95.16	91.23	14.89	104.31	25.33	184.43	89.08 to 98.18	103,140	94,091
01-JAN-10 To 31-MAR-10	25	90.49	90.18	89.03	09.97	101.29	54.19	109.57	85.99 to 97.52	118,156	105,192
01-APR-10 To 30-JUN-10	61	90.28	91.99	90.26	15.47	101.92	25.33	170.25	85.64 to 97.84	106,530	96,150
01-JUL-10 To 30-SEP-10	37	96.40	101.74	94.94	19.89	107.16	39.81	178.56	91.05 to 101.42	107,141	101,725
01-OCT-10 To 31-DEC-10	24	90.95	97.08	89.11	22.86	108.94	29.14	162.74	81.30 to 107.01	81,348	72,490
01-JAN-11 To 31-MAR-11	11	95.11	102.43	93.85	21.36	109.14	71.63	187.26	74.58 to 125.22	89,511	84,004
01-APR-11 To 30-JUN-11	24	94.09	100.72	91.92	18.85	109.57	75.11	208.53	83.18 to 98.42	97,237	89,377
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	184	92.72	91.78	89.60	14.37	102.43	25.33	184.43	88.23 to 96.05	108,685	97,381
01-JUL-10 To 30-JUN-11	96	94.87	100.40	92.83	20.47	108.15	29.14	208.53	89.73 to 98.42	96,197	89,299
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	147	93.76	94.97	91.08	16.79	104.27	25.33	178.56	88.82 to 97.19	104,550	95,228
<u>ALL</u>	280	93.83	94.73	90.62	16.46	104.54	25.33	208.53	90.12 to 95.37	104,403	94,610

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	27	90.49	99.34	88.56	21.86	112.17	63.77	171.41	81.79 to 105.37	96,764	85,691
03	1	96.40	96.40	96.40	00.00	100.00	96.40	96.40	N/A	225,000	216,905
05	5	115.47	127.82	115.35	24.27	110.81	87.79	187.26	N/A	46,116	53,196
09	16	97.08	95.18	99.95	25.70	95.23	25.33	171.14	80.43 to 118.49	89,706	89,659
13	3	96.30	87.31	91.34	15.07	95.59	61.05	104.59	N/A	105,333	96,208
17	4	83.64	75.06	82.36	17.35	91.14	39.81	93.17	N/A	29,000	23,884
21	17	98.91	93.28	89.04	12.21	104.76	54.19	128.24	81.26 to 102.36	156,468	139,326
23	189	93.90	94.45	90.78	14.08	104.04	29.14	208.53	89.08 to 95.84	102,828	93,350
25	16	81.16	88.04	84.46	21.80	104.24	52.31	170.25	71.63 to 101.84	125,809	106,259
52	2	88.39	88.39	86.18	15.79	102.56	74.43	102.34	N/A	95,000	81,875
<u>ALL</u>	280	93.83	94.73	90.62	16.46	104.54	25.33	208.53	90.12 to 95.37	104,403	94,610

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	277	94.05	95.28	90.67	16.01	105.08	29.14	208.53	90.26 to 96.05	105,294	95,470
06											
07	3	25.33	43.99	68.68	73.67	64.05	25.33	81.30	N/A	22,167	15,223
<u>ALL</u>	280	93.83	94.73	90.62	16.46	104.54	25.33	208.53	90.12 to 95.37	104,403	94,610

22 Dakota
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 : 280
 Total Sales Price : 29,232,924
 Total Adj. Sales Price : 29,232,924
 Total Assessed Value : 26,490,852
 Avg. Adj. Sales Price : 104,403
 Avg. Assessed Value : 94,610

MEDIAN : 94
 WGT. MEAN : 91
 MEAN : 95
 COD : 16.46
 PRD : 104.54

COV : 25.12
 STD : 23.80
 Avg. Abs. Dev : 15.44
 MAX Sales Ratio : 208.53
 MIN Sales Ratio : 25.33

95% Median C.I. : 90.12 to 95.37
 95% Wgt. Mean C.I. : 88.74 to 92.50
 95% Mean C.I. : 91.94 to 97.52

Printed:4/3/2012 8:02:40AM

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	170.25	170.25	170.25	00.00	100.00	170.25	170.25	N/A	4,000	6,810	
Less Than 15,000	5	39.81	86.43	85.92	146.19	100.59	25.33	171.41	N/A	7,600	6,530	
Less Than 30,000	17	158.71	135.00	144.91	28.70	93.16	25.33	208.53	93.17 to 184.43	18,382	26,638	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	279	93.76	94.46	90.61	16.23	104.25	25.33	208.53	89.77 to 95.37	104,763	94,925	
Greater Than 14,999	275	93.90	94.88	90.63	15.40	104.69	29.14	208.53	90.12 to 95.84	106,163	96,212	
Greater Than 29,999	263	93.62	92.13	90.03	13.15	102.33	29.14	171.14	88.87 to 94.99	109,964	99,004	
<u>Incremental Ranges</u>												
0 TO 4,999	1	170.25	170.25	170.25	00.00	100.00	170.25	170.25	N/A	4,000	6,810	
5,000 TO 14,999	4	32.57	65.47	76.00	123.24	86.14	25.33	171.41	N/A	8,500	6,460	
15,000 TO 29,999	12	160.73	155.24	153.07	18.90	101.42	93.17	208.53	123.07 to 187.26	22,875	35,016	
30,000 TO 59,999	35	100.19	106.21	105.43	18.83	100.74	52.31	171.14	97.31 to 114.97	43,802	46,180	
60,000 TO 99,999	87	91.05	91.71	91.22	14.01	100.54	29.14	138.30	87.44 to 97.72	79,893	72,877	
100,000 TO 149,999	88	89.61	89.89	90.09	10.36	99.78	65.12	124.22	85.52 to 94.71	118,655	106,900	
150,000 TO 249,999	48	86.00	87.61	87.42	10.45	100.22	54.19	106.81	83.07 to 94.99	178,958	156,449	
250,000 TO 499,999	5	93.76	83.89	82.89	17.41	101.21	58.28	101.89	N/A	281,000	232,927	
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	280	93.83	94.73	90.62	16.46	104.54	25.33	208.53	90.12 to 95.37	104,403	94,610	

**2012 Correlation Section
for Dakota County**

A. Residential Real Property

The residential market in Dakota County is influenced primarily by the local manufacturing and nearby Sioux City economies. The residential markets in this region have remained relatively flat, and the sales in Dakota County have indicated the same. The sales ratio study indicated a level of value of 94% in 2011, and indicates the same level of value for 2012. Analysis of the percent change in the residential tax base indicates an increase of .64%, and a slight decrease of .62% when removing the growth component.

Review of the subclass statistics indicates that valuation grouping 01 has a median below the acceptable range. The county appraiser did not react to the statistics for this subclass with any value changes primarily because sales through December 31st 2012 indicated values were acceptable.

The valuation grouping 01 consists of properties in Dakota City which consist of varying degrees of property, styles, conditions, and years built. The median ratio for this group declined by 5 percentage points over last year's median suggesting property values are on the rise. Since this is contrary to the general market indication for the area, additional analysis was conducted to first determine the reliability of the sales as collective indicators of the level of value.

Further analysis of this subclass reveals a coefficient of dispersion of 22%, which is considered to be widely scattered according to professional standards for a residential class in a relatively flat market. This disparity became apparent when analyzing the sales in this subclass. The sample of 27 sales contained only two sales with ratios within the acceptable range. A hypothetical increase of 6.1% to bring the median to 96% was applied to all sales and ultimately produced four sales within the acceptable range. While the disparity in the sample is concerning from an equalization perspective, a percentage adjustment to the broad subclass that results in acceptable values for only 4 of 27 parcels is not considered by the Department to improve assessment uniformity or proportionality. Given the fact that this sample of sales additionally suggests a valuation move contrary to the general market, it is concluded the sample is unreliable.

Dakota County has identified several valuation groupings in total and because all groupings are determined to be valued acceptably, it is determined that equalization exists within the residential class. The quality of assessment displayed by the County is in compliance with professionally accepted mass appraisal standards. The level of value for the residential class is determined to be 94% of market value.

**2012 Correlation Section
for Dakota 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 Dakota 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 Dakota 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 Dakota 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 Dakota County

We will continue a systematic second review of all commercial property. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary.

There were no major changes or percentage roll ups or downs in Commercial. We did bring all building permits current and we did pick up any changes we found while out working on appraisal.

2012 Commercial Assessment Survey for Dakota County

1.	Valuation data collection done by:	
	Appraiser/Assessor and 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 ALL GROUPINGS ARE UNIQUE BY LOCATION</u>
	1	Dakota City
	2	Dakota City V
	3	Dakota City R
	4	Dakota City RV
	5	Emerson
	6	Emerson V
	7	Emerson R
	8	Emerson RV
	9	Homer
	10	Homer V
	11	Homer R
	12	Homer RV
	13	Hubbard
	14	Hubbard V
	15	Hubbard R
	16	Hubbard RV
	17	Jackson
	18	Jackson V
	19	Jackson R
	20	Jackson RV
	21	Rural
	22	Rural V
	23	South Sioux City
	24	South Sioux City V
	25	South Sioux City R
	26	South Sioux City RV
	51	SSC Proj
	52	Likuwanabch
	53	Dakota Flats
	54	Pasado Tiempo
	55	Canyon Est
	56	Cotwd Est
	57	Pasadio Tiempo 2

3.	List and describe the approach(es) used to estimate the market value of commercial properties.
	Market
3a.	Describe the process used to value unique commercial properties.
	Actual construction cost or segmented method.
4.	What is the costing year of the cost approach being used for each valuation grouping?
	2003 with adjustments for time
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?
	Local market
6.	Are individual depreciation tables developed for each valuation grouping?
	Yes
7.	When were the depreciation tables last updated for each valuation grouping?
	Ongoing
8.	When was the last lot value study completed for each valuation grouping?
	Ongoing
9.	Describe the methodology used to determine the commercial lot values.
	We consider sale price, size, location, zoning and whether or not it bought by an adjoining property owner
10.	How do you determine whether a sold parcel is substantially changed?
	Inspection

22 Dakota
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 : 36
Total Sales Price : 11,953,354
Total Adj. Sales Price : 11,878,354
Total Assessed Value : 9,918,395
Avg. Adj. Sales Price : 329,954
Avg. Assessed Value : 275,511

MEDIAN : 91
WGT. MEAN : 84
MEAN : 97
COD : 28.68
PRD : 116.22

COV : 38.83
STD : 37.68
Avg. Abs. Dev : 26.00
MAX Sales Ratio : 247.21
MIN Sales Ratio : 31.53

95% Median C.I. : 80.03 to 108.95
95% Wgt. Mean C.I. : 74.85 to 92.14
95% Mean C.I. : 84.73 to 109.35

Printed:4/3/2012 8:02:41AM

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	2	98.28	98.28	97.61	02.22	100.69	96.10	100.46	N/A	37,500	36,605
01-OCT-08 To 31-DEC-08											
01-JAN-09 To 31-MAR-09	2	98.85	98.85	106.90	22.16	92.47	76.94	120.76	N/A	292,500	312,695
01-APR-09 To 30-JUN-09	4	102.15	99.89	70.42	38.57	141.85	51.56	143.71	N/A	438,125	308,511
01-JUL-09 To 30-SEP-09	2	109.00	109.00	95.75	19.63	113.84	87.60	130.40	N/A	52,500	50,270
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10											
01-APR-10 To 30-JUN-10	6	96.41	119.26	95.41	40.16	125.00	77.38	247.21	77.38 to 247.21	187,392	178,787
01-JUL-10 To 30-SEP-10	2	102.38	102.38	101.29	03.17	101.08	99.13	105.62	N/A	277,500	281,085
01-OCT-10 To 31-DEC-10	6	80.66	85.25	81.84	14.27	104.17	61.41	122.03	61.41 to 122.03	987,676	808,360
01-JAN-11 To 31-MAR-11	5	86.49	79.76	78.22	17.63	101.97	44.39	100.60	N/A	209,090	163,542
01-APR-11 To 30-JUN-11	7	108.95	92.98	82.04	29.73	113.33	31.53	148.03	31.53 to 148.03	101,429	83,207
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	8	98.28	99.23	80.11	26.17	123.87	51.56	143.71	51.56 to 143.71	301,563	241,581
01-JUL-09 To 30-JUN-10	8	98.31	116.70	95.44	34.98	122.28	77.38	247.21	77.38 to 247.21	153,669	146,658
01-JUL-10 To 30-JUN-11	20	86.73	88.29	82.71	25.18	106.75	31.53	148.03	78.81 to 105.62	411,825	340,625
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	8	104.18	101.91	80.24	29.31	127.01	51.56	143.71	51.56 to 143.71	305,313	244,997
01-JAN-10 To 31-DEC-10	14	85.39	102.27	85.27	28.74	119.94	61.41	247.21	79.77 to 117.73	543,243	463,218
<u>ALL</u>	36	90.64	97.04	83.50	28.68	116.22	31.53	247.21	80.03 to 108.95	329,954	275,511

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	8	100.86	97.63	98.55	15.40	99.07	73.62	120.35	73.62 to 120.35	69,000	68,003
09	1	87.60	87.60	87.60	00.00	100.00	87.60	87.60	N/A	85,000	74,460
23	25	86.97	97.88	83.53	32.69	117.18	31.53	247.21	79.77 to 109.01	437,854	365,759
25	2	88.82	88.82	52.86	46.83	168.03	47.23	130.40	N/A	147,500	77,975
<u>ALL</u>	36	90.64	97.04	83.50	28.68	116.22	31.53	247.21	80.03 to 108.95	329,954	275,511

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	36	90.64	97.04	83.50	28.68	116.22	31.53	247.21	80.03 to 108.95	329,954	275,511
04											
<u>ALL</u>	36	90.64	97.04	83.50	28.68	116.22	31.53	247.21	80.03 to 108.95	329,954	275,511

22 Dakota
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 : 36
 Total Sales Price : 11,953,354
 Total Adj. Sales Price : 11,878,354
 Total Assessed Value : 9,918,395
 Avg. Adj. Sales Price : 329,954
 Avg. Assessed Value : 275,511

MEDIAN : 91
 WGT. MEAN : 84
 MEAN : 97
 COD : 28.68
 PRD : 116.22

COV : 38.83
 STD : 37.68
 Avg. Abs. Dev : 26.00
 MAX Sales Ratio : 247.21
 MIN Sales Ratio : 31.53

95% Median C.I. : 80.03 to 108.95
 95% Wgt. Mean C.I. : 74.85 to 92.14
 95% Mean C.I. : 84.73 to 109.35

Printed:4/3/2012 8:02:41AM

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	2	115.43	115.43	113.48	12.97	101.72	100.46	130.40	N/A	23,000	26,100	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	36	90.64	97.04	83.50	28.68	116.22	31.53	247.21	80.03 to 108.95	329,954	275,511	
Greater Than 14,999	36	90.64	97.04	83.50	28.68	116.22	31.53	247.21	80.03 to 108.95	329,954	275,511	
Greater Than 29,999	34	87.29	95.95	83.38	29.66	115.08	31.53	247.21	79.77 to 108.95	348,010	290,182	
<u>Incremental Ranges</u>												
0 TO 4,999												
5,000 TO 14,999												
15,000 TO 29,999	2	115.43	115.43	113.48	12.97	101.72	100.46	130.40	N/A	23,000	26,100	
30,000 TO 59,999	7	96.10	96.13	97.53	17.43	98.56	73.62	120.35	73.62 to 120.35	43,143	42,079	
60,000 TO 99,999	6	101.35	119.51	119.70	47.92	99.84	31.53	247.21	31.53 to 247.21	79,892	95,631	
100,000 TO 149,999	3	115.94	110.70	111.28	15.40	99.48	81.29	134.88	N/A	119,167	132,613	
150,000 TO 249,999	6	96.06	102.47	103.68	22.19	98.83	76.94	143.71	76.94 to 143.71	176,250	182,737	
250,000 TO 499,999	7	83.81	80.76	83.28	27.18	96.97	44.39	120.76	44.39 to 120.76	354,279	295,052	
500,000 TO 999,999	2	70.92	70.92	70.72	13.41	100.28	61.41	80.42	N/A	612,450	433,128	
1,000,000 +	3	79.77	72.77	77.08	14.79	94.41	51.56	86.97	N/A	1,977,051	1,523,993	
<u>ALL</u>	36	90.64	97.04	83.50	28.68	116.22	31.53	247.21	80.03 to 108.95	329,954	275,511	

22 Dakota
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 : 36
Total Sales Price : 11,953,354
Total Adj. Sales Price : 11,878,354
Total Assessed Value : 9,918,395
Avg. Adj. Sales Price : 329,954
Avg. Assessed Value : 275,511

MEDIAN : 91
WGT. MEAN : 84
MEAN : 97
COD : 28.68
PRD : 116.22

COV : 38.83
STD : 37.68
Avg. Abs. Dev : 26.00
MAX Sales Ratio : 247.21
MIN Sales Ratio : 31.53

95% Median C.I. : 80.03 to 108.95
95% Wgt. Mean C.I. : 74.85 to 92.14
95% Mean C.I. : 84.73 to 109.35

Printed:4/3/2012 8:02:41AM

OCCUPANCY CODE

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Blank	8	81.31	93.28	79.99	38.13	116.61	31.53	148.03	31.53 to 148.03	165,925	132,724
0	1	79.77	79.77	79.77	00.00	100.00	79.77	79.77	N/A	2,735,000	2,181,735
300	1	86.97	86.97	86.97	00.00	100.00	86.97	86.97	N/A	2,096,154	1,823,065
325	1	87.60	87.60	87.60	00.00	100.00	87.60	87.60	N/A	85,000	74,460
326	4	90.51	126.29	96.25	52.60	131.21	76.94	247.21	N/A	321,088	309,049
343	1	105.62	105.62	105.62	00.00	100.00	105.62	105.62	N/A	185,000	195,390
344	2	101.32	101.32	98.77	07.54	102.58	93.68	108.95	N/A	60,000	59,263
352	5	81.29	83.92	61.88	36.03	135.62	44.39	122.03	N/A	363,990	225,250
353	4	104.74	104.18	110.62	10.23	94.18	86.49	120.76	N/A	162,125	179,343
394	1	47.23	47.23	47.23	00.00	100.00	47.23	47.23	N/A	275,000	129,870
406	1	80.03	80.03	80.03	00.00	100.00	80.03	80.03	N/A	155,000	124,050
407	1	143.71	143.71	143.71	00.00	100.00	143.71	143.71	N/A	180,000	258,675
419	4	106.02	99.80	85.20	16.07	117.14	69.42	117.73	N/A	139,750	119,066
472	1	73.62	73.62	73.62	00.00	100.00	73.62	73.62	N/A	38,000	27,975
851	1	99.13	99.13	99.13	00.00	100.00	99.13	99.13	N/A	370,000	366,780
<u>ALL</u>	36	90.64	97.04	83.50	28.68	116.22	31.53	247.21	80.03 to 108.95	329,954	275,511

**2012 Correlation Section
for Dakota County**

A. Commercial Real Property

The commercial market in Dakota County is influenced primarily by the local manufacturing and nearby Sioux City economics. A review of the statistical analysis reveals 36 qualified commercial sales in the three year study period. There are four valuation groupings represented. The largest represented valuation group is 23(South Sioux City). There are also over 13 occupancy codes within the valuation groupings. The median calculation of eight of these occupancy codes is below the acceptable range and six are above the acceptable range. The number of sales displayed within each individual occupancy code is not sufficient to draw any valid statistical conclusion.

Dakota County reported that they are continuing with a systematic second review, there were no major changes or percentage roll ups or downs in the commercial class.

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

**2012 Correlation Section
for Dakota 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 Dakota 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 Dakota 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 Dakota 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 Dakota County

The Missouri River Flood of 2011 raised havoc with our farm land and with our farm land assessment process. Dakota County had Approximately 13,000 acres underwater and much of land was drastically changed when the water went down. Many of the soils were either covered with a layer of sand, in some cases deeper than 6 feet, or they were completely washed away. This disaster has resulted in many hours of site review and interviews with owners and contractors. The effect on the value of land susceptible to flooding remains to be seen. I am not aware of any sales at this time. Many questions are unanswered. Will it happen again? With production be affected? How will lenders look at this ground?

That said we did have an active market on land not affected by the flood and we will continue to analyze sales.

We will continue to monitor agricultural land usage as we work building permits in rural areas.

We are planning on reviewing as much of the agricultural residential and outbuildings as time will allow. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

We did bring all building permits current and we did pick up any changes we found while out working on appraisal.

2012 Agricultural Assessment Survey for Dakota County

1.	Valuation data collection done by:	
	Appraiser/Assessor and staff	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	1	Flat bottom Eastside of the county
	3	Hill ground Westside of the county, West of the Bluff
3.	Describe the process that is used to determine and monitor market areas.	
	Market, from qualified sales	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	Rural Residential would include only land that is not part of ag income producing parcel. We have no rec ground	
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.)	
	Physical inspection, Agri Data, Google Earth	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	We have no Rec ground and therefore no non ag influence.	
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?	
	Physical inspection	

22 Dakota
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 : 29
Total Sales Price : 14,488,762
Total Adj. Sales Price : 14,488,762
Total Assessed Value : 8,659,167
Avg. Adj. Sales Price : 499,612
Avg. Assessed Value : 298,592

MEDIAN : 69
WGT. MEAN : 60
MEAN : 65
COD : 22.48
PRD : 109.40

COV : 33.27
STD : 21.75
Avg. Abs. Dev : 15.60
MAX Sales Ratio : 92.81
MIN Sales Ratio : 14.99

95% Median C.I. : 63.55 to 79.14
95% Wgt. Mean C.I. : 43.61 to 75.92
95% Mean C.I. : 57.11 to 73.65

Printed:4/3/2012 8:02:42AM

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	2	77.85	77.85	68.30	19.23	113.98	62.88	92.81	N/A	745,215	508,970
01-OCT-08 To 31-DEC-08	3	85.29	78.38	82.95	08.45	94.49	64.10	85.74	N/A	441,827	366,498
01-JAN-09 To 31-MAR-09	4	77.52	65.76	67.37	27.35	97.61	19.98	88.00	N/A	145,200	97,815
01-APR-09 To 30-JUN-09	3	69.95	68.09	68.26	03.45	99.75	63.55	70.77	N/A	858,735	586,199
01-JUL-09 To 30-SEP-09	1	91.06	91.06	91.06	00.00	100.00	91.06	91.06	N/A	500,000	455,315
01-OCT-09 To 31-DEC-09	2	59.02	59.02	53.18	34.09	110.98	38.90	79.14	N/A	131,835	70,111
01-JAN-10 To 31-MAR-10	2	74.31	74.31	74.33	01.96	99.97	72.85	75.77	N/A	558,718	415,283
01-APR-10 To 30-JUN-10	1	85.44	85.44	85.44	00.00	100.00	85.44	85.44	N/A	120,000	102,530
01-JUL-10 To 30-SEP-10	5	65.06	55.86	63.61	28.83	87.82	20.32	85.56	N/A	356,000	226,440
01-OCT-10 To 31-DEC-10	1	69.38	69.38	69.38	00.00	100.00	69.38	69.38	N/A	310,000	215,068
01-JAN-11 To 31-MAR-11	1	48.89	48.89	48.89	00.00	100.00	48.89	48.89	N/A	717,942	350,986
01-APR-11 To 30-JUN-11	4	55.48	49.31	31.43	37.22	156.89	14.99	71.27	N/A	926,700	291,248
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	12	70.36	71.51	71.44	18.82	100.10	19.98	92.81	63.55 to 85.91	497,743	355,608
01-JUL-09 To 30-JUN-10	6	77.46	73.86	76.39	14.65	96.69	38.90	91.06	38.90 to 91.06	333,518	254,772
01-JUL-10 To 30-JUN-11	11	65.06	54.07	43.95	27.51	123.03	14.99	85.56	20.32 to 71.27	592,249	260,295
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	10	70.36	67.64	70.02	21.80	96.60	19.98	91.06	38.90 to 88.00	392,068	274,539
01-JAN-10 To 31-DEC-10	9	69.38	64.75	68.53	20.16	94.48	20.32	85.56	39.90 to 85.44	369,715	253,374
<u>ALL</u>	29	69.38	65.38	59.76	22.48	109.40	14.99	92.81	63.55 to 79.14	499,612	298,592

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
1	5	62.88	54.87	46.51	30.80	117.97	14.99	85.74	N/A	1,164,036	541,350
2	24	70.36	67.57	68.67	20.49	98.40	19.98	92.81	64.10 to 85.29	361,191	248,017
<u>ALL</u>	29	69.38	65.38	59.76	22.48	109.40	14.99	92.81	63.55 to 79.14	499,612	298,592

95%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Dry</u>											
County	17	69.95	68.78	55.55	16.04	123.82	14.99	88.00	63.55 to 85.44	587,234	326,184
1	4	52.60	47.16	38.08	35.17	123.84	14.99	68.44	N/A	1,197,675	456,029
2	13	71.27	75.44	71.66	10.44	105.27	63.55	88.00	68.64 to 85.56	399,407	286,231
<u>ALL</u>	29	69.38	65.38	59.76	22.48	109.40	14.99	92.81	63.55 to 79.14	499,612	298,592

22 Dakota
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 : 29
 Total Sales Price : 14,488,762
 Total Adj. Sales Price : 14,488,762
 Total Assessed Value : 8,659,167
 Avg. Adj. Sales Price : 499,612
 Avg. Assessed Value : 298,592

MEDIAN : 69
 WGT. MEAN : 60
 MEAN : 65
 COD : 22.48
 PRD : 109.40

COV : 33.27
 STD : 21.75
 Avg. Abs. Dev : 15.60
 MAX Sales Ratio : 92.81
 MIN Sales Ratio : 14.99

95% Median C.I. : 63.55 to 79.14
 95% Wgt. Mean C.I. : 43.61 to 75.92
 95% Mean C.I. : 57.11 to 73.65

Printed: 4/3/2012 8:02:42AM

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
____Dry____											
County	19	69.95	69.85	56.89	16.44	122.78	14.99	92.81	64.10 to 85.44	563,841	320,789
1	4	52.60	47.16	38.08	35.17	123.84	14.99	68.44	N/A	1,197,675	456,029
2	15	71.27	75.91	72.12	11.63	105.26	63.55	92.81	68.64 to 85.56	394,819	284,725
____ALL____	29	69.38	65.38	59.76	22.48	109.40	14.99	92.81	63.55 to 79.14	499,612	298,592

Dakota County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
22.10	Dakota	1	3,616	3,585	3,562	#DIV/0!	3,411	#DIV/0!	3,350	3,265	3,502
22.20	Dakota	2	#DIV/0!								
26.10	Dixon	1	3,210	3,150	3,000	2,900	2,700	2,650	2,450	2,350	2,885
26.20	Dixon	2	3,200	3,150	3,000	2,900	2,700	2,650	2,450	2,350	2,827
87.10	Thurston	1	3,000	2,990	2,760	2,705	2,645	2,640	2,415	2,185	2,817
87.20	Thurston	2	3,000	2,990	2,760	2,705	2,645	2,640	2,415	2,185	2,717
11.20	Burt	2	3,525	3,425	#DIV/0!	2,990	2,766	2,855	2,215	1,715	3,191
89.10	Washington	1	3,950	3,850	3,560	3,240	3,145	2,850	2,210	1,840	3,386

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Dakota	1	3,359	3,339	3,312	#DIV/0!	3,239	#DIV/0!	2,680	2,510	3,278
	Dakota	2	2,921	2,898	2,863	2,850	2,699	2,650	2,549	2,498	2,651
	Dixon	1	2,910	2,715	2,620	2,520	2,375	2,230	2,135	1,940	2,411
	Dixon	2	2,860	2,700	2,700	2,600	2,400	2,300	2,100	2,100	2,384
	Thurston	1	2,900	2,850	2,575	2,575	2,575	2,500	2,300	2,000	2,580
	Thurston	2	2,750	2,690	2,530	2,250	2,190	2,190	2,065	2,045	2,266
	Burt	2	3,460	3,340	3,085	2,950	2,818	2,815	2,135	1,635	3,002
	Washington	1	3,790	3,720	3,500	3,030	2,845	2,790	2,150	1,620	3,118

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Dakota	1	1,395	1,182	1,332	#DIV/0!	993	#DIV/0!	1,042	505	1,052
	Dakota	2	1,330	1,570	1,372	1,798	1,566	1,614	1,379	879	1,215
	Dixon	1	1,690	1,600	1,375	1,250	1,125	1,000	875	750	1,202
	Dixon	2	1,543	1,570	1,343	1,250	1,103	998	896	752	988
	Thurston	1	714	696	649	656	568	564	555	510	620
	Thurston	2	659	624	538	593	497	502	490	396	488
	Burt	2	1,470	1,435	1,607	1,057	1,304	1,196	1,188	1,005	1,217
	Washington	1	1,535	1,370	1,255	1,120	1,100	985	940	850	1,108

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

2012

Methodology for Special Valuation

Dakota County

The State Assessment office for Dakota County submits this report pursuant to Title 350, Neb. R. & Regs., Reg-11-005.004. The following methodologies are used to value agricultural land that is influenced by market factors other than purely agricultural or horticultural purposes. The following non-agricultural influence has been identified: Commercial/Industrial. The office maintains a file of all data used for determining the special and actual valuation. This file shall be available for inspection at the State Assessment office for Dakota County by any interested person.

A. Identification of the influenced area:

The land in market area 2 has been identified as the area least likely to be influenced by non-agricultural uses.

Land in market area 1 is located in an area where sales of farm property have sold substantially higher than in the surrounding agricultural markets. Trends along the south and northwest sections of South Sioux City have been toward commercial and industrial usage.

B. Describe the highest and best use of the properties in the influenced area, and how this was determined:

The area to the northwest of South Sioux City has been subject to a major development by Wal Mart. It includes a Wal Mart Super Store, three fast food restaurants and several small retail outlets. In addition to this Northeast Community College is building a new campus adjoining the development area. The highest and best use for this area is retail. While there are several lots still available for development this area is now in the city limits and the prospect of adjacent farm land being developed is in the distant future.

The area to the south of South Sioux City is influenced by the presence of the Tyson Beef Processing Plant. In recent years land in the vicinity of the plant has sold to companies that support and do finish processing of the output from Tyson. In addition a large tract of land was purchased by Beef Products Inc. and the Roth Industrial Park was platted in that tract. Three new industrial operations have located in the area in the last four years. This area's highest and best use is Industrial, based on the current usage and the establishment of the industrial park.

C. Describe the valuation models used in arriving at the value estimates, and explain why and how they were selected:

Page Two

Analysis of sales in the special valuation areas creates a market value for properties that are influenced by other use purposes. In the case of northwest South Sioux City sales, these sales will be located as near the subject property as possible. After analysis of sales along the expressway in this area it is evident the property is demanding a premium for development, the commercial value was set at a price reflective of the use as other than agricultural usage. After analysis of sales within the commercial area and ag land sales adjoining the commercial area a value is set using the sales comparison approach.

The industrial area to the south of South Sioux City is well defined by the Industrial Park. Analysis of sales in the special valuation areas creates a market value for properties that are influenced by other use purposes. In the case of the southern area of South Sioux City, these sales will be located as near the subject property as possible. After analysis of sales within the industrial park and ag land sales adjoining the industrial park a value is set using the sales comparison approach

D. Describe which market areas were analyzed, both in the County and in any county deemed comparable:

For 2011, non-influenced market areas 1 and 2 were analyzed and a determination was made for the need of only two (2) non-influenced market areas.

Each of the special valuation market areas in area 1 were created in conjunction with the surrounding agricultural market areas. To date, special valuation has values determined by the agricultural tables developed for the related market areas. These relationships were determined geographically and are considered to be the best indicators.

E. Describe any adjustments made to sales to reflect current cash equivalency of typical market conditions. Include how this affects the actual and special value:

N/A

F. Describe any estimates of economic rent or net operating income used in an income capitalization approach. Include estimates of yields, commodity prices, typical crop share:

We have not studied rents for these properties because typically actual income information is not readily available to this office.

Page Three

G. Describe the typical expenses allowed in an income capitalization approach. Include how this affects the actual and special value:

N/A

H. Describe the overall capitalization rate used in an income capitalization approach. Include how this affects the actual and special value:

N/A

I. Describe any other information used in supporting the estimate of actual and special value. Include how this affects the actual and special value:

An examination of Farm Land sales does not produce sufficient evidence to support the creation of recreational areas at this time. Therefore no recreational areas are used in Dakota County.

Dick Erickson
State Assessment Manager for Dakota County

Dick Erickson
State Appraiser for Dakota County

**2012 Correlation Section
for Dakota County**

A. Agricultural Land

Dakota County has two market areas identified. Market area one is the eastern area of the county and is bordered by the Missouri River on the east and the remainder of Dakota County on the west. The recent flooding of the Missouri River has caused great concern to the taxpayers of the county that were affected by the flood. The county reported that on June 6th information was gathered through Google Earth to show the elevated waters. The appraiser/assessment manager flew the county on August 3rd to view the damages. With the assistance of aerial photos, cadastral maps, Google Earth and visiting approximately 75% of the parcels affected, the county made adjustments where the damage was significant.

Market area one consisted of only five sales for analysis purposes. The County considered the general market indication of these five sales to gauge the local market and establish 2012 values. This market area is unique from contiguous counties because of its location along the low lands near the Missouri River, and the inherent soil characteristics produced from occasional flooding. Lacking comparable markets, additional sales were not available to create a sample statistically adequate and representative of the market area. Low lying land in Burt County and Washington County consist of the same general soil associations, so for purposes of inter county equalization comparisons to those counties values were compared to Dakota. The comparison suggested the values established by Dakota County were reasonably similar to counties with similar land.

Market area two is the western portion of the county and the land characteristics are very similar to the adjoining counties of Dixon and Thurston Counties. Therefore both were determined to be comparable. The analysis of the sample in market area two was found to be lacking sales to proportionately distribute sales by time. The agricultural sales sample was expanded by using 10 sales from the comparable area and resulted in 24 qualified arm's length sales.

Assessment actions in area two included increasing dry land 23% and grassland increased 27%. There is no irrigated land in area two. The dry land values compare closely to both Dixon and Thurston Counties, and the statistics support that dry land is assessed in the acceptable range. There are no grassland sales; however grassland in area two is most comparable to Dixon County in terms of soil and topography. The average grassland values between Dixon and Dakota are relatively similar.

Based on the consideration of all available information, the level of value is determined to be 69% of market value for the overall agricultural class of property.

**2012 Correlation Section
for Dakota 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 Dakota 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 Dakota 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 Dakota 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 : 9,631	Value : 1,204,912,670	Growth 19,311,734	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	483	5,160,600	163	1,266,670	94	876,395	740	7,303,665	
02. Res Improve Land	4,411	51,501,615	843	9,444,700	494	13,149,260	5,748	74,095,575	
03. Res Improvements	4,411	320,116,469	843	57,060,956	494	45,815,187	5,748	422,992,612	
04. Res Total	4,894	376,778,684	1,006	67,772,326	588	59,840,842	6,488	504,391,852	6,318,041
% of Res Total	75.43	74.70	15.51	13.44	9.06	11.86	67.37	41.86	32.72
05. Com UnImp Land	130	4,279,055	21	304,895	18	104,550	169	4,688,500	
06. Com Improve Land	595	24,697,430	50	1,852,775	27	1,032,955	672	27,583,160	
07. Com Improvements	595	140,061,565	50	11,506,145	27	4,177,975	672	155,745,685	
08. Com Total	725	169,038,050	71	13,663,815	45	5,315,480	841	188,017,345	7,547,859
% of Com Total	86.21	89.91	8.44	7.27	5.35	2.83	8.73	15.60	39.08
09. Ind UnImp Land	13	1,865,275	4	308,895	0	0	17	2,174,170	
10. Ind Improve Land	17	4,229,035	7	2,678,705	0	0	24	6,907,740	
11. Ind Improvements	17	53,514,340	7	49,087,310	0	0	24	102,601,650	
12. Ind Total	30	59,608,650	11	52,074,910	0	0	41	111,683,560	3,426,910
% of Ind Total	73.17	53.37	26.83	46.63	0.00	0.00	0.43	9.27	17.75
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	4,894	376,778,684	1,006	67,772,326	588	59,840,842	6,488	504,391,852	6,318,041
% of Res & Rec Total	75.43	74.70	15.51	13.44	9.06	11.86	67.37	41.86	32.72
Com & Ind Total	755	228,646,700	82	65,738,725	45	5,315,480	882	299,700,905	10,974,769
% of Com & Ind Total	85.60	76.29	9.30	21.93	5.10	1.77	9.16	24.87	56.83
17. Taxable Total	5,649	605,425,384	1,088	133,511,051	633	65,156,322	7,370	804,092,757	17,292,810
% of Taxable Total	76.65	75.29	14.76	16.60	8.59	8.10	76.52	66.73	89.55

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	132	6,432,150	3,074,641	0	0	0
19. Commercial	102	15,546,975	23,830,613	0	0	0
20. Industrial	1	181,330	31,211,965	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	132	6,432,150	3,074,641
19. Commercial	0	0	0	102	15,546,975	23,830,613
20. Industrial	0	0	0	1	181,330	31,211,965
21. Other	0	0	0	0	0	0
22. Total Sch II				235	22,160,455	58,117,219

Schedule III : Mineral Interest Records

Mineral Interest	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
23. Producing	0	0	0	0	0	0	0	0	0
24. Non-Producing	0	0	0	0	0	0	0	0	0
25. Total	0	0	0	0	0	0	0	0	0

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	350	48	78	476

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	0	0	242	30,768,090	1,581	254,042,490	1,823	284,810,580
28. Ag-Improved Land	0	0	70	8,618,485	348	74,609,970	418	83,228,455
29. Ag Improvements	0	0	74	5,581,345	364	27,199,533	438	32,780,878
30. Ag Total							2,261	400,819,913

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	51	51.00	588,860	
33. HomeSite Improvements	0	0.00	0	51	0.00	4,499,920	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	4	5.00	10,810	
36. FarmSite Improv Land	0	0.00	0	64	143.60	263,475	
37. FarmSite Improvements	0	0.00	0	68	0.00	1,081,425	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	200.58	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	5	5.00	55,850	5	5.00	55,850	
32. HomeSite Improv Land	249	252.74	2,824,915	300	303.74	3,413,775	
33. HomeSite Improvements	249	0.00	18,191,708	300	0.00	22,691,628	1,166,199
34. HomeSite Total				305	308.74	26,161,253	
35. FarmSite UnImp Land	54	118.29	238,665	58	123.29	249,475	
36. FarmSite Improv Land	334	958.05	1,640,705	398	1,101.65	1,904,180	
37. FarmSite Improvements	350	0.00	9,007,825	418	0.00	10,089,250	852,725
38. FarmSite Total				476	1,224.94	12,242,905	
39. Road & Ditches	0	2,095.70	0	0	2,296.28	0	
40. Other- Non Ag Use	0	23.10	18,480	0	23.10	18,480	
41. Total Section VI				781	3,853.06	38,422,638	2,018,924

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

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	0	0.00	0	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	1	0.00	0	1	0.00	0

Schedule VIII : Agricultural Records : Special Value

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	0	0.00	0	43	1,593.17	5,282,155
44. Recapture Value N/A	0	0.00	0	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	1	24.60	18,000	44	1,617.77	5,300,155
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	3,431.48	23.48%	12,409,140	24.25%	3,616.26
46. 1A	171.51	1.17%	614,865	1.20%	3,585.01
47. 2A1	4,317.58	29.55%	15,378,420	30.05%	3,561.81
48. 2A	0.00	0.00%	0	0.00%	0.00
49. 3A1	5,842.46	39.98%	19,928,625	38.94%	3,411.00
50. 3A	0.00	0.00%	0	0.00%	0.00
51. 4A1	834.84	5.71%	2,796,720	5.46%	3,350.01
52. 4A	14.70	0.10%	47,995	0.09%	3,264.97
53. Total	14,612.57	100.00%	51,175,765	100.00%	3,502.17
Dry					
54. 1D1	10,568.87	35.06%	35,498,455	35.92%	3,358.77
55. 1D	547.26	1.82%	1,827,455	1.85%	3,339.28
56. 2D1	7,406.76	24.57%	24,529,405	24.82%	3,311.76
57. 2D	0.00	0.00%	0	0.00%	0.00
58. 3D1	10,442.62	34.64%	33,824,380	34.22%	3,239.07
59. 3D	0.00	0.00%	0	0.00%	0.00
60. 4D1	1,130.40	3.75%	3,029,470	3.07%	2,680.00
61. 4D	51.73	0.17%	129,840	0.13%	2,509.96
62. Total	30,147.64	100.00%	98,839,005	100.00%	3,278.50
Grass					
63. 1G1	197.60	7.61%	275,745	10.10%	1,395.47
64. 1G	36.66	1.41%	43,350	1.59%	1,182.49
65. 2G1	437.82	16.87%	583,240	21.37%	1,332.15
66. 2G	0.00	0.00%	0	0.00%	0.00
67. 3G1	302.88	11.67%	300,650	11.02%	992.64
68. 3G	0.00	0.00%	0	0.00%	0.00
69. 4G1	1,319.66	50.85%	1,374,460	50.36%	1,041.53
70. 4G	300.58	11.58%	151,745	5.56%	504.84
71. Total	2,595.20	100.00%	2,729,190	100.00%	1,051.63
Irrigated Total					
Irrigated Total	14,612.57	28.52%	51,175,765	33.23%	3,502.17
Dry Total					
Dry Total	30,147.64	58.83%	98,839,005	64.18%	3,278.50
Grass Total					
Grass Total	2,595.20	5.06%	2,729,190	1.77%	1,051.63
72. Waste	3,885.59	7.58%	1,260,500	0.82%	324.40
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	194.97	0.38%	0	0.00%	0.00
75. Market Area Total	51,241.00	100.00%	154,004,460	100.00%	3,005.49

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	0.00	0.00%	0	0.00%	0.00
47. 2A1	0.00	0.00%	0	0.00%	0.00
48. 2A	0.00	0.00%	0	0.00%	0.00
49. 3A1	0.00	0.00%	0	0.00%	0.00
50. 3A	0.00	0.00%	0	0.00%	0.00
51. 4A1	0.00	0.00%	0	0.00%	0.00
52. 4A	0.00	0.00%	0	0.00%	0.00
53. Total	0.00	0.00%	0	0.00%	0.00
Dry					
54. 1D1	1,264.32	1.91%	3,693,660	2.10%	2,921.46
55. 1D	10,456.31	15.79%	30,306,625	17.27%	2,898.41
56. 2D1	3,817.73	5.77%	10,929,720	6.23%	2,862.88
57. 2D	435.80	0.66%	1,242,045	0.71%	2,850.03
58. 3D1	8,820.56	13.32%	23,809,650	13.57%	2,699.34
59. 3D	2,552.98	3.86%	6,765,460	3.85%	2,650.02
60. 4D1	32,752.90	49.46%	83,488,800	47.57%	2,549.05
61. 4D	6,120.11	9.24%	15,286,535	8.71%	2,497.75
62. Total	66,220.71	100.00%	175,522,495	100.00%	2,650.57
Grass					
63. 1G1	52.64	0.20%	70,020	0.22%	1,330.17
64. 1G	2,645.27	10.02%	4,152,545	12.95%	1,569.80
65. 2G1	911.07	3.45%	1,250,080	3.90%	1,372.10
66. 2G	262.25	0.99%	471,595	1.47%	1,798.27
67. 3G1	1,693.35	6.42%	2,651,465	8.27%	1,565.81
68. 3G	170.63	0.65%	275,360	0.86%	1,613.78
69. 4G1	10,051.60	38.08%	13,864,340	43.24%	1,379.32
70. 4G	10,606.33	40.19%	9,326,190	29.09%	879.30
71. Total	26,393.14	100.00%	32,061,595	100.00%	1,214.77
Irrigated Total					
	0.00	0.00%	0	0.00%	0.00
Dry Total					
	66,220.71	67.56%	175,522,495	84.23%	2,650.57
Grass Total					
	26,393.14	26.93%	32,061,595	15.39%	1,214.77
72. Waste	5,397.99	5.51%	808,725	0.39%	149.82
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	520.89	0.53%	0	0.00%	0.00
75. Market Area Total	98,011.84	100.00%	208,392,815	100.00%	2,126.20

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	1,398.93	4,967,205	13,213.64	46,208,560	14,612.57	51,175,765
77. Dry Land	0.00	0	9,723.86	29,708,110	86,644.49	244,653,390	96,368.35	274,361,500
78. Grass	0.00	0	3,301.05	3,667,920	25,687.29	31,122,865	28,988.34	34,790,785
79. Waste	0.00	0	794.33	180,195	8,489.25	1,889,030	9,283.58	2,069,225
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	405.07	0	310.79	0	715.86	0
82. Total	0.00	0	15,218.17	38,523,430	134,034.67	323,873,845	149,252.84	362,397,275

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	14,612.57	9.79%	51,175,765	14.12%	3,502.17
Dry Land	96,368.35	64.57%	274,361,500	75.71%	2,847.01
Grass	28,988.34	19.42%	34,790,785	9.60%	1,200.16
Waste	9,283.58	6.22%	2,069,225	0.57%	222.89
Other	0.00	0.00%	0	0.00%	0.00
Exempt	715.86	0.48%	0	0.00%	0.00
Total	149,252.84	100.00%	362,397,275	100.00%	2,428.08

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

22 Dakota

	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	501,185,330	504,391,852	3,206,522	0.64%	6,318,041	-0.62%
02. Recreational	0	0	0		0	
03. Ag-Homesite Land, Ag-Res Dwelling	25,705,735	26,161,253	455,518	1.77%	1,166,199	-2.76%
04. Total Residential (sum lines 1-3)	526,891,065	530,553,105	3,662,040	0.70%	7,484,240	-0.73%
05. Commercial	182,515,370	188,017,345	5,501,975	3.01%	7,547,859	-1.12%
06. Industrial	109,218,390	111,683,560	2,465,170	2.26%	3,426,910	-0.88%
07. Ag-Farmsite Land, Outbuildings	10,675,865	12,242,905	1,567,040	14.68%	852,725	6.69%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	302,409,625	311,943,810	9,534,185	3.15%	11,827,494	-0.76%
10. Total Non-Agland Real Property	829,300,690	842,515,395	13,214,705	1.59%	19,311,734	-0.74%
11. Irrigated	44,060,140	51,175,765	7,115,625	16.15%		
12. Dryland	228,102,640	274,361,500	46,258,860	20.28%		
13. Grassland	28,506,499	34,790,785	6,284,286	22.05%		
14. Wasteland	1,264,215	2,069,225	805,010	63.68%		
15. Other Agland	0	0	0			
16. Total Agricultural Land	301,933,494	362,397,275	60,463,781	20.03%		
17. Total Value of all Real Property (Locally Assessed)	1,131,234,184	1,204,912,670	73,678,486	6.51%	19,311,734	4.81%

**2011 Plan of Assessment for Dakota County
Assessment Years 2012, 2013 and 2014**

Date: June 14, 2011

UPDATED DECEMBER 15, 2011

Updating was the necessary as the result of 2 events. The first being the flood that greatly affected Dakota County and pulled appraisal staff away from the original planned work. The second and biggest affect on the assessment plan was the adoption of a new cama program and the amount of time and effort required to get it up and running. This program is still in the development stage and a large amount of our work time is being used to get it working correctly.

Plan of Assessment Requirements:

Pursuant to Neb. Rev. Stat. 77-1311.02 (2007), 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 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; and
- 3) 75% of special value for agricultural and horticultural land which meets the qualifications for special valuation under §77-1344 and 75% 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 2009).

General Description of Real Property in Dakota County:

Per the 2010 County Abstract, Dakota County consists of the following real property types:

	Parcels	% of Total Parcels	% of Taxable Value Base
Residential	6513	68%	46%
Commercial	843	9%	17%
Industrial	35	.36%	9%
Recreational	0	0%	0%
Agricultural	2262	23%	28%
Special Value	52	.53%	.3%

Agricultural land - taxable acres 150,202.95. Area 1 51,728.55 acres. Area 2 98,474.40 acres.

Other pertinent facts: Approximately 92 % of county is agricultural and of that approximately 19% consists primarily of grassland.

New Property: For assessment year 2010 an estimated 436 building permits and/or information statements were filed for new property construction/additions in the county.

For more information see 2010 Reports & Opinions, Abstract and Assessor Survey and the TERC Findings and Orders

Current Resources

A. Staff/Training

- a. We currently have an Assessment Administrator, Assistant Administrator and Data Entry person on the assessment side. On the Appraisal side we have an Appraisal Supervisor and 2 Appraisal Assistants. Training on both sides is an on going process in the office. As time and funding allow personnel are sent to schools offered by the Department of Property Assessment and Taxation as well schools conducted by other organizations.

B. Cadastral Maps, other land use maps, aerial photos

- a. The Cadastral Maps are maintained by the Assessment Administrator. They are kept up to date and are in very good condition. In addition we use Farm Service Agency Maps as necessary to determine land use. We also have the complete set of aerial photos on CD for 2004 flight and are able to use these to determine land use, tree cover and so forth. The addition of the Agridata program has been a tremendous tool.

C. Property Record Cards

- a. The Property Record Cards are in electronic form and can be easily printed if a hard copy is needed. All residential property is current and complete as of the last physical inspection. They include a sketch and a photo of each house. The Commercial Properties are being completed as time allows and the completed file includes a sketch and photos.

D. Software for CAMA

- a. Dakota County uses a CAMA system supplied by Terra Scan and serviced from their office in Lincoln Nebraska. In addition to the CAMA system we

have a variety of software programs to enhance the office operation,(Word, Excel, Outlook and others)

- E. Assessment Administration
 - a. The day to day operation of the office consists, for the most part, of entering information into the CAMA system or retrieving information from the system to answer inquiries. The exception to this is the handling of the Real Estate Transfer Forms and the updating of the Cadastral Maps
- F. GIS
 - a. We do not have GIS at this time and are hoping to have in the next year or two.
- G. Website
 - a. We currently have Web Access to Dakota County.

Current Assessment Procedures for Real Property

Introduction: In the process of assessment it is imperative that all property be listed and accurately valued on the tax roll. Without a complete listing and without accurate values proper assessment cannot be achieved.

Purpose: This is intended to be a brief description of the process for the discovery, listing and updating of the record for all property including new construction, additions, remodeling or the removal of existing improvements to or from real property. This information is used by the appraiser to establish value therefore the accuracy of the information is vital.

Definition:

- A) Discovery: The various methods used to locate changes in real property that may result in an adjustment to taxable value.
- B) Listing: The process of physically reviewing a property and correctly recording all of the information necessary to identify that property for valuation purposes.
- C) Pickup Work: The annual process by which changes in the physical characteristics of real property improvements or the addition or removal of improvements is discovered and listed.

DISCOVERY

There are three main sources of discovery, building permits, observed improvements and citizen reports.

Building Permits: Building Permits are furnished to the assessor's office from the towns or county and they are the main source information regarding new construction or improvements to existing property. These permits are entered into the CAMA program. The information from the Building Permit is entered and this triggers a physical review of the property. When pickup work begins a report is printed. The report is used by the appraiser and appraisal assistants as a reference to all property needing review.

Observed Improvements: It is the responsibility of the appraiser and the assistants to note the location of any new construction or additions and check the existing record to see if a building permit has been issued. If no permit has been issued it will be necessary to record the information on the Building Permits section of the CAMA program with a code in the permit number space that would easily identify it as not having been issued a permit. As an example the code might be DAK-1 then the next one DAK-2 and so forth.

Citizen Reports: On occasion a property owner will come in and report either he, she, or a neighbor, is adding a building or remodeling. In these instances the record is checked to see if a building permit exists and if it doesn't the property is included in the Building Permit section and coded as described above.

LISTING

The listing of real property for pickup work consists of four separate steps, organization of work, field work, data entry and review.

Organization of Work: It is the responsibility of the appraiser to assign specific areas of work for each assistant. Those areas may be based on geographical areas such as towns or townships, or on property classes such as Residential, Agricultural or Commercial, or a combination of the two.

Once the areas are defined it is the responsibility of the assistant to organize the work in such a manner as to most efficiently use his or her time in the field. Properties in the same general area are combined for review to eliminate unnecessary travel time.

When going to the field the assistant takes the tools necessary to complete the work. This includes a tape measure, sketch pad, pencil, camera and discs, business cards and door hangers. The information taken to the field includes the Review Sheet printed from the Appraisal File, the Laser Report and a copy of the Building Permit if applicable. Other information may be used as the assistant deems necessary.

Safety is the most important part of any job. When preparing to go to the field it is the responsibility of the assistant to dress in an appropriate manner. In cold weather special care should be taken to stay warm and in warm weather sunburn and dehydration are a concern. It is also a good idea to carry dog biscuits and insect repellent.

Field Work: When arriving at the property the assistant first goes to the door to alert the owner or occupant of his or her presence. Proper identification is presented including a business card and the photo ID is visibly displayed by attaching it to a collar or shirt pocket. In cold weather it is attached to the outside of the jacket or coat.

If no one is home an effort is made to gather as much necessary information as possible. This would include photos, and verification of existing information on the Review Sheet. This should be done with discretion and without being intrusive.
NO BUILDINGS ARE ENTERED WITHOUT PERMISSION.

The assistant verifies the dimensions on the sketch. This can be based on previous knowledge, spot check of two or three measurements or a complete re-measure. Once the assistant has visited the property and verified the dimensions the accuracy of the measurements are his or her responsibility. When field sketching the measurements are rounded to the nearest foot and before leaving the property the **SKETCH IS BALANCED TO BE SURE IT WILL CLOSE WHEN ENTERED IN THE COMPUTER.** Additions such as porches, decks or rooms are measured and a dimension from a reference point is included to locate it on the subject.

The Review Sheet is carefully checked for accuracy and completeness.

The *Marshall and Swift Residential Cost Handbook* is the guideline for any subjective decisions such as Quality or Style. Any necessary changes or additions are noted in red. This includes address and any pertinent notes that are needed. If the address is not apparent on the property the assistant supplies his or her best estimate of the address from street signs or neighboring properties. Care is taken to assure the changes and notes are clear and concise for later data entry use. A completed Review Sheet is critical to the record in the computer, without complete and accurate information we will not have defensible values.

Each property has a photo of the front of the property as well a photo of each addition.

The file should include a picture of major outbuildings or other improvements such as detached garages, large yard sheds, swimming pools or in the case of rural properties the outbuildings.

Before leaving the property the assistant makes one final review of the information gathered to confirm it is complete and accurate.

Data Entry:

The information for data entry should be complete and easily obtainable from the Review Sheet. The information and sketch should be clear, concise and legible. It is not the responsibility of the data entry person to estimate missing information or to correct incomplete sketches. Any data that is questionable or incomplete should be returned to the appraiser. When data entry is complete the information should be returned to the assistant for review.

Review:

The assistant reviews the file for completeness and accuracy when it is returned from data entry. At this time the amount of growth on the individual parcel is verified. After he or she is satisfied with the file it will be passed to the appraiser for final review. The passing of the file to the appraiser indicates the assistant has completed the work and believes it to be correct. The appraiser reviews the work to the degree necessary and confirms the values in the computer appraisal file. After the values are confirmed the appraiser will notify the assessment side that the work is complete.

APPROACHES TO VALUE

Appraisal is defined as:

"(1) Noun-the act or process of developing an opinion of value; an opinion of

value

(2)Adjective-of or pertaining to appraising and related functions such as appraisal practice or appraisal services."¹

The process is used to determine an estimate of value as of a given date. The estimate is arrived at by the careful and unbiased analysis of physical features and condition, and economic and governmental forces affecting the value of the subject property. Several Economic Principles form the foundation for the value of the subject, those having the most influence on value are the *Principle of Supply and Demand* and the *Principle of Substitution*.

The *Principle of Supply and Demand* simply stated says that if the supply of a commodity exceeds the demand the value of that commodity will diminish, if the demand for a commodity exceeds the supply of that commodity then the value will increase. ²

The *Principle of Substitution* simply stated says a buyer will not pay more for a commodity than a similar commodity can be purchased for. This is the base assumption in the Cost Approach and Sales Comparison Approach. A consumer will not pay more for a commodity than he can build a new one for or than he can buy a similar one for.³

Factors Affecting Value

During the appraisal process the appraiser considers several different factors 'in determining the value of the subject property. Among these are location, use, sale of similar properties, income potential of the property and the replacement cost of the property taking into consideration the various forms of depreciation affecting the value of the property.

Location: In general, the most important physical factor affecting value is location. "All other factors are subordinated to, or considered in relation to, location. If all other factors are positive, but the location is not desirable, the property will probably suffer a loss in value. ⁴

Highest and Best Use: "A principle of appraisal and assessment requiring that each property be appraised as though it were being put to it's most profitable use (highest possible net worth), given probable legal, physical, and financial constraints. The principle entails first identifying the most appropriate market, and, second, the most profitable use within that market"⁵

1) USPAP 2001, The Appraisal Foundation p.1

2) Condensed from Mass Appraisal of Real Property p.5

3) Condensed from The Glossary for Property Appraisal and Assessment p.108

4) Property Assessment Valuation, Second Addition p. 55 IAAO

5)Glossary for Property Appraisal and Assessment p. 65 IAAO

Sales Comparison Approach to Value: "The sales comparison approach uses sales prices as evidence of the value of similar properties. The price at which a particular property sells is the price determined by the interaction of supply and demand at the time of sale. If competitive market conditions are approximated, and conditions have not changed greatly, a similar property would sell at approximately the same price."⁶

Methodology for Sales Comparison Approach

Overview

The Sales Comparison Approach uses sales prices as evidence of value of similar properties. The price at which a particular property sells is the price determined by the interaction of supply and demand at the time of sale. If competitive market conditions are approximated, and conditions have not changed greatly, a similar property would sell at approximately the same price.¹

Market Value² is defined as “The most probable price (in terms of money) which a property should bring in a competitive market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of the sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) The buyer and seller are typically motivated
- 2) Both parties are well informed or advised and act in what they consider their best interests
- 3) A reasonable time is allowed for exposure on the open market
- 4) Payment is made in terms of cash or financial arrangements comparable thereto
- 5) The price is unaffected by special financing or concessions.”

Because no two real properties are ever exactly alike, systematic methods must be used to adjust the prices of sold properties, known as comparison properties, or comparables. Known prices are adjusted by adding or subtracting the amount which a given feature (*attribute*) appears to add to, or subtract from, the value of the comparable property.³

In single property appraisal, the appraiser manually determines which sales can be used as comparables, adjusts them for differences from the subject property, and determines the value of the subject property from the adjusted sales. Although conceptually excellent, this is too time consuming for mass appraisal and is also subject to inconsistencies.⁴

In mass appraisal, the sales comparison approach is applied by developing a model that estimates probable selling prices based on physical and locational characteristics. During model calibration, the appraiser determines from the market the amount each variable included in the model contributes to price. The model is then applied to properties meeting that same criteria, for example those in the same market or economic area. Because the same model is applied to all such properties, values should be consistent.⁵

Basic Premise

As a matter of consistency it is imperative the subjective decisions be kept at a minimum and the guidelines for those decisions be well defined and based on established

¹ Mass Appraisal of Real Property, Copyright 1999 IAAO page 5

² Mass Appraisal of Real Property, Copyright 1999 IAAO page 380

³ Mass Appraisal of Real Property, Copyright 1999 IAAO page 5

⁴ Mass Appraisal of Real Property, Copyright 1999 IAAO page 18

⁵ Mass Appraisal of Real Property, Copyright 1999 IAAO page 19

appraisal principles. Subjective decisions such as Quality, Condition and Style, when based on established costing manuals such as Marshall and Swift, are well defined and an acceptable level of consistency can be achieved.

Subjective decisions such as adjustments for time of sale, location, lot value, view, design and appeal, age, gross living area, functional utility and garage/carport should be based on conclusions drawn from market studies and should be explainable and documented. An opinion based on “experience and expertise” without specific documentation is very subjective and should be viewed with skepticism. These types of decisions, especially when multiplied by such things as lot or building area can lead to large discrepancies or a tendency on the part of some appraisers to adjust to a result. It is difficult to evaluate the legitimacy of the adjustment without knowing the underlying data. The opinion of an expert is only as good as the underlying data.

In an effort to keep those types of subjective decisions at a minimum and to limit the variance or error that comes from using gross area adjustments the CAMA system is basing its Sales Comparison Approach on either the Minkowski Metric or the Euclidean Metric systems of adjustments. The appraiser may choose either method in the process of applying the Sales Comparison Approach.

While both algorithms⁶ are metric based (base of ten) the difference is that in the Minkowski Metric system the absolute percentage difference is computed for each attribute while in the Euclidean the difference between the attribute of the subject and the comparable is squared and then divided by the absolute deviation. Both are a measurement of difference or distance from the subject to the comparable and that difference is used to select the comparables for the purpose of arriving at value.

The important thing to note is that both work from the square foot value of the comparable and adjustments are made to the square foot value. The final adjusted square foot value is then multiplied by the area of the subject to arrive at an adjusted sale price. There is no subjective decision by the appraiser as to a value per square foot adjustment for the difference in living area. This eliminates the opportunity for adjustments that effect the adjusted value to skew the adjusted value.

Process

The process consists of two basic steps. The first is the creation of the Comparable Sales Selection Model Table and the second step is the creation of the Comparable Sales Adjustment Table. A model is defined as “a representation (in words or an equation) that explains the relationship between value or the estimated sale price and variables representing factors of supply and demand.”⁷

Each step in the process consists of two parts, model specification and model calibration. Model specification is defined as “the formal development of a model in a statement or equation, based on data analysis and appraisal theory. During model specification, one determines the variables to test or use in a mass appraisal model.”⁸ Model

⁶ A systematic method of solving a certain kind of mathematical problem-Webster’s New World Dict. 1996

⁷ Mass Appraisal of Real Property Copyright 1999 IAAO page 382

⁸ Mass Appraisal of Real Property Copyright 1999 IAAO page 382

calibration is “the development of the adjustments or coefficients from market analysis of the variables to be used in a mass appraisal model.”⁹

The Comparable Sales Selection Model Table

The Comparable Sales Selection Model Table determines which properties in the Residential Sales File are selected as comparable sales for Residential and Mobile Home appraisal records. The Comparable Sales Selection Model Table is a user defined series of records.¹⁰ The Comparable Sales Selection Model Table contains the following fields:¹¹

- 1) **Table Number**- the Table Number is a unique number identifying the model.
- 2) **Description**- the description of the model, example-Residential Model for South Sioux etc.
- 3) **Index Type**-the appraiser chooses either “MINKOWSKI” or “EUCLIDEAN”.
- 4) **Neighborhood Options**- the appraiser chooses either “SAME” or “RANGE”
- 5) **Neighborhood Range**- this must be completed if “RANGE” is selected in Neighborhood Options.
- 6) **Sale Date Range**- the appraiser chooses the beginning and ending dates for the time period the comparables are to be selected from.
- 7) **Maximum Distance Factor**- the appraiser enters the maximum distance to include sales as comparables. Sales of properties above this number will not be selected. This is not the physical distance from the house, but a measure of compatibility between the subject house and the potential comparable.
- 8) **Source Name**-the appraiser selects the fields from the Appraisal File for the attribute used to determine Comparable selection.
- 9) **Attribute**- enter the field name for the attribute of the comparable
- 10) **Weight**- the appraiser assigns a weight to each attribute on its importance in the model. The higher the weight, the closer the comparable will have to be to the subject.

In the case of the Comparable Sales Selection Model Table the calibration of the table is in the weight assigned to each attribute. Location should not be an issue in most cases because this is probably addressed in the Neighborhood Options choice. Generally the most weight should be put on Floor Area, Style and Quality. These attributes should receive the higher weight number. The next attributes to include may be Condition, Garage Style and Area, Basement Area, Basement Finish and Exterior Wall. All weights assigned to attributes must be supported by a sales study to show their relative importance.

The Comparable Sales Adjustment Table

The Comparable Sales Adjustment Table calculates the difference between the subject and each comparable and adjusts the sale price per square foot accordingly.¹² The appraiser selects those attributes that are to be adjusted from the Appraisal File, determines

¹⁰ Terra Scan Appraisal System Version 5.61, Comparable Sales Selection Model Table

¹¹ Condensed from Terra Scan Appraisal System Version 5.61, Comparable Sales Selection Model Table

¹² Terra Scan Appraisal System Version 5.61, Comparable Sales Adjustment Table

the calibration of each, and the CAMA program applies that algorithm to each comparable selected by the Comparable Sales Selection Model. The Comparable Sales Adjustment Table is a user defined series of attributes.¹³ The Comparable Sales Adjustment Table contains the following fields:¹⁴

- 1) **Table #** - The unique number identifying this table. The default table should be number one.
- 2) **Description** – The description of the model. Example-Ranch style in So. Sioux City
- 3) **Time Adjustment** – This field allows for the adjustment of sale price in relation to the assessment date. The appraiser sets the time adjustment as a percentage per month for the difference between the sale date and the assessment date. The adjustment is derived from a market study of properties with multiple sales in a selected time frame. The CAMA system will compute the time period in months and adjust by the percent per month determined from the study and entered into the system.
- 4) **Max**- This allows for a maximum percent of time adjustment. It is an elective field and may or may not be used.
- 5) **Area Adjust**- This field gives the appraiser the option to adjust for Gross Living Area. If YES is selected the adjustment is made by developing a formula to determine the adjustment. If NO is selected the CAMA system adjusts the square foot value of the comparables and then multiplies that value by the area of the subject to arrive at an indicated value.
- 6) **Land Adjust**- The choices are “USE SUBJECT” and “NO ADJUSTMENT”. If “USE SUBJECT” is selected the program will adjust the lot value based on the difference between the subject and the comparable. If “NOADJUSTMENT” is selected there will not be an adjustment for lot value. The assumption here is lot values in the CAMA system are reasonable.
- 7) **The Components Table**- This table consists of five columns or sections. Each selected component of the comparable is addressed in each section.
 - a. **Source Column** – The appraiser selects those attributes that are determined to affect value from the Appraisal File and records them in this column.
 - b. **Name Column**- A descriptive name, which will appear on the Residential Comparables Sales Grid, is given to each attribute
 - c. **Sequence Column**- This number is automatically assigned by the CAMA System.
 - d. **Type Column**- The choices in this column are “Value” “Factor” and “Multiplier”. If “Value” is chosen the sale price is adjusted by a dollar amount. If “Factor” is chosen the difference between the subject and the comparable is multiplied by a factor amount. If “Multiplier” is chosen the difference between the subject and the comparable is multiplied by a percentage amount.
 - e. **Factor**- This column contains the formula (mathematical process) used to make the adjustment. Whether it be a value, factor or Multiplier

Application

¹³ Terra Scan Appraisal System Version 5.61, Comparable Sales Selection Model Table

¹⁴ Condensed from Terra Scan Appraisal System Version 5.61, Comparable Sales Selection Model Table

In the application of the above process it is important to remember the following things:

- 1) Neighborhood doesn't necessarily refer to just a defined geographical location but may also include physical characteristics specific to a given group of properties... "such as to insure for later multiple regression modeling that the properties are homogeneous and share important locational characteristics."¹⁵
- 2) Subjective decisions must be kept at a minimum and must be supported by existing guidelines or text such as Marshall and Swift Costing Service or IAAO reference books.
- 3) Each factor used in the development of the Comparable Sales Selection Model Table or the Comparable Sales Adjustment Table must be supported by market information.
- 4) Some adjustments may come from the study of multiple neighborhoods because of a lack of sales in a particular neighborhood, for instance, in ground swimming pools, but nevertheless each adjustment must come from the market. A subjective adjustment, not based on documented sales, has no credible basis.
- 5) The purpose of the appraisal is not to meet a predetermined value. The purpose of the appraisal is to estimate market value based on sales data. The market value estimated is intended as support for the final reconciliation of value based on all approaches.

The final step in the valuation process is a field review of the property and the application of the appraisers experience and judgment "It is good practice in mass appraisal to review preliminary values in the field to check for errors or unusual situations and ensure consistency among parcels. During this review process, the appraiser may correct grading or other data errors or override values for parcels with special conditions."¹⁶

The final assessed value as reported to the property owner is a correlation of all the approaches used to estimate value. It may or may not match any particular value arrived at in any one approach. It is the result of the appraisers experience and expertise.

Income Approach to Value: "The income approach requires the appraiser to estimate the rental income from a property and capitalize the income into an estimate of current value. The approach recognizes that potential buyers demand property because they anticipate a future stream of income. "The appraiser estimates the income stream that would be produced in the highest and best use under typical management. The property, not the current management, is being valued; therefore, it is proper to assume that potential buyers would use the property for it's most profitable legal use, and the buyer would employ typical rather than extraordinary management,"⁷

Cost Approach to Value: "the cost approach is based on the principle of substitution-that a rational, informed purchaser would pay no more for a property than the cost of building an acceptable substitute with like utility. The cost approach seeks to determine the replacement cost new of an improvement less depreciation plus land."⁸

¹⁵ Glossary for Property Appraisal and Assessment p. 92 IAAO copyright 1997

¹⁶ Mass Appraisal of Real Property Copyright 1999 IAAO page 22

As the Cost Approach Applies to Mass Appraisal: In mass appraisal the sales, in a given neighborhood, are stratified by class, style, quality and condition. The Replacement Cost New for each sold improvement is calculated and the percentage difference between that RCN and the sale price, less land value, is considered to be the depreciation. The appraiser then uses the depreciations in a specific strata to determine the percentage of depreciation for that particular class, style, quality and condition. In the case of commercial/industrial property the Occupancy Code is used in place of the style since the Occupancy Code determines the interior finish, i.e. retail store, office building, medical building, bowling alley etc.

Methodology for the Cost Approach

Overview

The Cost Approach is based on the Replacement Cost New¹⁷ (RCN) of an improvement minus the accrued depreciation¹⁸ due to physical deterioration¹⁹, functional obsolescence²⁰ and economic obsolescence²¹. The three most commonly used methods of calculating depreciation are the Overall Age Life Method, Capitalization of Income Method and the Sales Comparison Method,

Overall Age Life Method- "The overall age life method provides a direct estimate of depreciation of the subject property. Borrowed from accounting, the method is based on straight-line depreciation, in which the building is assumed to depreciate by a constant percentage each year over its economic life."²² "Although the overall age life method is simple, it has several shortcomings. For example, it recognizes primarily physical depreciation and does not distinguish between curable and incurable conditions, more serious is the assumption that depreciation occurs in a straight line. Most structures depreciate rapidly in early life and more slowly later. Actual rates vary with type of property, location, and market conditions. This method may produce satisfactory results for short-lived items, notably personal property, but it is simplistic for real property appraisal, in which depreciation should be derived from the market."²³

¹⁷ "Replacement Cost New- The cost, including material, labor and overhead, that would be incurred constructing an improvement having the same utility to its owner as the subject improvement." Glossary for Property Appraisal and Assessment Copyright 1997 IAAO page 120

¹⁸ "Depreciation, Accrued--(l) The amount of depreciation, from any and all sources, that affects the value of the property in question on the effective date of the appraisal." Glossary for Property Appraisal and Assessment Copyright 1997 IAAO page 41

¹⁹ "Physical Deterioration- a cause of depreciation that is a loss in value due to ordinary wear and tear and the forces of nature." Glossary for Property Appraisal and Assessment Copyright 1997 IAAO page 102

²⁰ "Functional Obsolescence-Loss in value of a property resulting from changes in tastes, preferences, technical innovations or market standards," Glossary for Property Appraisal and Assessment Copyright 1997 IAAO page 59

²¹ "Economic (External) Obsolescence--(1) A cause of depreciation that is a loss in value as a result of impairment in utility and desirability caused by factors outside the property's boundaries." Glossary for Property Appraisal and Assessment Copyright 1997 IAAO page 48

²² Property Appraisal and Assessment Administration Copyright 1990 IAAO page 224

²³ Property Appraisal and Assessment Administration Copyright 1990 IAAO page 224-225

Capitalization of Income Method- "This method is the same as the sales comparison method except that values based on the income approach are used instead of comparables sales. Although conceptually inferior to the sales comparison method because appraisals are substituted for actual sales, the capitalization of income method can be useful for income producing properties for which good sales are usually scarce. Reliability depends on the accuracy of the income data, capitalization methods, and land values used in the analysis."²⁴
"Income Approach to Value: The income approach requires the appraiser to estimate the rental income from a property and capitalize the income into an estimate of current value. The approach recognizes that potential buyers demand property because they anticipate a future stream of income. "The appraiser estimates the income stream that would be produced in the highest and best use under typical management. The property, not the current management, *is* being valued; therefore, it is proper to assume that potential buyers would use the property for it's most profitable legal use, and the buyer would employ typical rather than extraordinary management"²⁵

Sales Comparison Method "The sales comparison method is borrowed from the sales comparison approach. Recent sales of properties similar to the subject are identified. Building residuals, calculated by subtracting the land from sales prices, are subtracted from replacement cost new to yield accrued depreciation.... From the available data, a typical depreciation factor is calculated and multiplied against the RCN of the subject building to estimate its total accrued depreciation from all causes."²⁶

The Sales comparison method of the cost approach uses sales prices as evidence of value of similar properties. The price at which a particular property sells is the price determined by the interaction of supply and demand at the time of sale. If competitive market conditions are approximated, and conditions have not changed greatly, a similar property would sell at approximately the same price.

There are several other less popular methods of determining value using the cost approach among these are the Engineering Breakdown Method and the Observed Condition Breakdown Method.

The Engineering Breakdown Method resembles the age-life method except that a separate depreciation is estimated for each element of the improvement the total value loss is compared to the total RCN to arrive at the percent of depreciation. This is not a market generated depreciation and therefore may lead to an inaccurate estimate of market value.

Observed Condition Breakdown Method This method breaks down depreciation into all its various components: curable physical deterioration, incurable short-lived-item physical deterioration, incurable basic structure (long-lived items) physical deterioration, curable functional obsolescence, incurable functional obsolescence and economic obsolescence."²⁷ This is not a market generated depreciation and therefore may lead to an inaccurate estimate of market value.

²⁴ Property Appraisal and Assessment Administration Copyright 1990 IAAO page 224

²⁵ Property Appraisal and Assessment Administration Copyright 1990 IAAO page 83

²⁶ Property Appraisal and Assessment Administration Copyright 1990 IAAO page 223

²⁷ Property Appraisal and Assessment Administration Copyright 1990 IAAO page 225

Basic Premise

By its very nature mass appraisal deals with a multitude of properties. The goal of mass appraisal is two fold, equalization and an accurate estimate of market value. The most important of these is equalization.

The result of good mass appraisal practices is an accurate estimate of market value. Equalization can only be achieved if all properties are treated equally as to the method by which RCN and depreciation are calculated. To approach a subject property, for purposes of ad valorem tax, with a single property appraisal tends to distort equalization.

Conclusion

The Cost Approach as used in mass appraisal is based on a market generated depreciation. This is the most reliable method for estimating value in as much as it addresses the specific data of the subject's RCN and the depreciation is generated from sales of similar property ie. all properties are treated equally. This is known as the sales comparison method of the Cost Approach.

∴

Arriving at an Estimate of Value

Real Estate is appraised at its highest and best use. To determine the highest and best use the property must be given consideration as if vacant and then as improved. Highest and best use is that use which will generate the highest percentage of net return to the property over a reasonable length of time. In determining the highest percentage of net return four requirements must be met. The use must be:

1) Legally Permissible

- 6) Mass Appraisal of Real Property p.5 IAAO
- 7) Condensed from Mass Appraisal of Real Property p.7 IAAO
- 8) Condensed from Glossary for Property Appraisal and Assessment p.35

2) Physically Possible

3) Financially Feasible

4) Produce Maximum Profitability

In the process of determining an estimate of value the appraiser has reviewed each of the requirements based on the following characteristics:

Legally Permissible: A general knowledge of zoning laws, city ordinances, state and federal laws indicates the subject property meets this requirement. More specifically an examination of city zoning maps and regulations indicate the present use meets this requirement.

Physically Possible: A site's potential uses can be limited by such things as size, configuration, terrain, utilities and location. An improvement's possible uses can be limited by type, size, design and condition. More specifically an examination of the site and the improvement indicate the present use meets this requirement.

Financially Feasible: When analyzing the financial feasibility of a site or improvements the appraiser considers those legally and physically possible options which would give a positive return on the investment.

Maximum Profitability: While some options may appear to have a higher return at first glance, the appraiser must include in his analysis the cost of removing existing improvements as well as the cost of the new improvements. In many cases, even though the Net Operating Income 1 of a change in use exceeds that of present use, the return on the investment required to remove the old and build a new improvement does not exceed that of present use. More specifically an examination of other possible uses indicates the present use would probably yield the highest percentage of return on the investment.

Highest and Best Use as Vacant

Legally Permissible: Of the four requirements mentioned earlier probably the one that has the biggest influence on value. Any consideration for the use of land as vacant must take into account the restrictions put on it by existing laws and regulations. Without clear and convincing evidence that those restrictions could be changed, i.e. zoning, building codes etc. it would be inappropriate to consider other uses.

Example: Although there is a demand for land to be used to build a shopping mall, if the present zoning is residential and there is no evidence that a change could be made it would be inappropriate to value the land as a possible commercial site eligible for development.

More specifically this property is zoned as commercial and should be valued as such.

Physically Possible: When considering this requirement the appraiser must examine the zoning regulations for use, set back, height restrictions, building types and so forth. He must also consider such things as terrain, soil type, utilities and off site hazards or nuisances that would limit the uses of the site. It is then the responsibility of the appraiser to determine if the physical limitations of the property, either on site or off, further limit the use of the property.

More specifically there doesn't appear to be any physical limitations that affect the use of the subject beyond the legal limitations.

Financial Feasibility: Since the neighborhood is factored for commercial and the area continues to have a steady growth rate it is reasonable to assume this land as vacant would be acquired for commercial use after a reasonable market time. Since there are no apparent off site influences on the property a study of vacant commercial sales should yield a reliable estimate of value. "The sales comparison approach is always the preferred approach when sufficient data are available. Only when sales data are insufficient should the assessor (appraiser) resort to alternative methods."¹

More specifically the subject property appears to be typical of the commercial properties in the area and therefore the sales comparison approach to value should produce a reasonable estimate of value.

Produce Maximum Profitability: In reviewing the possible uses for the site based on existing legal restraints it is apparent to the appraiser that the site will return the maximum profitability as a commercial site.

COMPUTER AIDED MASS APPRAISAL (CAMA SYSTEM)

The final estimate of value was arrived at using a CAMA system. The appraisal section of the system has several main components. They include *Neighborhood Land Table, Commercial Cost Tables, Site Improvement Cost Tables* and *Depreciation Tables*

Neighborhood Land Tables are used to value land with similar market characteristics together. A market analysis is used to determine what neighborhood applies and then that table can be designed in such a way as to make allowances for the size to value relationship based on that analysis.

More specifically an examination of the *Neighborhood Land Table* will show that the subject was adjusted for size.

Commercial Cost Tables are supplied by Marshall and Swift. These are based on an Occupancy Code. The system will pull the cost from the table, make the necessary adjustments for floor area, construction type, wall height and so forth, then apply that cost to the subject as a Replacement Cost New (RCN).

More specifically an examination of the Property Record Cards for the subject will show the various elements of the buildings and the RCN of each.

Site Improvement Cost Tables are supplied by Marshall and Swift. These are based on an Improvement Code. The system will pull the cost from the table, make the necessary adjustments for floor area, construction type and so forth then apply that cost to the subject as a Replacement Cost New (RCN).

¹ Property Assessment Valuation second Edition IAAO p.84

More specifically an examination of the Property Record Cards for the subject will show the various elements of the improvement and the RCN of each.

Depreciation Tables are built using verified sales and RCN. These tables are then applied to the subject. See the *As the Cost Approach Applies to Mass Appraisal* section above for more detail.

More specifically an examination of the Property Record Cards for the subject will show the various

elements of the improvements and the depreciation applied to each.

CONCLUSION

The subject was valued using Marshall and Swift costing as applied by the CAMA system. Depreciation was determined from the market and physical inspection of the site.

The market generated depreciation is given the most weight in the reconciliation process. Since this is a market generated depreciation, based on sales assessment ratios, a verification of the accuracy of the depreciation tables is easily attained by a ratio study.

In an effort to keep the public informed the news media is advised of annual indications of changes in value. As an example the office would inform the media that, generally speaking, sales indicate real property has appreciated about 5% in the last year. In addition to this much time is spent in the office explaining valuation changes to individual property owners

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

<u>Property Class</u>	<u>Median</u>	<u>COD*</u>	<u>PRD*</u>
Residential	94	15.61	104.55
Commercial	98	21.64	108.52
Agricultural Land	73	30.94	119.13
Special Value Agland	Insufficient sales to calculate reliable statistics		

COD means coefficient of dispersion and PRD means price related differential. For more information regarding statistical measures see 2008 Reports & Opinions.

ACTIONS PLANNED FOR SUMMER 2010 AND BEYOND

2011 – Residential

Review the rural residential property. The plan also includes and re-measuring. New depreciation tables, based on a market generated depreciation, will be created for all properties included in a total revalue or physical review. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary.

2011-Commercial

Continue a systematic review of all commercial property. Commercial sales will be reviewed. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary

2011-Agricultural

We will continue to monitor agricultural land usage as we work building permits in rural areas. We are planning on reviewing all of the agricultural residential and outbuildings. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

2012-Residential

Review the residential the south ½ of South Sioux City This is the third time for this town therefore it is anticipated to be less time consuming. It is estimated to take about three weeks. New depreciation tables, based on a market generated depreciation, will be created for all properties included in a total revalue or physical review. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary.

2012-Commercial

We continue to work on the systematic review of Commercials and estimate completing another 25% of total commercials for this year. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary

2012-Agricultural

We will continue to monitor agricultural land usage as we work building permits in rural areas. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

2013 – Residential

Continue the physical review South Sioux City residential. It is estimated this will be finished this year. The plan also includes and re-measuring. New depreciation tables, based on a market generated depreciation, will be created for all properties included in a total revalue or physical review. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary.

2013-Commercial

We continue to work on the second physical review of Commercials and estimate having a total of about 60% of the commercials completed by the end of year. Commercials in South Sioux City will be reviewed. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary

2013-Agricultural

We will continue to monitor agricultural land usage as we work building permits in rural areas. We are planning on reviewing a portion of the agricultural residential and outbuildings. Ratio Studies

will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

2014 – Residential

Review the residential property in Emerson, Jackson, Homer and Hubbard. This is the second time for these towns therefore it is anticipated to be less time consuming. It is estimated to take about two weeks. New depreciation tables, based on a market generated depreciation, will be created for all properties included in a total revalue or physical review.

Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary.

2014-Commercial

We begin a systematic second review of all commercial property. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary

201-Agricultural

We will continue to monitor agricultural land usage as we work building permits in rural areas. We are planning on reviewing as much of the agricultural residential and outbuildings as time will allow. . Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

Appraiser’s Note: The amount of work required to re-list and enter the new data in to computer program may and probably will cause adjustments to above schedule. It is imperative that the initial information entered is correct and complete in every respect. Once the correct information, for all parcels, is entered then the review process will be much less time consuming. It is the position of the appraiser that it is more important to get the correct information entered each time than it is to stay on a schedule. This will lead to full utilization of the CAMA. An acceptable Level of Value and the Quality of Assessment are always the goal of any appraisal action. The current Level of Value and the Quality of Assessment are noted earlier in this document.

Other Actions Necessary to Quality Assessment

Cadastral Maps

Cadastral Maps show the boundaries of subdivisions of land, usually with the bearing and lengths thereof and the areas of individual tracts, for purposes of describing and recording ownership. A cadastral map may also show culture, drainage and other features relating to the value and use of the land.

Maintained By Assessment----The Assessment Manager keeps the maps up to date and draws in new subdivisions, parcel splits and anything that needs to be done. This function is aided by the use of the Agridata Program to determine soil type and location.

The maps are in good condition.

Property Record Cards

Property Record Cards show the name of owner, the street address and the legal description of the property. Land improvements are indicated on the card. The lot size is shown. A sketch of the house drawn to scale, the outside dimensions and the type of construction. Sales date is also shown. Current year value is broken down by land value, improvements and then the total value is shown. It is the position of this office that the old hard copy file Property Record Cards are now considered Historical files only and will be represented as such.

Real Estate Transfers (521's)

Real Estate Transfer Statements have pertinent information including Grantor-Grantee, address and legal description of property, purchase price, and instrument number. When we get the 521 from the Register of Deeds, we are able to change owners on the property record card and on the computer assessment screen.

Maintained by Assessment—Assessment has copies on file as well as does the Appraisal side. Assessment copies are filed in order of instrument number.

In Good Condition

Annual Assessor Administrative Reports Required by Law/Regulation:

Abstracts (Real & Personal Property)

Assessor Survey

Sales information to PA&T rosters & annual Assessed Value Update w/Abstract

Certification of Value to Political Subdivisions

School District Taxable Value Report

Homestead Exemption Tax Loss Report (in conjunction with Treasurer)

Certificate of Taxes Levied Report

Report of current values for properties owned by Board of Education Lands & Funds

Report of all Exempt Property and Taxable Government Owned Property

Annual Plan of Assessment Report

Personal Property; administer annual filing of 1038 schedules, prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.

Permissive Exemptions: administer annual filings of applications for new or continued exempt use, review and make recommendations to county board.

Taxable Government Owned Property – annual review of government owned property not used for public purpose, send notices of intent to tax, etc.

Homestead Exemptions; administer 525 annual filings of applications, approval/denial process, taxpayer notifications, and taxpayer assistance.

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.

Tax Increment Financing – management of record/valuation information for properties in community redevelopment projects for proper reporting on administrative reports and allocation of ad valorem tax.

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.

Tax Lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed.

Tax List Corrections – prepare tax list correction documents for county board approval.

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

TERC Appeals - prepare information and attend taxpayer appeal hearings before TERC, defend valuation.

TERC Statewide Equalization – attend hearings if applicable to county, defend values, and/or implement orders of the TERC.

Education: Assessment Manager and Appraiser Education – Both the Assessment Manager and the Appriaser attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain the Assessor Certificate and the Appraiser License. The Assessor Certificate is issued by Property Assessment and Taxation and the Appraiser License is issued by Nebraska Real Estate Appraisal Board.

Respectfully submitted:

Assessment Manager Signature: _____

Date:

Appraisal
Date_____

Supervisor

Signature:_____

2012 Assessment Survey for Dakota County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	1 Deputy Assessor
2.	Appraiser(s) on staff:
	2 Appraisal assistants, 1 with 12 + yrs of experience, 1 new to the field
3.	Other full-time employees:
	1 Data entry
4.	Other part-time employees:
	none
5.	Number of shared employees:
	None
6.	Assessor's requested budget for current fiscal year:
	\$204,060.42
7.	Adopted budget, or granted budget if different from above:
	\$204,060.42
8.	Amount of the total assessor's budget set aside for appraisal work:
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	\$163,987.61
10.	Part of the assessor's budget that is dedicated to the computer system:
	\$13,922.82
11.	Amount of the assessor's budget set aside for education/workshops:
12.	Other miscellaneous funds:
13.	Amount of last year's assessor's budget not used:

B. Computer, Automation Information and GIS

1.	Administrative software:
	Tyler
2.	CAMA software:
	Tyler
3.	Are cadastral maps currently being used?
	Yes
4.	If so, who maintains the Cadastral Maps?
	Staff
5.	Does the county have GIS software?
	No

6.	Is GIS available on a website? If so, what is the name of the website?
	No
7.	Who maintains the GIS software and maps?
	N/A
8.	Personal Property software:
	Tyler

C. Zoning Information

1.	Does the county have zoning?
	No
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	South Sioux City, Dakota City, Homer, Hubbard, Jackson and Emerson
4.	When was zoning implemented?
	1978

D. Contracted Services

1.	Appraisal Services:
	None
2.	Other services:
	None

2012 Certification for Dakota 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 Dakota 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

