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2012 Commission Summary for Franklin County

Residential Real Property - Current

Number of Sales	113	Median	98.54
Total Sales Price	\$3,582,876	Mean	112.76
Total Adj. Sales Price	\$3,597,876	Wgt. Mean	95.14
Total Assessed Value	\$3,422,845	Average Assessed Value of the Base	\$23,896
Avg. Adj. Sales Price	\$31,840	Avg. Assessed Value	\$30,291

Confidence Interval - Current

95% Median C.I	97.64 to 99.68
95% Wgt. Mean C.I	90.68 to 99.59
95% Mean C.I	98.92 to 126.60
% of Value of the Class of all Real Property Value in the	7.37
% of Records Sold in the Study Period	6.88
% of Value Sold in the Study Period	8.72

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	120	99	99
2010	122	99	99
2009	121	99	99
2008	144	99	99

2012 Commission Summary for Franklin County

Commercial Real Property - Current

Number of Sales	18	Median	93.96
Total Sales Price	\$855,925	Mean	102.16
Total Adj. Sales Price	\$753,425	Wgt. Mean	95.72
Total Assessed Value	\$721,195	Average Assessed Value of the Base	\$42,991
Avg. Adj. Sales Price	\$41,857	Avg. Assessed Value	\$40,066

Confidence Interval - Current

95% Median C.I	78.72 to 101.59
95% Wgt. Mean C.I	72.02 to 119.43
95% Mean C.I	75.65 to 128.67
% of Value of the Class of all Real Property Value in the County	3.04
% of Records Sold in the Study Period	4.77
% of Value Sold in the Study Period	4.45

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	20		95
2010	19	94	94
2009	13	94	94
2008	19	97	97

2012 Opinions of the Property Tax Administrator for Franklin 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	99	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	73	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
Property Tax Administrator

2012 Residential Assessment Actions for Franklin County

New pricing was implemented and all improvements were repriced

New pictures were taken

New improvements were added as they were reported or discovered by the Assessor's office

New real estate property record cards were made, reviewing coding and lot size

Pictures were taken of the improved exempt residential properties.

All depreciation tables were reviewed and updated if necessary. Spreadsheet analysis was completed on the sales.

Pick up work was completed

2012 Residential Assessment Survey for Franklin County

1.	Valuation data collection done by:	
	Assessor, Contract Appraiser 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</u>
	1	Franklin - Largest town in county, hospital, school, most market activity in the county
	2	Bloomington - Southern part of county, by the river, located on the highway, has Franklin influence, almost bedroom community
	3	Campbell - Northern part of the county, on highway, bedroom city to Hastings influence due to new elevator, new jobs
	4	Hildreth - Northern part of the county, not on highway, bedroom city to Minden and Kearney school combined with Wilcox
	5	Naponee - Southern part of county, by the river, located on the highway, very small, reservoir influence
	6	Riverton - Southern part of county, by the river, located on the highway, small town not much activity, post office and bar/restaurant
	7	Upland - Northern part of the county, not on highway, very small, not much activity, post office, satellite bank, co-op
	10	Rural - All rural residential not located inside of a village boundary
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Sales comparison and Replacement Cost New	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	2007	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	The county and the contract appraiser develop their own depreciation tables based on local market information	
6.	Are individual depreciation tables developed for each valuation grouping?	
	Yes	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2012	
8.	When was the last lot value study completed for each valuation grouping?	
	1999	
9.	Describe the methodology used to determine the residential lot values?	
	Price per square foot	
10.	How do you determine whether a sold parcel is substantially changed?	
	Each sale is reviewed individually, to be a substantial change there would need to be	

	an addition or removal of a structure to the property or an extensive remodel.
--	--

**31 Franklin
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 : 113
 Total Sales Price : 3,582,876
 Total Adj. Sales Price : 3,597,876
 Total Assessed Value : 3,422,845
 Avg. Adj. Sales Price : 31,840
 Avg. Assessed Value : 30,291

MEDIAN : 99
 WGT. MEAN : 95
 MEAN : 113
 COD : 27.63
 PRD : 118.52

COV : 66.58
 STD : 75.07
 Avg. Abs. Dev : 27.23
 MAX Sales Ratio : 692.50
 MIN Sales Ratio : 38.84

95% Median C.I. : 97.64 to 99.68
 95% Wgt. Mean C.I. : 90.68 to 99.59
 95% Mean C.I. : 98.92 to 126.60

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DATE OF SALE *											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
<u>Qtrts</u>												
01-JUL-09 To 30-SEP-09	11	99.68	105.33	99.87	07.30	105.47	96.70	164.86	97.06 to 102.75	27,000	26,964	
01-OCT-09 To 31-DEC-09	8	97.94	99.22	99.90	04.44	99.32	87.00	116.47	87.00 to 116.47	30,763	30,733	
01-JAN-10 To 31-MAR-10	15	98.66	102.25	99.44	08.69	102.83	86.53	174.75	96.53 to 102.45	33,869	33,678	
01-APR-10 To 30-JUN-10	16	97.96	95.31	95.31	05.79	100.00	67.42	109.25	93.97 to 99.72	37,725	35,957	
01-JUL-10 To 30-SEP-10	18	101.08	155.64	108.66	62.06	143.24	75.31	692.50	96.17 to 119.27	20,195	21,943	
01-OCT-10 To 31-DEC-10	15	98.91	97.36	94.36	19.54	103.18	47.43	174.24	89.50 to 109.60	26,150	24,675	
01-JAN-11 To 31-MAR-11	12	97.93	130.00	93.88	52.54	138.47	57.47	372.25	78.80 to 176.15	39,108	36,713	
01-APR-11 To 30-JUN-11	18	85.82	106.02	82.75	42.45	128.12	38.84	288.25	74.05 to 116.40	39,893	33,014	
<u>Study Yrs</u>												
01-JUL-09 To 30-JUN-10	50	98.52	100.22	98.08	06.86	102.18	67.42	174.75	97.75 to 99.68	33,095	32,459	
01-JUL-10 To 30-JUN-11	63	98.91	122.70	92.63	43.94	132.46	38.84	692.50	94.39 to 101.13	30,843	28,570	
<u>Calendar Yrs</u>												
01-JAN-10 To 31-DEC-10	64	98.74	114.39	98.83	26.10	115.74	47.43	692.50	97.64 to 100.29	29,178	28,837	
<u>ALL</u>	113	98.54	112.76	95.14	27.63	118.52	38.84	692.50	97.64 to 99.68	31,840	30,291	

VALUATION GROUPING											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
01	47	99.60	108.06	99.10	17.14	109.04	69.82	237.91	98.02 to 101.13	36,129	35,803	
02	8	97.01	97.33	91.36	09.94	106.53	80.97	114.78	80.97 to 114.78	13,000	11,876	
03	18	97.94	127.96	90.93	42.63	140.72	55.24	692.50	91.05 to 99.72	23,867	21,702	
04	14	98.43	95.21	96.09	09.98	99.08	57.47	119.27	89.50 to 102.12	56,307	54,108	
05	9	99.68	156.04	122.06	70.75	127.84	47.43	372.25	93.83 to 288.25	13,022	15,895	
06	5	96.17	163.29	80.25	92.43	203.48	49.93	417.50	N/A	7,911	6,349	
07	8	97.36	93.92	95.41	11.45	98.44	70.15	122.37	70.15 to 122.37	14,330	13,673	
10	4	67.29	68.87	69.41	23.58	99.22	38.84	102.06	N/A	76,625	53,189	
<u>ALL</u>	113	98.54	112.76	95.14	27.63	118.52	38.84	692.50	97.64 to 99.68	31,840	30,291	

PROPERTY TYPE *											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
01	112	98.52	112.85	95.00	27.85	118.79	38.84	692.50	97.64 to 99.60	31,499	29,923	
06												
07	1	102.06	102.06	102.06	00.00	100.00	102.06	102.06	N/A	70,000	71,440	
<u>ALL</u>	113	98.54	112.76	95.14	27.63	118.52	38.84	692.50	97.64 to 99.68	31,840	30,291	

**31 Franklin
RESIDENTIAL**

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000	12	94.85	194.58	97.03	120.59	200.54	49.93	692.50	86.84 to 372.25	7,681	7,453	
Less Than 15,000	43	99.45	140.74	112.86	52.38	124.70	49.93	692.50	96.17 to 108.75	8,474	9,564	
Less Than 30,000	71	99.53	125.65	106.85	37.22	117.59	47.43	692.50	97.54 to 102.75	13,298	14,209	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	101	98.54	103.03	95.09	17.12	108.35	38.84	288.25	97.67 to 99.68	34,710	33,004	
Greater Than 14,999	70	98.50	95.57	93.14	12.11	102.61	38.84	176.15	97.54 to 99.53	46,193	43,023	
Greater Than 29,999	42	97.99	90.96	90.97	10.72	99.99	38.84	119.27	96.66 to 99.15	63,183	57,476	
<u>Incremental Ranges</u>												
0 TO 4,999	12	94.85	194.58	97.03	120.59	200.54	49.93	692.50	86.84 to 372.25	7,681	7,453	
5,000 TO 14,999	31	99.68	119.90	118.23	28.01	101.41	75.31	288.25	96.70 to 109.25	8,781	10,381	
15,000 TO 29,999	28	99.57	102.48	103.07	14.00	99.43	47.43	176.15	97.05 to 103.38	20,707	21,343	
30,000 TO 59,999	19	98.02	93.28	93.05	08.24	100.25	55.24	115.62	94.99 to 99.99	38,316	35,652	
60,000 TO 99,999	17	97.83	87.19	88.14	14.72	98.92	38.84	119.27	69.82 to 99.38	75,188	66,274	
100,000 TO 149,999	6	99.36	94.27	94.20	06.77	100.07	67.16	102.06	67.16 to 102.06	107,917	101,661	
150,000 TO 249,999												
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	113	98.54	112.76	95.14	27.63	118.52	38.84	692.50	97.64 to 99.68	31,840	30,291	

**2012 Correlation Section
for Franklin County**

A. Residential Real Property

Franklin County is located in south central Nebraska, along the Kansas border. The county seat and largest town is Franklin. The Republican River runs through the southern portion of the county. The county has two high schools; one in Franklin and a consolidated high school in Hildreth. The county is experiencing decreasing population and economic decline.

The statistical sampling of 113 qualified residential sales will be considered an adequate and reliable sample for the measurement of the residential class of real property in Franklin County. The calculated median is 99%. Only one valuation grouping is not within the acceptable range, this low valuation grouping represents the assessor location of Rural. A reliable statistical inference would be difficult with only four sales over the two year time frame. The qualitative measures are above the acceptable range due to the fact that Franklin County includes as many sales as possible causing some extreme outliers to remain in the file. The statistics reflect an influence on the COD and PRD due to low dollar sales. Twelve of the 113 sales are under \$5000.

Franklin County does not utilize sales verification questionnaires but instead relies on telephone and personal interviews for the sales verification. Additionally, some sales are physically inspected if there is a perceived discrepancy in the sale.

Franklin County employs a six-year inspection cycle for reviewing the property in their county. Their review includes physically inspecting, measuring, photographing and updating their records. Franklin County is moving forward technologically. They have a website with online parcel search, transfer sales electronically, complete spreadsheet analyses and utilize their GIS system.

The Department of Revenue, Property Assessment Division has implemented a cyclical analysis of one-third of the counties within the state per year to systematically review assessment practices. Franklin County was one of those selected for review in 2011 and it has been confirmed that the assessment actions are reliable and are being applied consistently. Therefore, it is believed there is uniform and proportionate treatment within the residential class of property.

Based on the consideration of all available information, the level of value is determined to be 99% of market value for the residential class of real property. Because the known assessment practices are reliable and consistent it is believed that the residential class of property is being treated in the most uniform and proportionate manner possible.

**2012 Correlation Section
for Franklin 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 Franklin 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 Franklin 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 Franklin 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 Franklin County

New pricing was implemented and all improvements were repriced

New pictures were taken

New improvements were added as they were reported or discovered by the Assessor's office

New real estate property record cards were made, reviewing coding and lot size

Pictures were taken of the improved exempt commercial properties.

All depreciation tables were reviewed and updated if necessary. Spreadsheet analysis was completed on the sales.

Pick up work was completed

2012 Commercial Assessment Survey for Franklin County

1.	Valuation data collection done by:	
	Assessor, Contract Appraiser and office staff	
2.	In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	1	Franklin - Largest town in county, hospital, school, most market activity in the county
	2	Bloomington - Southern part of county, by the river, located on the highway, has Franklin influence, almost bedroom community
	3	Campbell - Northern part of the county, on highway, bedroom city to Hastings influence due to new elevator, new jobs
	4	Hildreth - Northern part of the county, not on highway, bedroom city to Minden and Kearney school combined with Wilcox
	5	Naponee - Southern part of county, by the river, located on the highway, very small, reservoir influence
	6	Riverton - Southern part of county, by the river, located on the highway, small town not much activity, post office and bar/restaurant
	7	Upland - Northern part of the county, not on highway, very small, not much activity, post office, satellite bank, co-op
	10	Rural - All rural residential not located inside of a village boundary
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	Sales comparison and replacement cost new, income when information is available	
3a.	Describe the process used to value unique commercial properties.	
	Franklin County employs a contract appraiser to help with unique commercial properties	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	2007	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	The county develops depreciation tables based on local markets	
6.	Are individual depreciation tables developed for each valuation grouping?	
	yes	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2012	
8.	When was the last lot value study completed for each valuation grouping?	
	1999	
9.	Describe the methodology used to determine the commercial lot values.	
	Priced per square foot	

10.	How do you determine whether a sold parcel is substantially changed?
	Each sale is reviewed individually and a determination is made if a change is substantial, remodeling, additions, removal of structures would be examples of substantial changes.

**31 Franklin
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 : 18
 Total Sales Price : 855,925
 Total Adj. Sales Price : 753,425
 Total Assessed Value : 721,195
 Avg. Adj. Sales Price : 41,857
 Avg. Assessed Value : 40,066

MEDIAN : 94
 WGT. MEAN : 96
 MEAN : 102
 COD : 29.34
 PRD : 106.73

COV : 52.18
 STD : 53.31
 Avg. Abs. Dev : 27.57
 MAX Sales Ratio : 294.68
 MIN Sales Ratio : 55.12

95% Median C.I. : 78.72 to 101.59
 95% Wgt. Mean C.I. : 72.02 to 119.43
 95% Mean C.I. : 75.65 to 128.67

Printed:3/29/2012 3:06:16PM

DATE OF SALE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Qtrts</u>												
01-JUL-08 To 30-SEP-08	1	294.68	294.68	294.68	00.00	100.00	294.68	294.68	N/A	3,100	9,135	
01-OCT-08 To 31-DEC-08	3	97.06	108.00	97.26	12.38	111.04	95.45	131.50	N/A	13,917	13,535	
01-JAN-09 To 31-MAR-09												
01-APR-09 To 30-JUN-09	4	83.05	82.05	67.75	21.29	121.11	55.12	107.00	N/A	22,125	14,989	
01-JUL-09 To 30-SEP-09	1	101.59	101.59	101.59	00.00	100.00	101.59	101.59	N/A	18,270	18,560	
01-OCT-09 To 31-DEC-09	1	84.93	84.93	84.93	00.00	100.00	84.93	84.93	N/A	275,000	233,560	
01-JAN-10 To 31-MAR-10												
01-APR-10 To 30-JUN-10	1	57.63	57.63	57.63	00.00	100.00	57.63	57.63	N/A	15,000	8,645	
01-JUL-10 To 30-SEP-10												
01-OCT-10 To 31-DEC-10	2	68.28	68.28	75.04	15.30	90.99	57.83	78.72	N/A	42,500	31,890	
01-JAN-11 To 31-MAR-11	2	98.24	98.24	97.85	01.79	100.40	96.48	100.00	N/A	24,528	24,000	
01-APR-11 To 30-JUN-11	3	90.00	104.96	134.43	23.27	78.08	81.03	143.85	N/A	59,250	79,652	
<u>Study Yrs</u>												
01-JUL-08 To 30-JUN-09	8	96.26	118.36	82.26	40.72	143.89	55.12	294.68	55.12 to 294.68	16,669	13,712	
01-JUL-09 To 30-JUN-10	3	84.93	81.38	84.59	17.25	96.21	57.63	101.59	N/A	102,757	86,922	
01-JUL-10 To 30-JUN-11	7	90.00	92.56	112.49	19.49	82.28	57.83	143.85	57.83 to 143.85	44,544	50,105	
<u>Calendar Yrs</u>												
01-JAN-09 To 31-DEC-09	6	88.70	85.79	81.74	16.43	104.95	55.12	107.00	55.12 to 107.00	63,628	52,013	
01-JAN-10 To 31-DEC-10	3	57.83	64.73	72.43	12.16	89.37	57.63	78.72	N/A	33,333	24,142	
<u>ALL</u>	18	93.96	102.16	95.72	29.34	106.73	55.12	294.68	78.72 to 101.59	41,857	40,066	

VALUATION GROUPING											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
01	9	90.00	114.95	100.69	41.91	114.16	57.83	294.68	78.72 to 143.85	64,150	64,592	
02	1	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	19,055	19,055	
03	1	57.63	57.63	57.63	00.00	100.00	57.63	57.63	N/A	15,000	8,645	
04	2	84.54	84.54	82.22	12.92	102.82	73.62	95.45	N/A	20,625	16,958	
05	2	94.77	94.77	95.88	02.43	98.84	92.47	97.06	N/A	16,500	15,820	
10	3	101.59	96.07	68.78	25.06	139.68	55.12	131.50	N/A	22,590	15,537	
<u>ALL</u>	18	93.96	102.16	95.72	29.34	106.73	55.12	294.68	78.72 to 101.59	41,857	40,066	

**31 Franklin
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 : 18
 Total Sales Price : 855,925
 Total Adj. Sales Price : 753,425
 Total Assessed Value : 721,195
 Avg. Adj. Sales Price : 41,857
 Avg. Assessed Value : 40,066

MEDIAN : 94
 WGT. MEAN : 96
 MEAN : 102
 COD : 29.34
 PRD : 106.73

COV : 52.18
 STD : 53.31
 Avg. Abs. Dev : 27.57
 MAX Sales Ratio : 294.68
 MIN Sales Ratio : 55.12

95% Median C.I. : 78.72 to 101.59
 95% Wgt. Mean C.I. : 72.02 to 119.43
 95% Mean C.I. : 75.65 to 128.67

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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	18	93.96	102.16	95.72	29.34	106.73	55.12	294.68	78.72 to 101.59	41,857	40,066
04											
<u>ALL</u>	18	93.96	102.16	95.72	29.34	106.73	55.12	294.68	78.72 to 101.59	41,857	40,066

SALE PRICE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Low \$ Ranges</u>											
Less Than 5,000	2	213.09	213.09	254.88	38.29	83.60	131.50	294.68	N/A	2,050	5,225
Less Than 15,000	5	107.00	143.13	120.07	45.55	119.21	90.00	294.68	N/A	5,370	6,448
Less Than 30,000	13	95.45	106.14	89.52	30.56	118.57	57.63	294.68	73.62 to 107.00	13,840	12,390
<u>Ranges Excl. Low \$</u>											
Greater Than 4,999	16	91.24	88.30	94.85	17.47	93.09	55.12	143.85	73.62 to 100.00	46,833	44,422
Greater Than 14,999	13	84.93	86.41	94.82	20.88	91.13	55.12	143.85	57.83 to 100.00	55,890	52,997
Greater Than 29,999	5	84.93	91.82	97.67	25.08	94.01	55.12	143.85	N/A	114,700	112,024
<u>Incremental Ranges</u>											
0 TO 4,999	2	213.09	213.09	254.88	38.29	83.60	131.50	294.68	N/A	2,050	5,225
5,000 TO 14,999	3	92.47	96.49	95.78	06.13	100.74	90.00	107.00	N/A	7,583	7,263
15,000 TO 29,999	8	88.24	83.03	84.16	17.57	98.66	57.63	101.59	57.63 to 101.59	19,134	16,104
30,000 TO 59,999	2	75.80	75.80	70.93	27.28	106.87	55.12	96.48	N/A	39,250	27,840
60,000 TO 99,999	1	78.72	78.72	78.72	00.00	100.00	78.72	78.72	N/A	70,000	55,105
100,000 TO 149,999											
150,000 TO 249,999	1	143.85	143.85	143.85	00.00	100.00	143.85	143.85	N/A	150,000	215,775
250,000 TO 499,999	1	84.93	84.93	84.93	00.00	100.00	84.93	84.93	N/A	275,000	233,560
500,000 TO 999,999											
1,000,000 +											
<u>ALL</u>	18	93.96	102.16	95.72	29.34	106.73	55.12	294.68	78.72 to 101.59	41,857	40,066

**31 Franklin
COMMERCIAL**

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

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 95% Mean C.I. : 75.65 to 128.67

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OCCUPANCY CODE

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
326	1	96.48	96.48	96.48	00.00	100.00	96.48	96.48	N/A	30,000	28,945
344	1	294.68	294.68	294.68	00.00	100.00	294.68	294.68	N/A	3,100	9,135
346	1	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	19,055	19,055
350	2	88.70	88.70	85.16	04.25	104.16	84.93	92.47	N/A	141,750	120,710
353	4	98.50	101.81	82.52	17.72	123.38	78.72	131.50	N/A	21,313	17,588
384	1	95.45	95.45	95.45	00.00	100.00	95.45	95.45	N/A	16,250	15,510
406	2	69.43	69.43	71.09	16.71	97.66	57.83	81.03	N/A	17,500	12,440
442	2	85.34	85.34	85.22	13.73	100.14	73.62	97.06	N/A	24,750	21,093
471	1	101.59	101.59	101.59	00.00	100.00	101.59	101.59	N/A	18,270	18,560
494	1	55.12	55.12	55.12	00.00	100.00	55.12	55.12	N/A	48,500	26,735
528	1	57.63	57.63	57.63	00.00	100.00	57.63	57.63	N/A	15,000	8,645
543	1	143.85	143.85	143.85	00.00	100.00	143.85	143.85	N/A	150,000	215,775
<u>ALL</u>	18	93.96	102.16	95.72	29.34	106.73	55.12	294.68	78.72 to 101.59	41,857	40,066

2012 Correlation Section for Franklin County

A. Commercial Real Property

Franklin County is located in south central Nebraska, along the Kansas border. The county seat and largest town is Franklin. The Republican River runs through the southern portion of the county. The county has two high schools; one in Franklin and a consolidated high school in Hildreth. The county is experiencing decreasing population and economic decline.

A review of the statistical analysis reveals only 18 qualified commercial sales in the three year study period. Although the calculated statistics indicate the level of value is within the acceptable range, there are not a sufficient number of sales to have confidence in the calculated statistics. The calculated median is 94%. It will not be relied upon in determining the level of value for Franklin County nor will the qualitative measures be used in determining assessment uniformity and proportionality. The statistics reflect an influence on the COD and PRD due to low dollar sales. Five of the eighteen sales are under \$15,000.

The sample is not representative of the population as a whole even though the assessor, with the assistance of the contracted appraisal company (Knoche Appraisal), has tried to utilize as many sales as possible without bias in the analysis of the commercial class of property; there is just not an active commercial market in Franklin County. The largest number of sales occurred in the valuation grouping representing the town of Franklin. According to the assessment actions, all commercial parcels received new pricing. The majority of the commercial valuation increase, as shown on the abstract, came from the new pricing being applied to the four elevators in Franklin County.

The 18 commercial sales can be further examined to reveal that six different valuation groupings and twelve different occupancy codes are contained within the statistical profile. This diversity further gives credence that the market is unorganized and the statistics are not a reliable indicator of the level of value.

Franklin County does not employ the usage of sales verification questionnaires but instead relies on telephone and personal interviews for the sales verification. Additionally, some sales are physically inspected if there is a perceived discrepancy in the sale.

Franklin County employs a six-year inspection cycle for reviewing the property in their county. Their review includes physically inspecting, measuring, photographing and updating their records. Franklin County is moving forward technologically. They have a website with online parcel search, transfer their sales electronically, complete spreadsheet analyses and utilize their GIS system.

The Department of Revenue, Property Assessment Division has implemented a cyclical analysis of one-third of the counties within the state per year to systematically review assessment practices. Franklin County was one of those selected for review in 2011 and it has been confirmed that the assessment actions are reliable and are being applied consistently. Therefore, it is believed there is uniform and proportionate treatment within the commercial class of property.

**2012 Correlation Section
for Franklin County**

Based on the consideration of all available information, the level of value cannot be determined for the commercial class of real property. Because the known assessment practices are reliable and consistent it is believed that the commercial class of property is being treated in the most uniform and proportionate manner possible.

**2012 Correlation Section
for Franklin 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 Franklin 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 Franklin 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 Franklin 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 Franklin County

New pricing was implemented and all improvements were repriced

New improvements were added as they were reported or discovered by the Assessor's office

New real estate property record cards were made

Pictures were taken of the improved exempt rural properties.

Land use reviews are ongoing with the water situation in the Republican River Valley

Spreadsheet analysis was completed on the sales.

Pick up work was completed

2012 Agricultural Assessment Survey for Franklin County

1.	Valuation data collection done by:	
	The Assessor, contract appraiser and office 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	South of the Bostwick Irrigation Ditch, includes the Republican River Valley - The irrigated area south of the Bostwick Irrigation District comes under restrictions when there is not enough water in the Harlan County Reservoir some of this area doesn't get any water for irrigation from the canal, but it still has to be classed and taxed as irrigated. If they have a well they can irrigate each year with restrictions of the number of inches of water that they can pump.
	2	North of the Bostwick Irrigation Ditch - North of the Bostwick Irrigation District has restrictions on the number of inches of water that they can pump from their wells, but they have water every year because they have well irrigation.
3.	Describe the process that is used to determine and monitor market areas.	
	Annually sales are plotted, FSA records are reviewed, NRD restrictions are identified, water availability and topography is reviewed, sales are reviewed in a spreadsheet analysis	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	Sales are reviewed for recreational influence, no differences in value have been determined, the Republican River is mainly comprised of farms that have been in families for over 100 years.	
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, no differences have been determined	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	FSA records, GIS analysis, physical inspection and observation, land owner reporting	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	Franklin County is mainly an agricultural county, land is reviewed along the river for ag usage, the assessor attends the NRD meetings, physical inspection and observation	
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?	
	If there is a change in land usage, acres split off or combined, improvements added or removed, reviewing sales with the buyer, seller and real estate agent	

31 Franklin
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 : 49
Total Sales Price : 15,728,878
Total Adj. Sales Price : 15,592,378
Total Assessed Value : 11,437,748
Avg. Adj. Sales Price : 318,212
Avg. Assessed Value : 233,423

MEDIAN : 73
WGT. MEAN : 73
MEAN : 78
COD : 22.16
PRD : 106.30

COV : 28.96
STD : 22.58
Avg. Abs. Dev : 16.23
MAX Sales Ratio : 143.92
MIN Sales Ratio : 41.96

95% Median C.I. : 70.46 to 78.91
95% Wgt. Mean C.I. : 68.83 to 77.88
95% Mean C.I. : 71.65 to 84.29

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DATE OF SALE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Qtrts</u>												
01-JUL-08 To 30-SEP-08	3	110.20	101.50	92.49	11.14	109.74	78.74	115.57	N/A	127,384	117,815	
01-OCT-08 To 31-DEC-08	6	72.51	79.82	76.66	14.15	104.12	66.35	111.00	66.35 to 111.00	187,988	144,103	
01-JAN-09 To 31-MAR-09	6	105.11	97.86	92.12	21.04	106.23	48.84	136.32	48.84 to 136.32	101,237	93,259	
01-APR-09 To 30-JUN-09	1	77.02	77.02	77.02	00.00	100.00	77.02	77.02	N/A	113,000	87,035	
01-JUL-09 To 30-SEP-09	2	72.94	72.94	73.77	01.18	98.87	72.08	73.80	N/A	941,000	694,198	
01-OCT-09 To 31-DEC-09	3	68.84	68.61	71.73	15.27	95.65	52.73	84.27	N/A	157,667	113,095	
01-JAN-10 To 31-MAR-10	7	78.91	77.71	77.99	16.80	99.64	51.18	113.81	51.18 to 113.81	662,504	516,705	
01-APR-10 To 30-JUN-10	3	81.95	98.78	84.72	29.88	116.60	70.46	143.92	N/A	352,512	298,660	
01-JUL-10 To 30-SEP-10	2	73.86	73.86	73.94	00.49	99.89	73.50	74.21	N/A	328,000	242,528	
01-OCT-10 To 31-DEC-10	5	59.46	66.49	59.72	17.52	111.34	51.38	91.36	N/A	620,000	370,239	
01-JAN-11 To 31-MAR-11	8	62.58	62.22	62.35	13.63	99.79	41.96	78.90	41.96 to 78.90	148,852	92,815	
01-APR-11 To 30-JUN-11	3	60.47	67.67	69.52	25.88	97.34	47.79	94.74	N/A	121,667	84,577	
<u>Study Yrs</u>												
01-JUL-08 To 30-JUN-09	16	82.61	90.48	83.60	23.94	108.23	48.84	136.32	71.86 to 111.00	139,406	116,541	
01-JUL-09 To 30-JUN-10	15	73.80	79.47	77.52	19.67	102.52	51.18	143.92	68.84 to 84.27	536,671	416,040	
01-JUL-10 To 30-JUN-11	18	62.79	65.61	62.74	17.26	104.57	41.96	94.74	57.54 to 73.50	295,101	185,139	
<u>Calendar Yrs</u>												
01-JAN-09 To 31-DEC-09	12	78.08	84.66	77.20	24.47	109.66	48.84	136.32	68.84 to 110.93	256,285	197,856	
01-JAN-10 To 31-DEC-10	17	73.50	77.67	72.47	20.14	107.18	51.18	143.92	59.46 to 84.89	555,945	402,892	
<u>ALL</u>	49	73.24	77.97	73.35	22.16	106.30	41.96	143.92	70.46 to 78.91	318,212	233,423	

AREA (MARKET)											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
1	19	72.20	75.83	66.25	20.75	114.46	47.79	136.32	62.75 to 79.13	218,231	144,584	
2	30	74.01	79.33	75.93	22.92	104.48	41.96	143.92	65.76 to 84.89	381,533	289,689	
<u>ALL</u>	49	73.24	77.97	73.35	22.16	106.30	41.96	143.92	70.46 to 78.91	318,212	233,423	

31 Franklin
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 : 49
Total Sales Price : 15,728,878
Total Adj. Sales Price : 15,592,378
Total Assessed Value : 11,437,748
Avg. Adj. Sales Price : 318,212
Avg. Assessed Value : 233,423

MEDIAN : 73
WGT. MEAN : 73
MEAN : 78
COD : 22.16
PRD : 106.30

COV : 28.96
STD : 22.58
Avg. Abs. Dev : 16.23
MAX Sales Ratio : 143.92
MIN Sales Ratio : 41.96

95% Median C.I. : 70.46 to 78.91
95% Wgt. Mean C.I. : 68.83 to 77.88
95% Mean C.I. : 71.65 to 84.29

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95%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
_____Irrigated_____											
County	2	69.84	69.84	65.93	14.86	105.93	59.46	80.22	N/A	465,000	306,583
1	1	80.22	80.22	80.22	00.00	100.00	80.22	80.22	N/A	290,000	232,640
2	1	59.46	59.46	59.46	00.00	100.00	59.46	59.46	N/A	640,000	380,525
_____Dry_____											
County	4	83.11	83.69	80.64	16.78	103.78	57.54	111.00	N/A	199,924	161,221
2	4	83.11	83.69	80.64	16.78	103.78	57.54	111.00	N/A	199,924	161,221
_____Grass_____											
County	20	72.62	74.82	74.40	19.40	100.56	41.96	115.57	65.11 to 79.13	109,788	81,687
1	10	72.66	73.65	71.82	15.30	102.55	47.79	115.57	52.73 to 79.13	90,429	64,949
2	10	72.51	75.99	76.21	23.54	99.71	41.96	110.93	55.21 to 110.20	129,146	98,425
_____ALL_____	49	73.24	77.97	73.35	22.16	106.30	41.96	143.92	70.46 to 78.91	318,212	233,423

80%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
_____Irrigated_____											
County	9	73.80	72.14	73.43	11.12	98.24	59.08	91.36	59.46 to 80.22	915,414	672,207
1	2	76.21	76.21	74.44	05.26	102.38	72.20	80.22	N/A	517,500	385,253
2	7	73.80	70.98	73.29	12.75	96.85	59.08	91.36	59.08 to 91.36	1,029,104	754,193
_____Dry_____											
County	5	81.95	81.65	78.96	15.68	103.41	57.54	111.00	N/A	209,139	165,137
1	1	73.50	73.50	73.50	00.00	100.00	73.50	73.50	N/A	246,000	180,800
2	4	83.11	83.69	80.64	16.78	103.78	57.54	111.00	N/A	199,924	161,221
_____Grass_____											
County	22	72.62	76.18	77.56	20.66	98.22	41.96	115.57	65.11 to 84.89	117,534	91,160
1	10	72.66	73.65	71.82	15.30	102.55	47.79	115.57	52.73 to 79.13	90,429	64,949
2	12	72.51	78.29	80.65	25.14	97.07	41.96	113.81	60.47 to 110.20	140,122	113,003
_____ALL_____	49	73.24	77.97	73.35	22.16	106.30	41.96	143.92	70.46 to 78.91	318,212	233,423

Franklin County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
31.10	Franklin	1	2,080	2,080	1,870	1,770	1,370	1,360	1,360	1,360	1,855
31.20	Franklin	2	2,525	2,545	2,330	2,290	1,895	1,885	1,885	1,885	2,380
42.10	Harlan	1	#DIV/0!	2,504	2,015	1,745	#DIV/0!	#DIV/0!	1,160	1,160	2,287
42.20	Harlan	2	2,340	2,202	1,827	1,585	1,318	1,207	1,159	1,160	1,895
42.30	Harlan	3	#DIV/0!	1,685	1,375	1,185	1,080	#DIV/0!	1,080	1,080	1,492
69.10	Phelps	1	1,966	2,700	2,500	2,398	2,000	1,900	1,700	1,500	2,552
50.10	Kearney	1	#DIV/0!	3,150	2,500	2,400	1,600	1,200	1,050	800	2,584
1.10	Adams	1	3,350	3,268	2,899	2,550	2,075	2,055	1,895	1,704	3,030
91.10	Webster	1	2,020	2,020	2,020	2,020	1,985	1,985	1,985	1,985	2,003

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Franklin	1	1,095	1,090	1,055	880	830	795	690	650	895
	Franklin	2	1,415	1,415	1,255	1,080	1,030	930	930	885	1,268
	Harlan	1	#DIV/0!	1,214	1,080	1,070	#DIV/0!	#DIV/0!	730	730	1,131
	Harlan	2	920	909	766	745	645	632	635	635	845
	Harlan	3	0	914	770	745	#DIV/0!	#DIV/0!	635	635	843
	Phelps	1	1,300	1,300	1,100	950	700	600	550	500	1,131
	Kearney	1	#DIV/0!	1,450	1,350	1,350	700	500	509	500	1,224
	Adams	1	1,430	1,430	1,210	1,100	1,100	1,100	1,000	1,000	1,311
	Webster	1	1,225	1,225	1,225	975	975	975	925	925	1,103

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Franklin	1	727	670	630	602	589	595	570	570	581
	Franklin	2	710	679	633	608	593	569	562	543	563
	Harlan	1	#DIV/0!	500	500	500	#DIV/0!	#DIV/0!	500	500	500
	Harlan	2	#DIV/0!	500	500	500	500	500	500	500	500
	Harlan	3	#DIV/0!	503	530	500	#DIV/0!	#DIV/0!	502	501	501
	Phelps	1	447	634	857	658	520	543	479	399	521
	Kearney	1	#DIV/0!	575	525	500	500	500	500	500	507
	Adams	1	900	899	899	845	725	725	725	725	780
	Webster	1	615	615	615	615	615	615	615	615	615

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

2012 Correlation Section for Franklin County

A. Agricultural Land

Franklin County is located in south central Nebraska, along the Kansas border. The county seat and largest town is Franklin. The Republican River runs through the southern portion of the county. The county has two high schools; one in Franklin and a consolidated high school in Hildreth. The county is experiencing decreasing population and economic decline.

Franklin County is comprised of approximately 32% irrigated land, 18% dry crop land and 49% grass/pasture land. Franklin County is part of the Central Loess Plains Major Land Resource Area. The average annual precipitation in this area is 23 to 36 inches. The dominant soil order in this MLRA is Mollisols. Franklin County is governed by the Lower Republican Natural Resource District. Franklin County is divided into two market areas; area one is south of the Bostwick Irrigation Ditch and market area two is north of the ditch. Annually sales are reviewed and plotted to verify accuracy of the two market area determination.

Franklin County has 35 agricultural sales in the three year study period, 9 of these are located in market area one and 26 are in market area two. The sales are not proportionately spread across the years, in market area one there are 5 sales in the oldest year, 2 sales in the middle year and 2 sales in the newest year. For market area two, there are 8 sales in the oldest year, 6 sales in the middle year and 12 sales in the newest year. Overall, before the inclusion of comparable sales, only 1.8% of the acres in the county sold during the three year sales study.

The sales in market area one appear to be representative of the area, which is made up of approximately 15% irrigated, 15% dry and 67% grass, with the sales file containing sales that are approximately 25% irrigated, 11% dry and 60% grass. Market area two is made up of land that is approximately 40% irrigated, 19% dry and 40% grass; the sales contains land that is approximately 14% irrigated, 22% dry and 61% grass.

Due to differing natural resource districts, comparable sales within a six mile parameter to the east and west were added to the study in order to achieve a more representative sampling. For market area one, sales were researched up to 12 miles for consideration of inclusion into the sales study. However, only sales within the 6 mile parameter existed and all of these sales were included into the study. This added 10 sales to market area one, two sales in the oldest year, and four sales in each of the next two years. For market area two, four sales were added to the study; one in the oldest year and three sales in the middle year.

The inclusion of these sales increased the representativeness by majority land use resulting in market area one with 12% irrigated, 19% dry and 65% grass. Market area two's inclusion of sales resulted in 31% irrigated, 17% dry and 50% grass.

The statistics show the calculated median to be 73%. The qualitative statistics are above the acceptable range. Both market areas calculate to within the range. A review of the majority land uses for 95% and 80% MLU show very few irrigated and dry sales in either market area. It would be difficult to draw a statistical inference due to the small number of sales. The grass sales look more representative of the county with an adequate number of sales. Both the 95% and 80% majority land use for grass, in both market areas, calculate to within an acceptable

**2012 Correlation Section
for Franklin County**

range.

A review, of the neighboring counties, shows that the 2012 values in Franklin County are very comparable to both their neighbors to the east and west along the Republican River, Harlan County and Webster County. The Franklin County Assessor when reviewing the neighboring counties made the determination that she needed to narrow the valuations in each class between the top and bottom land capability groupings to better blend across county lines and to address the market in Franklin County.

In response to the rapidly increasing agricultural market trends, in market area one irrigated values were increased 20% to 35%, dry values were increased 22% to 61% and the bottom three LCGs of grass received 2% to 6% increases. In market area two irrigated values were increased 31% to 47%, dry values were increased 16% to 29% and grass received 13% to 16% increases. Indications support that Franklin County has achieved both inter- and intra-county equalization. Although the COD and PRD are above the acceptable range, the quality statistics support the level of value and give confidence to the reported assessment actions.

The Department of Revenue, Property Assessment Division has implemented a cyclical analysis of one-third of the counties within the state per year to systematically review assessment practices. Franklin County was one of those selected for review in 2011 and it has been confirmed that the assessment actions are reliable and are being applied consistently. Therefore, it is believed there is uniform and proportionate treatment within the agricultural class of property.

Based on the consideration of all available information, the level of value is determined to be 73% of market value for the agricultural class of real property, and all subclasses are determined to be valued within the acceptable range. Because the known assessment practices are reliable and consistent it is believed that the agricultural class of property is being treated in the most uniform and proportionate manner possible.

There will be no non-binding recommendation made for the agricultural class of property in Franklin County.

**2012 Correlation Section
for Franklin 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 Franklin 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 Franklin 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 Franklin 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 : 4,778	Value : 532,566,805	Growth 1,829,650	Sum Lines 17, 25, & 41
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	408	444,615	0	0	0	0	408	444,615	
02. Res Improve Land	1,216	2,513,715	0	0	0	0	1,216	2,513,715	
03. Res Improvements	1,225	35,821,725	0	0	8	288,390	1,233	36,110,115	
04. Res Total	1,633	38,780,055	0	0	8	288,390	1,641	39,068,445	318,290
% of Res Total	99.51	99.26	0.00	0.00	0.49	0.74	34.34	7.34	17.40
05. Com UnImp Land	102	157,950	0	0	29	100,615	131	258,565	
06. Com Improve Land	209	525,645	0	0	13	68,100	222	593,745	
07. Com Improvements	221	11,489,290	2	242,595	15	3,459,775	238	15,191,660	
08. Com Total	323	12,172,885	2	242,595	44	3,628,490	369	16,043,970	133,920
% of Com Total	87.53	75.87	0.54	1.51	11.92	22.62	7.72	3.01	7.32
09. Ind UnImp Land	3	10,630	0	0	0	0	3	10,630	
10. Ind Improve Land	5	23,405	0	0	0	0	5	23,405	
11. Ind Improvements	5	129,565	0	0	0	0	5	129,565	
12. Ind Total	8	163,600	0	0	0	0	8	163,600	0
% of Ind Total	100.00	100.00	0.00	0.00	0.00	0.00	0.17	0.03	0.00
13. Rec UnImp Land	0	0	0	0	0	0	0	0	
14. Rec Improve Land	0	0	0	0	1	140,910	1	140,910	
15. Rec Improvements	0	0	0	0	1	28,530	1	28,530	
16. Rec Total	0	0	0	0	1	169,440	1	169,440	0
% of Rec Total	0.00	0.00	0.00	0.00	100.00	100.00	0.02	0.03	0.00
Res & Rec Total	1,633	38,780,055	0	0	9	457,830	1,642	39,237,885	318,290
% of Res & Rec Total	99.45	98.83	0.00	0.00	0.55	1.17	34.37	7.37	17.40
Com & Ind Total	331	12,336,485	2	242,595	44	3,628,490	377	16,207,570	133,920
% of Com & Ind Total	87.80	76.12	0.53	1.50	11.67	22.39	7.89	3.04	7.32
17. Taxable Total	1,964	51,116,540	2	242,595	53	4,086,320	2,019	55,445,455	452,210
% of Taxable Total	97.28	92.19	0.10	0.44	2.63	7.37	42.26	10.41	24.72

Schedule II : Tax Increment Financing (TIF)

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

Schedule III : Mineral Interest Records

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

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	257	0	305	562

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	73	517,560	0	0	1,872	305,879,630	1,945	306,397,190
28. Ag-Improved Land	16	145,485	0	0	750	127,584,180	766	127,729,665
29. Ag Improvements	12	317,110	0	0	802	42,677,385	814	42,994,495
30. Ag Total							2,759	477,121,350

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	3	1.69	8,000	0	0.00	0	
32. HomeSite Improv Land	11	3.00	33,375	0	0.00	0	
33. HomeSite Improvements	9	0.00	252,235	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	4	14.14	12,965	0	0.00	0	
37. FarmSite Improvements	12	0.00	64,875	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	3	9.64	0	0	0.00	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Records	Acres	Value	Records	Acres	Value	Growth
31. HomeSite UnImp Land	176	171.76	592,850	179	173.45	600,850	
32. HomeSite Improv Land	484	479.42	4,863,600	495	482.42	4,896,975	
33. HomeSite Improvements	490	0.00	28,739,990	499	0.00	28,992,225	856,415
34. HomeSite Total				678	655.87	34,490,050	
35. FarmSite UnImp Land	53	201.38	151,430	53	201.38	151,430	
36. FarmSite Improv Land	575	2,267.49	1,359,980	579	2,281.63	1,372,945	
37. FarmSite Improvements	755	0.00	13,937,395	767	0.00	14,002,270	521,025
38. FarmSite Total				820	2,483.01	15,526,645	
39. Road & Ditches	2,073	5,945.69	0	2,076	5,955.33	0	
40. Other- Non Ag Use	2	9.95	5,875	2	9.95	5,875	
41. Total Section VI				1,498	9,104.16	50,022,570	1,377,440

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

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

Schedule VIII : Agricultural Records : Special Value

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

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	2,909.90	16.92%	6,052,555	18.97%	2,079.99
46. 1A	4,556.10	26.49%	9,476,690	29.70%	2,080.00
47. 2A1	3,853.60	22.40%	7,206,245	22.59%	1,870.00
48. 2A	2,842.20	16.52%	5,030,690	15.77%	1,770.00
49. 3A1	614.16	3.57%	841,395	2.64%	1,369.99
50. 3A	1,165.74	6.78%	1,585,420	4.97%	1,360.01
51. 4A1	546.74	3.18%	743,570	2.33%	1,360.01
52. 4A	712.91	4.14%	969,565	3.04%	1,360.01
53. Total	17,201.35	100.00%	31,906,130	100.00%	1,854.86
Dry					
54. 1D1	695.93	3.98%	762,060	4.87%	1,095.02
55. 1D	6,852.15	39.21%	7,468,880	47.75%	1,090.01
56. 2D1	1,106.73	6.33%	1,167,590	7.47%	1,054.99
57. 2D	996.91	5.71%	877,310	5.61%	880.03
58. 3D1	193.71	1.11%	160,770	1.03%	829.95
59. 3D	543.95	3.11%	432,430	2.76%	794.98
60. 4D1	4,165.24	23.84%	2,874,030	18.38%	690.00
61. 4D	2,918.82	16.70%	1,897,465	12.13%	650.08
62. Total	17,473.44	100.00%	15,640,535	100.00%	895.10
Grass					
63. 1G1	296.09	0.39%	215,130	0.49%	726.57
64. 1G	5,057.83	6.62%	3,390,115	7.64%	670.27
65. 2G1	990.55	1.30%	624,490	1.41%	630.45
66. 2G	2,746.20	3.60%	1,651,865	3.72%	601.51
67. 3G1	3.97	0.01%	2,340	0.01%	589.42
68. 3G	4,465.62	5.85%	2,657,730	5.99%	595.15
69. 4G1	18,146.47	23.76%	10,343,540	23.32%	570.00
70. 4G	44,675.76	58.49%	25,469,140	57.42%	570.09
71. Total	76,382.49	100.00%	44,354,350	100.00%	580.69
Irrigated Total					
	17,201.35	15.07%	31,906,130	34.63%	1,854.86
Dry Total					
	17,473.44	15.30%	15,640,535	16.98%	895.10
Grass Total					
	76,382.49	66.90%	44,354,350	48.14%	580.69
72. Waste	3,112.89	2.73%	233,800	0.25%	75.11
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	1.86	0.00%	0	0.00%	0.00
75. Market Area Total	114,170.17	100.00%	92,134,815	100.00%	807.00

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 2

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	900.36	0.96%	2,273,620	1.02%	2,525.23
46. 1A	65,168.35	69.46%	165,853,510	74.28%	2,545.00
47. 2A1	2,358.20	2.51%	5,494,645	2.46%	2,330.02
48. 2A	4,433.83	4.73%	10,153,515	4.55%	2,290.01
49. 3A1	1,036.09	1.10%	1,963,385	0.88%	1,894.99
50. 3A	398.11	0.42%	750,450	0.34%	1,885.03
51. 4A1	7,133.67	7.60%	13,446,975	6.02%	1,885.00
52. 4A	12,389.28	13.21%	23,353,770	10.46%	1,885.00
53. Total	93,817.89	100.00%	223,289,870	100.00%	2,380.04
Dry					
54. 1D1	153.60	0.34%	217,350	0.37%	1,415.04
55. 1D	30,330.81	66.31%	42,918,115	74.02%	1,415.00
56. 2D1	1,213.83	2.65%	1,523,385	2.63%	1,255.02
57. 2D	2,952.26	6.45%	3,188,470	5.50%	1,080.01
58. 3D1	564.33	1.23%	581,260	1.00%	1,030.00
59. 3D	179.93	0.39%	167,330	0.29%	929.97
60. 4D1	5,024.43	10.98%	4,672,775	8.06%	930.01
61. 4D	5,323.27	11.64%	4,711,140	8.13%	885.01
62. Total	45,742.46	100.00%	57,979,825	100.00%	1,267.53
Grass					
63. 1G1	18.77	0.02%	13,325	0.02%	709.91
64. 1G	8,640.74	9.09%	5,869,575	10.96%	679.29
65. 2G1	1,600.29	1.68%	1,013,530	1.89%	633.34
66. 2G	2,304.46	2.42%	1,400,815	2.62%	607.87
67. 3G1	757.53	0.80%	448,880	0.84%	592.56
68. 3G	5,380.17	5.66%	3,062,660	5.72%	569.25
69. 4G1	15,052.75	15.83%	8,462,290	15.80%	562.18
70. 4G	61,324.38	64.50%	33,283,130	62.15%	542.74
71. Total	95,079.09	100.00%	53,554,205	100.00%	563.26
Irrigated Total					
	93,817.89	39.68%	223,289,870	66.66%	2,380.04
Dry Total					
	45,742.46	19.34%	57,979,825	17.31%	1,267.53
Grass Total					
	95,079.09	40.21%	53,554,205	15.99%	563.26
72. Waste	1,817.27	0.77%	140,065	0.04%	77.07
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	0.00	0.00%	0	0.00%	0.00
75. Market Area Total	236,456.71	100.00%	334,963,965	100.00%	1,416.60

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	148.70	345,460	0.00	0	110,870.54	254,850,540	111,019.24	255,196,000
77. Dry Land	174.27	187,030	0.00	0	63,041.63	73,433,330	63,215.90	73,620,360
78. Grass	124.26	75,450	0.00	0	171,337.32	97,833,105	171,461.58	97,908,555
79. Waste	10.15	765	0.00	0	4,920.01	373,100	4,930.16	373,865
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	0.00	0	1.86	0	1.86	0
82. Total	457.38	608,705	0.00	0	350,169.50	426,490,075	350,626.88	427,098,780

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	111,019.24	31.66%	255,196,000	59.75%	2,298.66
Dry Land	63,215.90	18.03%	73,620,360	17.24%	1,164.59
Grass	171,461.58	48.90%	97,908,555	22.92%	571.02
Waste	4,930.16	1.41%	373,865	0.09%	75.83
Other	0.00	0.00%	0	0.00%	0.00
Exempt	1.86	0.00%	0	0.00%	0.00
Total	350,626.88	100.00%	427,098,780	100.00%	1,218.10

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

31 Franklin

	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	39,042,685	39,068,445	25,760	0.07%	318,290	-0.75%
02. Recreational	170,005	169,440	-565	-0.33%	0	-0.33%
03. Ag-Homesite Land, Ag-Res Dwelling	33,439,725	34,490,050	1,050,325	3.14%	856,415	0.58%
04. Total Residential (sum lines 1-3)	72,652,415	73,727,935	1,075,520	1.48%	1,174,705	-0.14%
05. Commercial	13,519,990	16,043,970	2,523,980	18.67%	133,920	17.68%
06. Industrial	163,165	163,600	435	0.27%	0	0.27%
07. Ag-Farmsite Land, Outbuildings	14,923,880	15,526,645	602,765	4.04%	521,025	0.55%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	28,607,035	31,734,215	3,127,180	10.93%	654,945	8.64%
10. Total Non-Agland Real Property	101,259,450	105,468,025	4,208,575	4.16%	1,829,650	2.35%
11. Irrigated	192,699,125	255,196,000	62,496,875	32.43%		
12. Dryland	60,775,435	73,620,360	12,844,925	21.14%		
13. Grassland	89,242,970	97,908,555	8,665,585	9.71%		
14. Wasteland	373,915	373,865	-50	-0.01%		
15. Other Agland	5,875	0	-5,875	-100.00%		
16. Total Agricultural Land	343,097,320	427,098,780	84,001,460	24.48%		
17. Total Value of all Real Property (Locally Assessed)	444,356,770	532,566,805	88,210,035	19.85%	1,829,650	19.44%

**2011 Plan of Assessment for Franklin County
Assessment Years 2012, 2013, and 2014
Date: June 15, 2011**

Plan of Assessment Requirements:

Pursuant to Neb. Laws 2005, LB 263, Section 9, on or before June 15 of 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 level 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 and horticultural land and
- 3) 75% of special value for agricultural and horticultural land which meets the qualifications for special valuation under 77-1344.

Reference, Neb. Rev. Stat. 77-201 (R.S. Supp 2007)

General Description of Real Property in Franklin County:

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

	<u>Parcels</u>	<u>% of Total Parcels</u>	<u>% of Taxable Value Base</u>
Residential	1,641	34%	8%
Commercial	369	8%	3%
Industrial	8		0.5%
Recreational	1		0.5%
Agricultural	2,756	58%	88%
Special Value			

Agricultural land – taxable acres 350,715

Other pertinent facts: 88% of Franklin County is agricultural and of that 31% Irrigated, 18% Dry, 49% Pasture, 2% Waste, 8% Residential, 3% Commercial, Industrial, and Recreational, 1% Exempt.

New Property: For assessment year 2011, an estimated **95** building permits and /or information statements were filed for new property construction/additions in the county.

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

Current Resources:

- A. Staffing consists of a Deputy and a Clerk. The Assessor and Deputy, and Clerk take the training that is necessary to keep their certificates current. The budget for 2010-2011 was \$98,210.
- B. A new set of cadastral maps were printed in 2008. Ownership and splits are kept current. In 2000 we purchased a GIS program for the all property in the county. In 2010, a CD was purchased from the FSA office to check the land usage on the GIS program,
- C. The property record cards are color coded for Agricultural, Residential, Commercial, Improvements on Leased Land and Exempt. The cards that have Residential, Commercial, Industrial, or Agricultural improvements have a CAMA pricing sheet, current photo, and a sketch of the house or business. All rural cards have a print-out showing the number of acres, land use and current value per acre, improvement values and the prior year value; they also have an outbuilding printout that shows the building dimensions, depreciation and value.
- D. The software for pricing the improvements is MIPS. The Assessment Administration programming is from MIPS. GIS Workshop provides the programming and support for our GIS system.
- E. We have a Web site for property record information access. The address is nebraskataxesonline.us.

Current Assessment Procedures for Real Property

- A. The real estate transfers are photo copied as they are brought in from the Clerk’s office to make a sales book that is available to the public. From the information on the real estate transfer statements the name on the real estate card, the counter book, and the rolodex file are all changed and a sheet for the sales book is made. Building permits are received from the zoning manager and from the towns that have building permit ordinances. All sales are reviewed.
- B. Drive by reviews of the residential properties in town will be done on an annual basis. New photos will be taken every two years, or as the property is altered.
- C. Assessment sales ratio studies are done annually with new sales added, and old sales deleted.
- D. The market approach and the cost approach are used mainly for our residential properties; all three approaches are used on the commercial. Our information to determine value is arrayed by age, quality, size, location, condition and the amenities to the property. Land valuation studies are done by land usage. Sales are plotted by township and usage to determine market areas
- E. Reconciliation of final value and documentation is done by doing a ratio study using the sales in the sales file.
- F. Continual market analysis will be conducted in all categories of properties to ensure that the level of value and quality of assessment in Franklin County is in compliance to state statutes.
- G. Notices of valuation are mailed to every real estate owner each year. One page notices showing land use, number of acres and current value per acre are mailed to each rural land owner.

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

<u>Property Class</u>	<u>Median</u>	<u>COD*</u>	<u>PRD*</u>
Residential	99.00%	20.70%	112.55%
Commercial	NEI	40.16%	unmeasurable
Agricultural Land	73.00%	25.92%	112.49 %
Special Value Agland			

*COD means coefficient of dispersion and PRD means price related differential. For more information regarding statistical measures see 2011 Reports & Opinions.

Assessment Actions Planned for the Assessment Year 2012:

- 1. Residential properties will be reviewed and any new information discovered will be added or deleted from the property. New pictures will be taken and new cards will be made.
- 2. Commercial properties will be reviewed and updated as necessary. New pictures will be taken and new cards will be made.

3. Ag Land use will be checked using the information available from the FSA and NRD offices.
4. An inventory of Ag improvements will be started in the fall of 2011 with photos being taken as the sites are inventoried.
5. Ag Improvements will be repriced for 2013 using the new outbuilding pricing.
6. An inventory and pictures will be taken of all of the exempt property.

Assessment Action Planned for the Assessment Year 2013:

Residential properties will be reviewed and any new information discovered will be added to or deleted from the property.

Commercial properties will be reviewed and updated as necessary.

Ag Land use will be checked using the information available from the FSA and NRD offices.

New values for the Ag Improvements will be added for 2013

Assessment Action Planned for the Assessment Year 2014:

Residential properties will be reviewed and any new information discovered will be added to or deleted from the property.

Commercial properties will be reviewed and updated as necessary.

Ag Land use will be checked using the information available from the FSA and NRD offices.

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

1. Record Maintenance, Mapping updates, and Ownership changes
2. Annually prepare and file Assessor Administrative Reports required by law/regulation:
 - a. Abstracts (Real Property)
 - b. Assessor Survey
 - c. Sales information to PA&T rosters and annual Assessed Value Update w/abstract
 - d. Certification of Value to Political Subdivisions
 - e. School District Taxable Value Report
 - f. Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
 - g. Certificate of Taxes Levied Report
 - h. Report of current values for properties owned by Board of Education Land & Funds
 - i. Report of all Exempt Property and Taxable Government Owned Property
 - j. Annual Plan of Assessment Report
3. Personal Property; administer annual filing of 825 schedules; prepare subsequent notices of incomplete filings or failure to file and penalties applied as required. **Postcard notices are mailed to all persons or businesses filing schedules in the previous year**

4. Permissive Exemptions: administer annual filings of applications for new or continued exempt use, review and make recommendations to county board. **Applications are mailed to those that have an application on file.**
5. Taxable Government Owned Property – annual review of government owned property not used for public purpose, send notices of intent to tax, etc.
6. Homestead Exemptions: administer 250 annual filings of applications, approval/denial process, taxpayer notifications and taxpayer assistance. **Pre printed forms are mailed to the previous years applicants.**
7. Centrally Assessed – review of valuations as certified by PA&T for railroads and public service entities, establish assessment records and tax billing for tax list.
8. Tax Districts and Tax Rates – management of school district and other tax entity boundary changes necessary for correct assessment and tax information; input/review of tax rates used for tax billing process.
9. Tax lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed
10. Tax List Corrections – prepare tax list correction documents for county board approval.
11. County Board of Equalization – attends county board of equalization meetings for valuation protests – assemble and provide information. View all properties protested.
12. TERC Appeals – prepare information and attend taxpayer appeal hearings before TERC, defend valuation
13. TERC Statewide Equalization – attend hearings if applicable to county, defend values, and/or implement orders of the TERC.
14. Education: Assessor and /or Appraisal Education – attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain assessor certification.

Conclusion:

A request for \$101,514. for the Assessor's office and \$64,500. For the Appraisal Fund was submitted to the Franklin County Board Supervisors for approval for the 2011-2012 budget year.

The Franklin County Assessor's office will work to maintain an efficient and professional office.

Respectfully submitted:

Assessor Signature: _____

Ruth E Jackson

Date: _____

July 29, 2011

2012 Assessment Survey for Franklin County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	1
2.	Appraiser(s) on staff:
3.	Other full-time employees:
	1
4.	Other part-time employees:
5.	Number of shared employees:
6.	Assessor's requested budget for current fiscal year:
	\$101,514.00
7.	Adopted budget, or granted budget if different from above:
8.	Amount of the total assessor's budget set aside for appraisal work:
	Separate Budget
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	\$64,500
10.	Part of the assessor's budget that is dedicated to the computer system:
	Separate budget, part of the general fund.
11.	Amount of the assessor's budget set aside for education/workshops:
	\$1,500
12.	Other miscellaneous funds:
	0
13.	Amount of last year's assessor's budget not used:
	\$5,531.61

B. Computer, Automation Information and GIS

1.	Administrative software:
	MIPS
2.	CAMA software:
	MIPS
3.	Are cadastral maps currently being used?
	Yes
4.	If so, who maintains the Cadastral Maps?
	The Assessor and her staff
5.	Does the county have GIS software?
	Yes

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?
	GIS Workshop and Assessor/staff
8.	Personal Property software:
	MIPS

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	Franklin and Hildreth
4.	When was zoning implemented?
	2000

D. Contracted Services

1.	Appraisal Services:
	Knoche Appraisal & Consulting LLC
2.	Other services:
	GIS Workshop

2012 Certification for Franklin 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 Franklin 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

