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2012 Commission Summary for Furnas County

Residential Real Property - Current

Number of Sales	156	Median	93.99
Total Sales Price	\$6,771,309	Mean	109.12
Total Adj. Sales Price	\$6,772,624	Wgt. Mean	92.40
Total Assessed Value	\$6,258,015	Average Assessed Value of the Base	\$33,630
Avg. Adj. Sales Price	\$43,414	Avg. Assessed Value	\$40,115

Confidence Interval - Current

95% Median C.I	92.26 to 99.31
95% Wgt. Mean C.I	87.07 to 97.73
95% Mean C.I	101.04 to 117.20
% of Value of the Class of all Real Property Value in the	17.31
% of Records Sold in the Study Period	6.02
% of Value Sold in the Study Period	7.18

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	141	94	94
2010	137	95	95
2009	145	95	95
2008	179	95	95

2012 Commission Summary for Furnas County

Commercial Real Property - Current

Number of Sales	14	Median	101.24
Total Sales Price	\$347,088	Mean	121.09
Total Adj. Sales Price	\$347,088	Wgt. Mean	96.50
Total Assessed Value	\$334,950	Average Assessed Value of the Base	\$51,286
Avg. Adj. Sales Price	\$24,792	Avg. Assessed Value	\$23,925

Confidence Interval - Current

95% Median C.I	47.44 to 206.80
95% Wgt. Mean C.I	76.12 to 116.89
95% Mean C.I	73.53 to 168.65
% of Value of the Class of all Real Property Value in the County	4.38
% of Records Sold in the Study Period	3.26
% of Value Sold in the Study Period	1.52

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	16		74
2010	17	100	83
2009	19	93	93
2008	23	95	95

2012 Opinions of the Property Tax Administrator for Furnas 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
Property Tax Administrator

2012 Residential Assessment Actions for Furnas County

A new inspection cycle began this year. All residential improvements within the towns of Arapahoe, Cambridge, and Holbrook were reviewed as were the rural residential parcels in townships 4-25, 4-24, and 4-23. As part of the review cycle, the assessor and deputy assessor worked to improve on past appraisal inconsistencies, quality ratings were reviewed on every parcel with corrections made to improve appraisal uniformity where appropriate. Condition ratings were also reviewed and were updated where warranted. All changes were entered into the CAMA system.

After the inspection, a new depreciation study completed for the Arapahoe – Cambridge valuation grouping. The assessor implemented a new method for applying depreciation which included establishing an effective age for each parcel to improve appraisal quality. This depreciation method will be applied in the remaining valuation groupings as the appraisal cycle progresses.

Within the remainder of the class only routine maintenance was completed.

2012 Residential Assessment Survey for Furnas County

1.	Valuation data collection done by:	
	The part-time appraiser	
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>
	01	Arapahoe & Cambridge – these are the only two communities within the county that have their own school system. They both also have medical services, active commercial districts, some job opportunities and easy commuting to larger towns. The market for residential housing is active in these communities and growth is stable.
	02	Beaver City is the county seat; the courthouse provides some job opportunities that are lacking in the other smaller communities in the county. There are some basic services within Beaver City; the market is generally softer than in Arapahoe and Cambridge, but still somewhat active.
	03	Oxford is located just 20 minutes from Holdrege, NE which provides easy commuting for employment opportunities. There are few jobs in Oxford, and some basic services. The market is softer than Arapahoe and Cambridge, but may be slightly stronger than Beaver City.
	04	Edison, Hendley, Holbrook & Wilsonville – these are very small communities with little to no services or amenities. The market is very slow in the group and quite sporadic. There is very little growth annually.
	05	Rural – all parcels not located within the political boundaries of a town. Rural housing continues to be desirable in Furnas County, making these properties incomparable to properties within the Villages.
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Only the cost approach is used.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	2010 is used for the entire class.	
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?	
	Depreciation tables are developed using 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?	
	A depreciation study was completed for valuation group 1 for 2012. The rest of the depreciation tables were last updated for 2011.	

8.	When was the last lot value study completed for each valuation grouping?
	A lot value study is completed yearly.
9.	Describe the methodology used to determine the residential lot values?
	The front foot method is used to establish residential lot values in all of Furnas County, except for the properties located at Cross Creek Golf Course in Cambridge. Lots at Cross Creek are odd shaped and are valued using a price per square foot.
10.	How do you determine whether a sold parcel is substantially changed?
	Typically parcels are considered substantially changed when a structure has been added to or removed from a parcel or when an addition has been made on an already improved parcel.

**33 Furnas
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 : 156
 Total Sales Price : 6,771,309
 Total Adj. Sales Price : 6,772,624
 Total Assessed Value : 6,258,015
 Avg. Adj. Sales Price : 43,414
 Avg. Assessed Value : 40,115

MEDIAN : 94
 WGT. MEAN : 92
 MEAN : 109
 COD : 31.34
 PRD : 118.10

COV : 47.20
 STD : 51.51
 Avg. Abs. Dev : 29.46
 MAX Sales Ratio : 407.88
 MIN Sales Ratio : 19.63

95% Median C.I. : 92.26 to 99.31
 95% Wgt. Mean C.I. : 87.07 to 97.73
 95% Mean C.I. : 101.04 to 117.20

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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	21	92.63	97.34	90.95	16.97	107.03	56.61	142.44	85.33 to 104.50	43,971	39,990	
01-OCT-09 To 31-DEC-09	18	100.41	109.63	103.26	17.69	106.17	85.82	202.66	91.19 to 115.06	39,444	40,731	
01-JAN-10 To 31-MAR-10	17	85.62	91.39	87.72	17.02	104.18	63.02	126.78	78.71 to 114.88	61,456	53,910	
01-APR-10 To 30-JUN-10	13	94.57	104.88	97.86	24.76	107.17	23.96	237.63	91.48 to 101.86	38,104	37,288	
01-JUL-10 To 30-SEP-10	19	82.59	80.59	84.05	21.37	95.88	19.63	141.63	69.94 to 93.49	62,421	52,463	
01-OCT-10 To 31-DEC-10	26	122.05	139.99	115.95	41.84	120.73	51.92	342.31	93.46 to 163.62	20,998	24,348	
01-JAN-11 To 31-MAR-11	17	100.09	132.74	97.99	50.57	135.46	56.18	407.88	85.03 to 146.19	24,809	24,310	
01-APR-11 To 30-JUN-11	25	99.16	106.44	85.84	24.13	124.00	41.74	232.36	92.40 to 108.66	57,817	49,629	
<u>Study Yrs</u>												
01-JUL-09 To 30-JUN-10	69	93.41	100.50	93.72	19.59	107.23	23.96	237.63	90.14 to 99.24	45,993	43,104	
01-JUL-10 To 30-JUN-11	87	97.37	115.96	91.24	39.26	127.09	19.63	407.88	91.39 to 105.05	41,369	37,745	
<u>Calendar Yrs</u>												
01-JAN-10 To 31-DEC-10	75	93.36	107.84	92.63	34.69	116.42	19.63	342.31	88.79 to 100.42	43,627	40,414	
<u>ALL</u>	156	93.99	109.12	92.40	31.34	118.10	19.63	407.88	92.26 to 99.31	43,414	40,115	

VALUATION GROUPING											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
01	67	93.49	102.87	95.37	19.86	107.86	41.30	258.75	91.19 to 100.59	53,773	51,285	
02	30	94.42	120.87	93.02	48.50	129.94	23.96	407.88	85.62 to 106.47	34,452	32,048	
03	26	94.64	105.85	92.82	24.85	114.04	52.09	162.04	89.39 to 128.80	33,862	31,431	
04	26	93.05	116.02	91.04	47.65	127.44	19.63	291.80	80.75 to 128.07	15,631	14,230	
05	7	104.17	105.13	79.26	27.59	132.64	41.74	159.35	41.74 to 159.35	121,357	96,186	
<u>ALL</u>	156	93.99	109.12	92.40	31.34	118.10	19.63	407.88	92.26 to 99.31	43,414	40,115	

PROPERTY TYPE *											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
01	156	93.99	109.12	92.40	31.34	118.10	19.63	407.88	92.26 to 99.31	43,414	40,115	
06												
07												
<u>ALL</u>	156	93.99	109.12	92.40	31.34	118.10	19.63	407.88	92.26 to 99.31	43,414	40,115	

**33 Furnas
RESIDENTIAL**

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 95% Mean C.I. : 101.04 to 117.20

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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	14	170.32	183.30	193.24	48.14	94.86	57.80	407.88	88.00 to 291.80	3,297	6,371	
Less Than 15,000	37	129.96	145.59	127.31	46.39	114.36	23.96	407.88	92.63 to 146.19	7,500	9,549	
Less Than 30,000	80	109.61	128.00	115.81	39.31	110.53	19.63	407.88	99.16 to 127.29	14,637	16,951	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	142	93.54	101.81	91.71	24.06	111.01	19.63	258.75	91.48 to 98.68	47,369	43,442	
Greater Than 14,999	119	93.46	97.79	90.91	19.23	107.57	19.63	232.36	91.30 to 96.24	54,581	49,619	
Greater Than 29,999	76	90.22	89.26	87.51	13.61	102.00	41.30	159.35	86.46 to 93.41	73,706	64,500	
<u>Incremental Ranges</u>												
0 TO 4,999	14	170.32	183.30	193.24	48.14	94.86	57.80	407.88	88.00 to 291.80	3,297	6,371	
5,000 TO 14,999	23	112.00	122.63	114.16	38.59	107.42	23.96	258.75	82.08 to 145.54	10,059	11,483	
15,000 TO 29,999	43	100.59	112.86	112.23	25.39	100.56	19.63	232.36	94.03 to 122.27	20,778	23,320	
30,000 TO 59,999	43	90.30	90.03	89.33	16.28	100.78	41.30	159.35	85.62 to 94.81	44,911	40,118	
60,000 TO 99,999	16	84.77	85.82	85.02	09.50	100.94	66.62	116.37	78.71 to 94.57	77,844	66,181	
100,000 TO 149,999	11	91.39	93.13	93.38	07.11	99.73	80.59	105.05	82.26 to 101.86	121,864	113,797	
150,000 TO 249,999	5	92.26	94.58	94.46	03.18	100.13	91.30	104.17	N/A	156,900	148,207	
250,000 TO 499,999	1	41.74	41.74	41.74	00.00	100.00	41.74	41.74	N/A	300,000	125,225	
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	156	93.99	109.12	92.40	31.34	118.10	19.63	407.88	92.26 to 99.31	43,414	40,115	

2012 Correlation Section for Furnas County

A. Residential Real Property

The residential market in Furnas County is influenced by the local agriculturally based economy. Within the villages, the size of the population and available amenities, including school systems, will also have an impact on the market. In recent years, the market has been stable to slightly decreasing. Five valuation groupings have been established based on these influences.

Sales verification is conducted by sending a questionnaire to the buyer in each transaction; the county assessor estimates that about 75% of these documents are returned. When necessary, a follow-up interview is conducted to gather additional sales information. A review of the qualified and non-qualified sales rosters revealed no bias in the qualification determinations.

During 2011, the Department of Revenue, Property Assessment Division (Division) implemented a cyclical review process to annually conduct an assessment practices review of one-third of the counties within the state. Furnas County was one of the counties reviewed during 2011. Within the residential class, there was no pattern to indicate a bias in the assessment of sold and unsold parcels; however, the review indicated that improvements to the appraisal process were warranted. The county assessor has actively been working with the Division to improve the appraisal process. For 2012, a new inspection cycle was started. A new process for establishing depreciation was employed within valuation grouping 01 using effective age to better equalize residential assessments. The county assessor intends to implement this process in the remaining valuation groupings as the cycle progresses.

Analysis of sold residential parcels shows that 37 sales with selling prices less than \$15,000 are having an impact on the qualitative statistics. The results of the hypothetical removal of these sales are displayed in the Greater than 14,999 substratum. The median still supports that assessments are at the low end of the acceptable range, and the qualitative statistics support that assessments are reasonably uniform.

Since the low dollar sales occurred in all valuation groupings, the effect of their hypothetical removal was analyzed in the subclasses. Groups one, two, and three all maintained medians of 94%, while the qualitative statistics improved significantly. The qualitative statistics did not improve in group four; because this group represents the smallest villages in Furnas County, where there is no organization in the market, it is not unexpected that there is dispersion in the ratios. Because properties in groups four and five were appraised using the same process that was employed in groups two and three, it is believed that they are also within the acceptable range.

Based on a review of all available information, the level of value of residential parcels in Furnas County is determined to be 94%; all subclasses are within the acceptable range.

**2012 Correlation Section
for Furnas 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 Furnas 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 Furnas 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 Furnas 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 Furnas County

A new inspection cycle began in the county for 2012; the commercial parcels within the towns of Cambridge, Arapahoe, Holbrook, and within townships 4-25, 4-24, and 4-23 were reviewed. New pictures were taken, measurements were checked where warranted, and the property record cards were reviewed for accuracy. For the rest of the class, only routine maintenance occurred.

A sales study was completed. New costing was implemented for 2011; based on the limited sales data available it was determined that adjustments to the appraisal tables were not warranted for 2012.

2012 Commercial Assessment Survey for Furnas County

1.	Valuation data collection done by:	
	The part-time appraiser	
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>
	01	The assessor does not differentiate valuation groupings within the commercial class. There are so few commercial sales within the county that it would be inappropriate to further stratify them into separate groupings.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	Only the cost approach is used, except for the Section 42 housing which is valued using the income approach.	
3a.	Describe the process used to value unique commercial properties.	
	The county contracts periodically with an experienced appraiser to value the Cambridge Ethanol Plant. All other commercial properties are valued using the cost approach and the depreciation tables developed by the county.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	2010	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	Depreciation tables are developed using local market information.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	n/a	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2010	
8.	When was the last lot value study completed for each valuation grouping?	
	2009	
9.	Describe the methodology used to determine the commercial lot values.	
	The front foot method is used.	
10.	How do you determine whether a sold parcel is substantially changed?	
	Typically parcels are considered substantially changed when a structure has been added to or removed from a parcel or when an addition has been made to an already improved parcel.	

**33 Furnas
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 : 14
 Total Sales Price : 347,088
 Total Adj. Sales Price : 347,088
 Total Assessed Value : 334,950
 Avg. Adj. Sales Price : 24,792
 Avg. Assessed Value : 23,925

MEDIAN : 101
 WGT. MEAN : 97
 MEAN : 121
 COD : 56.72
 PRD : 125.48

COV : 68.03
 STD : 82.38
 Avg. Abs. Dev : 57.42
 MAX Sales Ratio : 303.63
 MIN Sales Ratio : 28.92

95% Median C.I. : 47.44 to 206.80
 95% Wgt. Mean C.I. : 76.12 to 116.89
 95% Mean C.I. : 73.53 to 168.65

Printed:3/29/2012 3:07:30PM

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>Qrtrs</u>											
01-JUL-08 To 30-SEP-08	1	109.89	109.89	109.89	00.00	100.00	109.89	109.89	N/A	60,000	65,935
01-OCT-08 To 31-DEC-08	2	73.62	73.62	78.33	27.80	93.99	53.15	94.08	N/A	65,000	50,918
01-JAN-09 To 31-MAR-09	1	43.42	43.42	43.42	00.00	100.00	43.42	43.42	N/A	3,800	1,650
01-APR-09 To 30-JUN-09	1	47.44	47.44	47.44	00.00	100.00	47.44	47.44	N/A	8,000	3,795
01-JUL-09 To 30-SEP-09	1	108.40	108.40	108.40	00.00	100.00	108.40	108.40	N/A	15,000	16,260
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10	1	130.10	130.10	130.10	00.00	100.00	130.10	130.10	N/A	35,000	45,535
01-APR-10 To 30-JUN-10	3	206.80	179.78	91.92	44.28	195.58	28.92	303.63	N/A	8,167	7,507
01-JUL-10 To 30-SEP-10											
01-OCT-10 To 31-DEC-10	1	86.00	86.00	86.00	00.00	100.00	86.00	86.00	N/A	3,000	2,580
01-JAN-11 To 31-MAR-11	1	128.97	128.97	128.97	00.00	100.00	128.97	128.97	N/A	23,788	30,680
01-APR-11 To 30-JUN-11	2	177.22	177.22	100.36	47.70	176.58	92.68	261.75	N/A	22,000	22,080
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	5	53.15	69.60	85.83	42.56	81.09	43.42	109.89	N/A	40,360	34,643
01-JUL-09 To 30-JUN-10	5	130.10	155.57	113.17	57.36	137.47	28.92	303.63	N/A	14,900	16,863
01-JUL-10 To 30-JUN-11	4	110.83	142.35	109.37	47.83	130.15	86.00	261.75	N/A	17,697	19,355
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	3	47.44	66.42	80.99	45.66	82.01	43.42	108.40	N/A	8,933	7,235
01-JAN-10 To 31-DEC-10	5	130.10	151.09	113.02	60.80	133.68	28.92	303.63	N/A	12,500	14,127
<u>ALL</u>	14	101.24	121.09	96.50	56.72	125.48	28.92	303.63	47.44 to 206.80	24,792	23,925

VALUATION GROUPING										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	14	101.24	121.09	96.50	56.72	125.48	28.92	303.63	47.44 to 206.80	24,792	23,925
<u>ALL</u>	14	101.24	121.09	96.50	56.72	125.48	28.92	303.63	47.44 to 206.80	24,792	23,925

PROPERTY TYPE *										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
02											
03	14	101.24	121.09	96.50	56.72	125.48	28.92	303.63	47.44 to 206.80	24,792	23,925
04											
<u>ALL</u>	14	101.24	121.09	96.50	56.72	125.48	28.92	303.63	47.44 to 206.80	24,792	23,925

**33 Furnas
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 : 14
 Total Sales Price : 347,088
 Total Adj. Sales Price : 347,088
 Total Assessed Value : 334,950
 Avg. Adj. Sales Price : 24,792
 Avg. Assessed Value : 23,925

MEDIAN : 101
 WGT. MEAN : 97
 MEAN : 121
 COD : 56.72
 PRD : 125.48

COV : 68.03
 STD : 82.38
 Avg. Abs. Dev : 57.42
 MAX Sales Ratio : 303.63
 MIN Sales Ratio : 28.92

95% Median C.I. : 47.44 to 206.80
 95% Wgt. Mean C.I. : 76.12 to 116.89
 95% Mean C.I. : 73.53 to 168.65

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
___ Low \$ Ranges ___												
Less Than 5,000	5	206.80	180.32	175.03	42.16	103.02	43.42	303.63	N/A	3,060	5,356	
Less Than 15,000	6	146.40	158.17	131.22	67.77	120.54	43.42	303.63	43.42 to 303.63	3,883	5,096	
Less Than 30,000	9	108.40	135.04	103.29	71.27	130.74	28.92	303.63	43.42 to 261.75	8,899	9,191	
___ Ranges Excl. Low \$ ___												
Greater Than 4,999	9	94.08	88.18	92.88	30.13	94.94	28.92	130.10	47.44 to 128.97	36,865	34,241	
Greater Than 14,999	8	101.24	93.27	94.00	25.75	99.22	28.92	130.10	28.92 to 130.10	40,474	38,047	
Greater Than 29,999	5	94.08	95.98	94.47	20.01	101.60	53.15	130.10	N/A	53,400	50,446	
___ Incremental Ranges ___												
0 TO 4,999	5	206.80	180.32	175.03	42.16	103.02	43.42	303.63	N/A	3,060	5,356	
5,000 TO 14,999	1	47.44	47.44	47.44	00.00	100.00	47.44	47.44	N/A	8,000	3,795	
15,000 TO 29,999	3	108.40	88.76	91.82	30.77	96.67	28.92	128.97	N/A	18,929	17,382	
30,000 TO 59,999	3	92.68	91.98	87.43	27.68	105.20	53.15	130.10	N/A	42,333	37,012	
60,000 TO 99,999	2	101.99	101.99	100.85	07.76	101.13	94.08	109.89	N/A	70,000	70,598	
100,000 TO 149,999												
150,000 TO 249,999												
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
___ ALL ___	14	101.24	121.09	96.50	56.72	125.48	28.92	303.63	47.44 to 206.80	24,792	23,925	

OCCUPANCY CODE											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
350	1	261.75	261.75	261.75	00.00	100.00	261.75	261.75	N/A	2,000	5,235	
353	2	158.35	158.35	113.77	30.60	139.18	109.89	206.80	N/A	31,250	35,553	
384	1	128.97	128.97	128.97	00.00	100.00	128.97	128.97	N/A	23,788	30,680	
406	4	90.04	131.78	100.92	74.49	130.58	43.42	303.63	N/A	22,700	22,909	
528	4	80.78	84.77	85.34	42.68	99.33	47.44	130.10	N/A	27,000	23,041	
530	1	92.68	92.68	92.68	00.00	100.00	92.68	92.68	N/A	42,000	38,925	
558	1	28.92	28.92	28.92	00.00	100.00	28.92	28.92	N/A	18,000	5,205	
___ ALL ___	14	101.24	121.09	96.50	56.72	125.48	28.92	303.63	47.44 to 206.80	24,792	23,925	

2012 Correlation Section for Furnas County

A. Commercial Real Property

The commercial market in Furnas County is not organized. Only the towns of Arapahoe and Cambridge have active commercial districts. Even in those communities sales are sporadic and will often represent going concerns. In the smaller communities, many sales represent vacant, often deteriorated buildings selling for very low dollar amounts. Since there is no organized market activity, the county does not differentiate valuation groupings within the commercial class.

Sales verification is conducted by sending a questionnaire to the buyer in each transaction; the county assessor estimates that about 75% of these documents are returned. When necessary, a follow-up interview is conducted to gather additional sales information. A review of the qualified and non-qualified sales rosters revealed no bias in the qualification determinations.

Analysis of the sold commercial parcels indicates that the statistics are not reliable level of value indicators. Only 14 qualified sales occurred during the study period, five of which are extreme low dollar sales with selling prices less than \$5,000. These sales have a dramatic impact on the quality statistics. Their hypothetical removal substantially reduces both the coefficient of dispersion and price related differential; however, the sample is too small to adequately represent the population.

During 2011, the Department of Revenue, Property Assessment Division (Division) implemented a cyclical review process to annually conduct an assessment practices review of one-third of the counties within the state. Furnas County was one of the counties reviewed during 2011. Within the commercial class, there was no pattern to indicate a bias in the assessment of sold and unsold parcels; however, the review indicated that improvements to the appraisal process were warranted. The county assessor is actively working with the Division to improve the valuation process, and has proposed changes to the physical inspection process that will be implemented for 2013.

After reviewing all available information there was insufficient information with which to determine the level of value of commercial properties in Furnas County.

**2012 Correlation Section
for Furnas 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 Furnas 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 Furnas 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 Furnas 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 Furnas County

A new inspection cycle began within the county for assessment year 2012. The rural improvements within townships 4-25, 4-24, and 4-23 were reviewed. The review included taking new pictures, measurements were checked where warranted, and the property record cards were reviewed for accuracy. All changes were entered into the CAMA system. Only routine maintenance occurred for the rest of the improved agricultural parcels.

A sales study was completed for the agricultural land within the county. Adjustments were made to all subclasses. Irrigated and dry land increased about 25%; grass land increased about 5%.

2012 Agricultural Assessment Survey for Furnas County

1.	Valuation data collection done by:	
	The part-time appraiser; the assessor and office staff also do data collection on the agricultural land.	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	01	There are no market areas in the agricultural class.
3.	Describe the process that is used to determine and monitor market areas.	
	n/a	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	During this inspection cycle, the appraiser is physically inspecting all agricultural parcels for use. The sales verification process also helps the assessor identify agricultural land that has been purchased for non-agricultural uses.	
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, farm home sites and rural residential home sites carry the same value countywide.	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Physical inspection, Agri data software and regular discovery including but not limited to NRD certification, FSA maps, information from taxpayers, etc.	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	The sales verification process aids in helping to determine what influenced the selling price; sales studies also help to identify non-agricultural influences.	
8.	Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels.	
	Special value applications have been filed in the county; there is not a difference in value for the special valuation parcels.	
9.	How do you determine whether a sold parcel is substantially changed?	
	A parcel is considered substantially changed when a structure has been added to or removed from a parcel or when an addition has been made to an improved parcel. Within the agricultural class land use changes will also warrant a sale being coded substantially changed.	

33 Furnas
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 : 81
Total Sales Price : 19,379,022
Total Adj. Sales Price : 19,490,972
Total Assessed Value : 13,523,834
Avg. Adj. Sales Price : 240,629
Avg. Assessed Value : 166,961

MEDIAN : 69
WGT. MEAN : 69
MEAN : 72
COD : 25.39
PRD : 104.09

COV : 32.69
STD : 23.61
Avg. Abs. Dev : 17.64
MAX Sales Ratio : 164.89
MIN Sales Ratio : 16.17

95% Median C.I. : 65.99 to 79.26
95% Wgt. Mean C.I. : 64.47 to 74.30
95% Mean C.I. : 67.09 to 77.37

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DATE OF SALE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-JUL-08 To 30-SEP-08	7	84.08	81.96	83.60	17.83	98.04	40.41	104.92	40.41 to 104.92	92,800	77,579
01-OCT-08 To 31-DEC-08	5	65.38	64.65	66.82	19.33	96.75	41.67	94.02	N/A	306,925	205,072
01-JAN-09 To 31-MAR-09	3	77.64	76.65	78.34	08.66	97.84	66.07	86.24	N/A	165,213	129,435
01-APR-09 To 30-JUN-09	10	83.29	86.52	84.14	08.99	102.83	77.84	100.79	78.33 to 97.54	223,323	187,914
01-JUL-09 To 30-SEP-09	6	86.02	101.54	84.02	30.13	120.85	63.81	164.89	63.81 to 164.89	224,433	188,567
01-OCT-09 To 31-DEC-09	6	82.50	77.69	73.09	11.64	106.29	53.19	90.52	53.19 to 90.52	247,129	180,627
01-JAN-10 To 31-MAR-10	6	69.88	69.93	69.36	10.96	100.82	58.07	82.08	58.07 to 82.08	517,471	358,904
01-APR-10 To 30-JUN-10	7	69.39	72.52	74.26	21.57	97.66	42.53	102.99	42.53 to 102.99	177,289	131,658
01-JUL-10 To 30-SEP-10	6	82.64	88.98	88.82	18.14	100.18	69.03	122.05	69.03 to 122.05	236,833	210,347
01-OCT-10 To 31-DEC-10	14	59.55	59.90	60.71	13.62	98.67	45.12	90.54	48.47 to 65.99	212,951	129,291
01-JAN-11 To 31-MAR-11	4	54.57	48.28	48.12	32.36	100.33	16.91	67.07	N/A	328,213	157,940
01-APR-11 To 30-JUN-11	7	39.80	41.44	41.12	30.63	100.78	16.17	62.38	16.17 to 62.38	241,071	99,124
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	25	79.64	79.69	78.07	15.70	102.08	40.41	104.92	77.64 to 89.30	196,524	153,434
01-JUL-09 To 30-JUN-10	25	79.67	80.10	73.73	20.45	108.64	42.53	164.89	68.73 to 84.61	287,009	211,608
01-JUL-10 To 30-JUN-11	31	61.52	59.86	59.41	25.76	100.76	16.17	122.05	49.23 to 65.99	238,795	141,864
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	25	83.38	86.82	80.65	15.28	107.65	53.19	164.89	78.33 to 87.99	222,330	179,305
01-JAN-10 To 31-DEC-10	33	66.66	69.69	70.27	19.86	99.17	42.53	122.05	60.01 to 71.50	265,096	186,278
<u>ALL</u>	81	69.47	72.23	69.39	25.39	104.09	16.17	164.89	65.99 to 79.26	240,629	166,961

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
1	81	69.47	72.23	69.39	25.39	104.09	16.17	164.89	65.99 to 79.26	240,629	166,961
<u>ALL</u>	81	69.47	72.23	69.39	25.39	104.09	16.17	164.89	65.99 to 79.26	240,629	166,961

33 Furnas
AGRICULTURAL LAND

PAD 2012 R&O Statistics (Using 2012 Values)

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COV : 32.69
STD : 23.61
Avg. Abs. Dev : 17.64
MAX Sales Ratio : 164.89
MIN Sales Ratio : 16.17

95% Median C.I. : 65.99 to 79.26
95% Wgt. Mean C.I. : 64.47 to 74.30
95% Mean C.I. : 67.09 to 77.37

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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	1	52.67	52.67	52.67	00.00	100.00	52.67	52.67	N/A	294,700	155,230
1	1	52.67	52.67	52.67	00.00	100.00	52.67	52.67	N/A	294,700	155,230
_____Dry_____											
County	2	50.89	50.89	47.92	22.58	106.20	39.40	62.38	N/A	222,500	106,625
1	2	50.89	50.89	47.92	22.58	106.20	39.40	62.38	N/A	222,500	106,625
_____Grass_____											
County	7	71.02	73.36	67.82	15.74	108.17	47.95	97.54	47.95 to 97.54	116,150	78,771
1	7	71.02	73.36	67.82	15.74	108.17	47.95	97.54	47.95 to 97.54	116,150	78,771
_____ALL_____	81	69.47	72.23	69.39	25.39	104.09	16.17	164.89	65.99 to 79.26	240,629	166,961

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	7	64.00	67.98	67.60	16.78	100.56	52.67	86.24	52.67 to 86.24	335,191	226,587
1	7	64.00	67.98	67.60	16.78	100.56	52.67	86.24	52.67 to 86.24	335,191	226,587
_____Dry_____											
County	16	73.53	69.00	68.37	23.07	100.92	26.90	96.79	55.66 to 83.84	229,277	156,748
1	16	73.53	69.00	68.37	23.07	100.92	26.90	96.79	55.66 to 83.84	229,277	156,748
_____Grass_____											
County	11	69.39	72.44	66.94	19.01	108.22	47.95	104.92	53.78 to 97.54	124,141	83,095
1	11	69.39	72.44	66.94	19.01	108.22	47.95	104.92	53.78 to 97.54	124,141	83,095
_____ALL_____	81	69.47	72.23	69.39	25.39	104.09	16.17	164.89	65.99 to 79.26	240,629	166,961

Furnas County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
33.10	Furnas	1	2,440	2,105	1,830	1,740	1,325	1,230	1,040	855	1,884
37.40	Gosper	4	#DIV/0!	2,050	1,780	1,400	1,295	#DIV/0!	975	905	1,661
69.20	Phelps	2	#DIV/0!	1,735	1,450	1,200	950	750	600	550	1,358
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
73.10	Red Willow	1	1,750	1,575	1,390	1,262	1,139	1,002	888	758	1,489
32.10	Frontier	1	1,300	1,299	1,218	1,246	1,200	1,200	1,148	1,121	1,273

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Furnas	1	915	900	775	700	670	580	550	500	795
	Gosper	4	#DIV/0!	800	749	700	640	#DIV/0!	530	530	740
	Phelps	2	#DIV/0!	1,050	850	825	775	460	450	425	807
	Harlan	2	920	909	766	745	645	632	635	635	845
	Harlan	3	0	914	770	745	#DIV/0!	#DIV/0!	635	635	843
	Red Willow	1	760	760	625	575	540	465	425	410	691
	Frontier	1	790	790	740	740	690	690	640	640	760

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Furnas	1	600	595	565	460	415	405	385	380	403
	Gosper	4	#DIV/0!	550	490	440	400	#DIV/0!	396	395	408
	Phelps	2	#DIV/0!	468	460	445	452	435	430	420	426
	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
	Red Willow	1	350	350	350	350	350	350	350	350	350
	Frontier	1	350	350	350	350	350	350	350	350	350

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

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2012 METHODOLOGY FOR FURNAS COUNTY SPECIAL VALUE

Furnas County no longer implements greenbelt for properties within one mile of, and including the Republican River. There have been no recent sales indicating that there is a non-agricultural influence impacting the agricultural land market. Therefore, these market areas have been eliminated, and one schedule of values is applied to all parcels of land primarily used for agricultural or horticultural purposes in Furnas County. Parcels are reviewed on a periodic basis to determine if the land is still being used for agricultural or horticultural purposes.

2012 Correlation Section for Furnas County

A. Agricultural Land

Furnas County lies in the center of the Republican River Basin. The majority of the county consists of mixed use dry and grass land parcels, with the majority of the irrigated land concentrated along the Republican River. In reviewing the comparability of the adjoining counties, it was determined that all adjacent counties are comparable in terms of soil type, topography, and irrigation potential. There were no influences identified in the comparable counties that are not present in Furnas County.

In analyzing the agricultural sales within the county, the sample was found to be reasonably representative of the population in terms of land use and was adequately sized, but was not proportionately distributed among the study period years. The sample was expanded to improve the study period distribution, all prescribed thresholds were achieved.

The coefficient of dispersion (COD) of the sample is slightly high; to test the reliability of the statistics additional analysis was conducted to bring in as many comparable sales as possible. This testing brought in an additional 20 sales, and had limited impact on either the measures of central tendency or the qualitative statistics. The median still rounded to 69% and the COD to 26%. Since no variability existed between the two samples, and all additional analysis supported that the values were acceptable, the sample was determined to be reliable for measurement purposes.

The county assessor increased all crop land 25% and grass land 5% for assessment year 2012. These adjustments are typical for this region of the state, and resulted in values that were generally comparable to all adjoining counties. Only the dry land subclass has a sufficient number of sales, and supports that dry land is within the acceptable range. Based on the actions of the county assessor and the comparison of values across county lines, the irrigated and grass land values are also determined to be acceptable.

The subclasses of agricultural land have been assessed at uniform portions of market value; the values are reasonably equalized with the adjoining counties. Based on the consideration of all available information, the level of value of agricultural land in Furnas County is determined to be 69%; all subclasses are within the acceptable range.

**2012 Correlation Section
for Furnas 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 Furnas 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 Furnas 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 Furnas 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 : 6,099	Value : 503,727,115	Growth 1,695,295	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	374	404,975	18	48,810	20	28,055	412	481,840	
02. Res Improve Land	1,931	3,357,075	59	573,215	177	2,003,020	2,167	5,933,310	
03. Res Improvements	1,938	63,432,160	60	5,758,435	183	11,596,725	2,181	80,787,320	
04. Res Total	2,312	67,194,210	78	6,380,460	203	13,627,800	2,593	87,202,470	878,555
% of Res Total	89.16	77.06	3.01	7.32	7.83	15.63	42.52	17.31	51.82
05. Com UnImp Land	79	115,040	8	30,025	3	6,025	90	151,090	
06. Com Improve Land	289	586,180	14	77,160	7	25,245	310	688,585	
07. Com Improvements	307	17,262,395	16	1,303,265	10	932,550	333	19,498,210	
08. Com Total	386	17,963,615	24	1,410,450	13	963,820	423	20,337,885	57,300
% of Com Total	91.25	88.33	5.67	6.94	3.07	4.74	6.94	4.04	3.38
09. Ind UnImp Land	4	161,405	0	0	0	0	4	161,405	
10. Ind Improve Land	0	0	1	6,145	1	170,040	2	176,185	
11. Ind Improvements	1	557,400	1	380,070	1	440,000	3	1,377,470	
12. Ind Total	5	718,805	1	386,215	1	610,040	7	1,715,060	0
% of Ind Total	71.43	41.91	14.29	22.52	14.29	35.57	0.11	0.34	0.00
13. Rec UnImp Land	0	0	0	0	0	0	0	0	
14. Rec Improve Land	0	0	0	0	0	0	0	0	
15. Rec Improvements	0	0	0	0	0	0	0	0	
16. Rec Total	0	0	0	0	0	0	0	0	0
% of Rec Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Res & Rec Total	2,312	67,194,210	78	6,380,460	203	13,627,800	2,593	87,202,470	878,555
% of Res & Rec Total	89.16	77.06	3.01	7.32	7.83	15.63	42.52	17.31	51.82
Com & Ind Total	391	18,682,420	25	1,796,665	14	1,573,860	430	22,052,945	57,300
% of Com & Ind Total	90.93	84.72	5.81	8.15	3.26	7.14	7.05	4.38	3.38
17. Taxable Total	2,703	85,876,630	103	8,177,125	217	15,201,660	3,023	109,255,415	935,855
% of Taxable Total	89.41	78.60	3.41	7.48	7.18	13.91	49.57	21.69	55.20

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	2	7,085	362,695	0	0	0
20. Industrial	1	145,305	14,942,285	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	2	7,085	362,695
20. Industrial	0	0	0	1	145,305	14,942,285
21. Other	0	0	0	0	0	0
22. Total Sch II				3	152,390	15,304,980

Schedule III : Mineral Interest Records

Mineral Interest	Records	Urban Value	Records	SubUrban Value	Records	Rural Value	Records	Total Value	Growth
23. Producing	0	0	0	0	8	1,556,010	8	1,556,010	0
24. Non-Producing	0	0	0	0	0	0	0	0	0
25. Total	0	0	0	0	8	1,556,010	8	1,556,010	0

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	286	2	342	630

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	7	72,645	0	0	2,440	270,617,205	2,447	270,689,850
28. Ag-Improved Land	2	11,865	0	0	597	84,499,910	599	84,511,775
29. Ag Improvements	2	27,660	0	0	619	37,686,405	621	37,714,065
30. Ag Total							3,068	392,915,690

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	0	0.00	0	0	0.00	0	
33. HomeSite Improvements	0	0.00	0	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	1	1.00	500	0	0.00	0	
37. FarmSite Improvements	2	0.00	27,660	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	1	1.00	0	0	0.00	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Records	Rural Acres	Value	Records	Total Acres	Value	Growth
31. HomeSite UnImp Land	23	23.05	230,500	23	23.05	230,500	
32. HomeSite Improv Land	323	333.80	3,338,000	323	333.80	3,338,000	
33. HomeSite Improvements	336	0.00	17,172,885	336	0.00	17,172,885	400
34. HomeSite Total				359	356.85	20,741,385	
35. FarmSite UnImp Land	13	23.84	11,920	13	23.84	11,920	
36. FarmSite Improv Land	523	1,543.54	771,770	524	1,544.54	772,270	
37. FarmSite Improvements	612	0.00	20,513,520	614	0.00	20,541,180	759,040
38. FarmSite Total				627	1,568.38	21,325,370	
39. Road & Ditches	2,345	7,494.42	0	2,346	7,495.42	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				986	9,420.65	42,066,755	759,440

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	3,978.82	5.79%	9,708,315	7.50%	2,440.00
46. 1A	42,828.38	62.35%	90,153,760	69.66%	2,105.00
47. 2A1	4,242.80	6.18%	7,764,325	6.00%	1,830.00
48. 2A	4,993.15	7.27%	8,688,080	6.71%	1,740.00
49. 3A1	2,358.90	3.43%	3,125,545	2.41%	1,325.00
50. 3A	1,079.00	1.57%	1,327,170	1.03%	1,230.00
51. 4A1	4,222.22	6.15%	4,391,110	3.39%	1,040.00
52. 4A	4,990.00	7.26%	4,266,455	3.30%	855.00
53. Total	68,693.27	100.00%	129,424,760	100.00%	1,884.10
Dry					
54. 1D1	968.80	0.51%	886,450	0.59%	915.00
55. 1D	119,864.20	63.65%	107,877,705	72.06%	900.00
56. 2D1	8,117.67	4.31%	6,291,200	4.20%	775.00
57. 2D	3,311.82	1.76%	2,318,275	1.55%	700.00
58. 3D1	17,794.16	9.45%	11,922,080	7.96%	670.00
59. 3D	546.00	0.29%	316,680	0.21%	580.00
60. 4D1	24,558.35	13.04%	13,507,090	9.02%	550.00
61. 4D	13,166.40	6.99%	6,583,200	4.40%	500.00
62. Total	188,327.40	100.00%	149,702,680	100.00%	794.91
Grass					
63. 1G1	216.00	0.13%	129,600	0.19%	600.00
64. 1G	13,433.92	7.85%	7,993,190	11.60%	595.00
65. 2G1	2,990.44	1.75%	1,689,600	2.45%	565.00
66. 2G	1,618.90	0.95%	744,695	1.08%	460.00
67. 3G1	2,714.80	1.59%	1,126,645	1.64%	415.00
68. 3G	149.22	0.09%	60,435	0.09%	405.01
69. 4G1	32,977.59	19.28%	12,696,375	18.43%	385.00
70. 4G	116,952.30	68.37%	44,441,835	64.52%	380.00
71. Total	171,053.17	100.00%	68,882,375	100.00%	402.70
Irrigated Total					
	68,693.27	15.58%	129,424,760	36.89%	1,884.10
Dry Total					
	188,327.40	42.73%	149,702,680	42.67%	794.91
Grass Total					
	171,053.17	38.81%	68,882,375	19.63%	402.70
72. Waste	6,508.19	1.48%	488,120	0.14%	75.00
73. Other	6,184.02	1.40%	2,351,000	0.67%	380.17
74. Exempt	0.00	0.00%	0	0.00%	0.00
75. Market Area Total	440,766.05	100.00%	350,848,935	100.00%	796.00

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	34.34	68,500	0.00	0	68,658.93	129,356,260	68,693.27	129,424,760
77. Dry Land	17.00	15,510	0.00	0	188,310.40	149,687,170	188,327.40	149,702,680
78. Grass	0.00	0	0.00	0	171,053.17	68,882,375	171,053.17	68,882,375
79. Waste	0.00	0	0.00	0	6,508.19	488,120	6,508.19	488,120
80. Other	0.00	0	0.00	0	6,184.02	2,351,000	6,184.02	2,351,000
81. Exempt	0.00	0	0.00	0	0.00	0	0.00	0
82. Total	51.34	84,010	0.00	0	440,714.71	350,764,925	440,766.05	350,848,935

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	68,693.27	15.58%	129,424,760	36.89%	1,884.10
Dry Land	188,327.40	42.73%	149,702,680	42.67%	794.91
Grass	171,053.17	38.81%	68,882,375	19.63%	402.70
Waste	6,508.19	1.48%	488,120	0.14%	75.00
Other	6,184.02	1.40%	2,351,000	0.67%	380.17
Exempt	0.00	0.00%	0	0.00%	0.00
Total	440,766.05	100.00%	350,848,935	100.00%	796.00

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

33 Furnas

	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	88,246,945	87,202,470	-1,044,475	-1.18%	878,555	-2.18%
02. Recreational	0	0	0		0	
03. Ag-Homesite Land, Ag-Res Dwelling	20,553,450	20,741,385	187,935	0.91%	400	0.91%
04. Total Residential (sum lines 1-3)	108,800,395	107,943,855	-856,540	-0.79%	878,955	-1.60%
05. Commercial	20,169,035	20,337,885	168,850	0.84%	57,300	0.55%
06. Industrial	1,715,060	1,715,060	0	0.00%	0	0.00%
07. Ag-Farmsite Land, Outbuildings	20,770,045	21,325,370	555,325	2.67%	759,040	-0.98%
08. Minerals	1,071,990	1,556,010	484,020	45.15	0	45.15
09. Total Commercial (sum lines 5-8)	43,726,130	44,934,325	1,208,195	2.76%	816,340	0.90%
10. Total Non-Agland Real Property	152,526,525	152,878,180	351,655	0.23%	1,695,295	-0.88%
11. Irrigated	102,962,435	129,424,760	26,462,325	25.70%		
12. Dryland	119,665,615	149,702,680	30,037,065	25.10%		
13. Grassland	65,599,850	68,882,375	3,282,525	5.00%		
14. Wasteland	487,725	488,120	395	0.08%		
15. Other Agland	1,801,420	2,351,000	549,580	30.51%		
16. Total Agricultural Land	290,517,045	350,848,935	60,331,890	20.77%		
17. Total Value of all Real Property (Locally Assessed)	443,043,570	503,727,115	60,683,545	13.70%	1,695,295	13.31%

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

Plan of Assessment Requirements:

Pursuant to Nebr. Laws 2005, LB 263, Section 9, on or before June 15 each year, the assessor shall prepare a plan of assessment, (herein after referred to as the “plan”), which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and the 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 Revenue, Property Assessment Division 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 2004).

General Description of Real Property in Furnas County:

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

	Parcels	% of Total Parcels	% of Taxable Value Base
Minerals	8	.13	.24
Residential	2591	42.52	19.94
Commercial	424	6.96	4.55
Industrial	7	.11	.39
Recreational	0	0	0
Agricultural	3063	50.27	74.88
Special Value	0	0	0

Agricultural land – 440,762.16 taxable acres. 15.56% irrigated, 42.62% dry, 38.96% grassland, 1.46% waste and 1.41% timber.

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

Current Resources

A. Assessor’s Office staff includes:

- Melody Crawford, Assessor
- Bobbi Noel, Deputy
- Gerald Eugene Witte, Appraiser
- Sherry Thooft, ½ time Office Clerk

The Assessor and Deputy both hold Assessor’s Certificates and will attend necessary training to obtain hours needed to keep certificates current. The high cost of approved training is a budgetary concern for Furnas County

The County Appraiser is a Registered Nebraska Appraiser, and also holds a Nebraska Real Estate License. He is responsible for gathering information on any new improvements and additions or alterations to existing improvements from Building Permits, County-wide zoning permits and any Assessor notes. His rotating review work involves looking at all improvements on each parcel , checking as to measurements of buildings, quality of construction, depreciation percentage and all information shown in Assessor’s records for accuracy. Inspection of the interior of houses is done whenever possible. The County Appraiser will also physically inspect all ag land to check for proper land use classification

B Cadastral Maps and aerial photos are in need of replacement, as they are both nearing 40 years old. For 2011, the Assessor's office is using AgriData program to measure Furnas County and conversion to the current soil survey is complete.

C Property Record Cards contain CAMA pricing sheets and pictures, Lot size drawing, MIPS county solutions yearly values.

D We are now on the new MIPS PC based system for both the Administration usage and the CAMA pricing for the 2011 tax year. This system will be more efficient with all information for each parcel in one place, on one computer system.

E Furnas County will be going on line with parcel and tax information within the next year. We feel this will be very beneficial for taxpayers, realtors, appraisers, etc., to have 24 hour access to our information.

Current Assessment Procedures for Real Property

- A Both Assessor and Deputy Assessor handle transfers each month.
A verification form is mailed out.
- B. Office pulls property record cards for Appraiser to review information.
- C. All arm length sales are entered in a Computer by type such as Residential, Commercial or Agriculture. Under each type is a more detailed description.
Residential by year construction, Quality and Style. Commercial by City, School Dist, Type or use. Ag by major land use, acres, Geo code, Land Area & School dist.
- D. Approaches to Value
 - 1) Market Approach: Sales comparison,
 - 2) Cost Approach: Marshall Swift manual - Commercial 2010, Residential 2010.
 - 3) Land valuation studies are used to establish market areas and agricultural land. Based on studies, special value, market areas and greenbelt along the Republican River was eliminated for 2010.
- E. Reconciliation of Final Value and documentation
- F. Review assessment sales ratio studies after assessment actions.
- G. Notices and Public Relations

Level of value, Quality, and Uniformity of assessment year 2011:

Property Class	Median	Cod*	PRD*
Residential	94	29.16	112.07
Commercial	NA	NA	NA
Agricultural Land	69	18.77	107.94

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

Assessment actions Planned for Assessment year 2012

2012 Assessment year Assessor & Office Staff

Residential

1. Complete pickup work by March 1, 2012.
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct and verify sales.
3. Update files from the Appraisers review work such as date of inspection.
4. Get the review work ready for the next year.

Commercial

1. Complete pickup work by March 1, 2012
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct.
3. Update files from the Appraisers review work such as date of inspection.
4. Get the review work ready for the next year.

Agricultural

1. Complete pickup work by March 1, 2012
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct.
3. Use Agri Data to update land use, as well as Appraiser review of three rural precincts for land use.

County Appraiser

1. Complete pickup work using Building Permits, County wide zoning and Assessors notes.
2. Complete door to door review of Cambridge, Holbrook, Arapahoe, and rural improvements in those areas of the county. New pictures are taken when needed. Ag land use will be reviewed in the areas of the county where improvements are scheduled for review.
3. Review all property protests with the Commissioners
4. Attend Board of Equalization hearings

Assessment actions Planned for Assessment year 2013

2013 Assessment year Assessor & Office Staff

Residential

1. Complete pickup work by March 1, 2013.
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct and verify sales
3. Update files from the Appraisers review work such as date of inspection.
4. Get the review work ready for the next year.

Commercial

1. Complete pickup work by March 1, 2013
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct.
3. Update files from the Appraisers review work such as date of inspection.
4. Get the review work ready for the next year.

Agricultural

1. Complete pickup work by March 1, 2013
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct.
3. Use Agri Data to update land use, as well as appraiser review of three rural precincts for land use.

County Appraiser

1. Complete pickup work using Building Permits, County wide zoning and Assessors notes.
2. Complete door to door review of Edison, Oxford, rural improvements in those areas of the county. New pictures are taken when needed. Ag land use will be reviewed in the areas of the County where improvements are scheduled for review.
3. Review all property protests with the Commissioner
4. Attend Board of Equalization hearings

Assessment actions planned for Assessment year 2014

2014 Assessment year Assessor & Office Staff

Residential

1. Complete pickup work by March 1, 2014.
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct and verify sales.
3. Update files from the Appraisers review work such as date of inspection.
4. Get the review work ready for the next year.

Commercial

1. Complete pickup work by March 1, 2014.
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct.
3. Update files from the Appraisers review work such as date of inspection.
4. Get the review work ready for the next year.

Agricultural

1. Complete pickup work by March 1, 2014.
2. Complete study of current sales ratio reports to determine if level of value and quality of assessment is correct.
3. Use AgriData to update any land use changes, as well as review of four rural precincts for land use.

County Appraiser

1. Complete pickup work using Building Permits, County wide zoning and Assessors notes.
2. Complete door to door review of all improvements in four rural precincts and take digital pictures of improvements as needed. Ag land use will be reviewed in the areas of the county where improvements are scheduled for review.
3. Review all property protests with the Commissioners
4. Attend Board of Equalization hearings.

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

1. Record Maintenance, Mapping updates, & Ownership changes
2. Annually prepare the following Assessor Administrative Reports required by law/regulation:
 - a. Abstracts (Real & Personal Property)
 - b. Assessor Survey
 - c. Sales information to PAD rosters & 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 Lands & Funds
 - i. Report of all Exempt Property and Taxable Government Owned Property
 - j. Annual Plan of Assessment Report.
3. Personal Property; administer annual filing of approximately 513 schedules; prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.
4. Permissive Exemption: administer annual filings of applications for new or continued exempt use, review and make recommendations to county board.
5. Taxable Government Owned Property- annual review of government owned property not used for public purpose, send notices of intent to tax, etc.
6. Homestead Exemptions; administer approximately 260 annual filings of applications, approval/denial process, taxpayer notifications and taxpayer assistance.
7. Centrally Assessed – review of valuations as certified by PAD for railroads and public service entities, establish assessment records and tax billing for tax list.
8. Tax Increment Financing – 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 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.
10. Tax Lists: prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed.
11. Tax List Corrections- prepare tax list correction documents for county board approval
12. County Board of Equalization – attend county board of equalization meetings for valuation protests-assemble and provide information

13. TERC Appeals- prepare information attend taxpayer appeal hearings before TERC, defend valuation
14. TERC Statewide Equalization- attend hearings if applicable to county, defend values, and/or implement orders of the TERC.
15. Education: Assessor Education – attend meetings, workshops, and educational classes to obtain 60 hours of continuing education to maintain assessor certification

Conclusion:

Estimated Appraisal Budget needs for 2011-2012 include:

Appraisal Budget	\$17400
Prichard & Abbott	\$600
Gene Witte	\$14400
Mileage (est)	\$2400

Respectfully submitted:

Assessor: Melody L. Crawford Date: June 15, 2011

2012 Assessment Survey for Furnas County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	1
2.	Appraiser(s) on staff:
	One part-time appraiser contracted to work 60 days per year.
3.	Other full-time employees:
	0
4.	Other part-time employees:
	1
5.	Number of shared employees:
	0
6.	Assessor's requested budget for current fiscal year:
	\$79,305
7.	Adopted budget, or granted budget if different from above:
	Same
8.	Amount of the total assessor's budget set aside for appraisal work:
	\$0
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	\$35,000
10.	Part of the assessor's budget that is dedicated to the computer system:
	The budget for the computer system is maintained in the county general fund.
11.	Amount of the assessor's budget set aside for education/workshops:
	\$1,000
12.	Other miscellaneous funds:
	n/a
13.	Amount of last year's assessor's budget not used:
	\$0

B. Computer, Automation Information and GIS

1.	Administrative software:
	MIPS PCsystem V2
2.	CAMA software:
	MIPS PCsystem V2
3.	Are cadastral maps currently being used?
	Yes
4.	If so, who maintains the Cadastral Maps?
	The assessor
5.	Does the county have GIS software?
	No

6.	Is GIS available on a website? If so, what is the name of the website?
	n/a
7.	Who maintains the GIS software and maps?
	n/a
8.	Personal Property software:
	MIPS PCsystem V2

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?
	Arapahoe, Beaver City, Cambridge, and Oxford
4.	When was zoning implemented?
	1999

D. Contracted Services

1.	Appraisal Services:
	Pritchard & Abbot are annually contract to conduct the oil and gas mineral appraisals within the county.
2.	Other services:
	None

2012 Certification for Furnas 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 Furnas 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

