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2012 Commission Summary for Hitchcock County

Residential Real Property - Current

Number of Sales	74	Median	97.47
Total Sales Price	\$3,319,776	Mean	104.50
Total Adj. Sales Price	\$3,318,776	Wgt. Mean	95.36
Total Assessed Value	\$3,164,910	Average Assessed Value of the Base	\$37,039
Avg. Adj. Sales Price	\$44,848	Avg. Assessed Value	\$42,769

Confidence Interval - Current

95% Median C.I	93.84 to 100.14
95% Wgt. Mean C.I	91.95 to 98.78
95% Mean C.I	96.76 to 112.24
% of Value of the Class of all Real Property Value in the	11.46
% of Records Sold in the Study Period	4.66
% of Value Sold in the Study Period	5.38

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	79	96	96
2010	92	98	98
2009	89	97	97
2008	96	96	96

2012 Commission Summary for Hitchcock County

Commercial Real Property - Current

Number of Sales	11	Median	100.88
Total Sales Price	\$590,085	Mean	101.99
Total Adj. Sales Price	\$590,085	Wgt. Mean	93.05
Total Assessed Value	\$549,050	Average Assessed Value of the Base	\$168,611
Avg. Adj. Sales Price	\$53,644	Avg. Assessed Value	\$49,914

Confidence Interval - Current

95% Median C.I	82.33 to 123.92
95% Wgt. Mean C.I	75.89 to 110.20
95% Mean C.I	80.75 to 123.23
% of Value of the Class of all Real Property Value in the County	6.84
% of Records Sold in the Study Period	5.29
% of Value Sold in the Study Period	1.57

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	19		93
2010	24	100	95
2009	23	97	97
2008	19	100	100

2012 Opinions of the Property Tax Administrator for Hitchcock 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	97	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	74	Meets generally accepted mass appraisal practices.	No recommendation.

***A level of value displayed as NEI (not enough information) represents a class of property with insufficient information to determine a level of value.*

Dated this 9th day of April, 2012.



Ruth A. Sorensen

Ruth A. Sorensen
Property Tax Administrator

2012 Residential Assessment Actions for Hitchcock County

All residential parcels have changed value with the new costing and depreciation tables used through the Orion programs and Tyler Technology. The costing tables were updated from March/2011 pricing. The information obtained from the sales review questionnaires have been entered into the electronic property record card. The sales were physically reviewed with new photographs. All changes to the property record card were noted on the CAMA system including detailed comments on the appraisal tab. The new programming has updated all of the residential parcels with the same depreciation table which includes farm homes.

The land values in the Villages are valued the same. Lots up to 14,000 square foot are valued at .20 cents; 15,000 to 28,000 square feet are valued at .15 and .02 above 28,000 square feet. Rural residential home sites increased from \$3000 in 2011 to \$8000 in 2012 for the first acre and home site acreages. Leasehold values were applied for the first year to the IOLL mobile homes and cabins around the lake; \$6,000 per parcel. Lake Shore Marina land values were increased from \$3,000 per lot to \$6,000 per lot.

Mobile home qualities were reviewed and several were adjusted to equalize the quality of the home. All of the mobile homes in the county are now using the same depreciation table. Approximately 125 parcels have been reviewed in the field and updated accordingly with updated data in the electronic system.

An expanded assessed value update review was conducted in Hitchcock County during the past year. The Department is actively working with the assessment office to improve the 6 year inspection and review cycle to meet all statutory requirements. The appraiser is aggressively working towards the goals of inspecting and updating all parcels within Hitchcock County by 2013.

2012 Residential Assessment Survey for Hitchcock County

1.	Valuation data collection done by:	
	Bryan Hill, the 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>
	01	Trenton is located near the center of the county where the main public school system is located west of Hwy 6 & 34 Junction.
	02	Culbertson is a neighborhood community of McCook where several residents commute to work. Strong commercial employers are located near Culbertson; Kugler Oil Co., GoLight and the Co-op
	03	Stratton is located west of Trenton where there is very limited employment for residents and only an elementary school exists.
	04	Palisade is a small Village that is shared with Hayes County on the north side of town. The school has been merged with Wauneta and students commute back and forth.
	05	Rural resident acreages and Swanson Country Estates are both similar with 2.5 acre tracts and larger in the rural areas. Despite inflating economic conditions the rural residential market has remained strong and active.
	06	Lakers North Shore makes this grouping unique with the location right north of Swanson Lake. These include mobile homes but the lots do not have lake access view.
	07	Swanson Lake Cabins are properties on the south side of the Lake on lands owned by Bureau of Reclamation; these properties do have lake access but no lake frontage from their homes.
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Cost Approach	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	March 2011	
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 begins with the Orion costing and develops depreciation based on actual age and condition.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	No, there are no recognizable differences in the market to establish individual depreciation tables.	
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?
	2012
9.	Describe the methodology used to determine the residential lot values?
	The County used a four year study of vacant lot sales and tested the values with abstraction. All of the town residential parcels are being valued with price per square feet and in the rural areas are being valued price per acre.
10.	How do you determine whether a sold parcel is substantially changed?
	Typically when new construction totals a >10% difference in value we consider it to be substantially changed.

**44 Hitchcock
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 : 74
 Total Sales Price : 3,319,776
 Total Adj. Sales Price : 3,318,776
 Total Assessed Value : 3,164,910
 Avg. Adj. Sales Price : 44,848
 Avg. Assessed Value : 42,769

MEDIAN : 97
 WGT. MEAN : 95
 MEAN : 105
 COD : 16.68
 PRD : 109.58

COV : 32.49
 STD : 33.95
 Avg. Abs. Dev : 16.26
 MAX Sales Ratio : 299.00
 MIN Sales Ratio : 65.25

95% Median C.I. : 93.84 to 100.14
 95% Wgt. Mean C.I. : 91.95 to 98.78
 95% Mean C.I. : 96.76 to 112.24

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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>Qrtrs</u>											
01-JUL-09 To 30-SEP-09	10	99.44	101.19	94.84	10.73	106.70	81.42	142.80	86.07 to 116.65	38,850	36,845
01-OCT-09 To 31-DEC-09	5	95.11	92.25	84.97	06.60	108.57	72.70	99.96	N/A	38,800	32,969
01-JAN-10 To 31-MAR-10	9	101.67	101.00	101.27	07.86	99.73	87.05	126.38	89.38 to 108.88	41,278	41,801
01-APR-10 To 30-JUN-10	13	96.98	100.43	96.62	12.79	103.94	71.12	144.75	86.29 to 111.34	37,762	36,484
01-JUL-10 To 30-SEP-10	9	88.35	88.17	89.18	11.88	98.87	65.25	117.91	77.38 to 97.95	62,403	55,648
01-OCT-10 To 31-DEC-10	8	100.04	101.75	98.23	09.43	103.58	85.83	121.51	85.83 to 121.51	36,219	35,578
01-JAN-11 To 31-MAR-11	6	103.31	129.88	101.28	36.11	128.24	84.86	262.53	84.86 to 262.53	23,500	23,801
01-APR-11 To 30-JUN-11	14	98.20	118.46	96.75	28.18	122.44	87.02	299.00	89.05 to 142.14	62,964	60,919
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	37	98.80	99.67	95.77	10.40	104.07	71.12	144.75	95.11 to 101.67	39,051	37,400
01-JUL-10 To 30-JUN-11	37	96.33	109.33	95.05	23.01	115.02	65.25	299.00	91.70 to 104.53	50,645	48,138
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	39	96.47	98.00	95.46	11.69	102.66	65.25	144.75	91.70 to 102.23	43,943	41,948
<u>ALL</u>	74	97.47	104.50	95.36	16.68	109.58	65.25	299.00	93.84 to 100.14	44,848	42,769

VALUATION GROUPING										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	16	96.73	108.19	94.58	22.74	114.39	65.25	299.00	90.14 to 105.17	32,189	30,445
02	17	96.98	109.85	99.13	21.33	110.81	81.42	262.53	86.29 to 121.51	36,650	36,332
03	15	100.48	103.35	100.04	08.79	103.31	87.05	142.14	93.84 to 108.88	39,847	39,862
04	9	97.95	105.15	99.54	12.73	105.64	89.38	142.80	91.70 to 117.67	26,111	25,991
05	12	98.75	101.35	92.48	14.91	109.59	71.12	153.45	88.35 to 111.34	91,250	84,385
06	5	85.83	84.33	85.25	02.42	98.92	77.80	87.02	N/A	50,600	43,135
<u>ALL</u>	74	97.47	104.50	95.36	16.68	109.58	65.25	299.00	93.84 to 100.14	44,848	42,769

PROPERTY TYPE *										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	62	98.93	104.10	95.46	14.17	109.05	71.12	299.00	95.11 to 101.67	46,763	44,639
06											
07	12	88.04	106.57	94.70	28.87	112.53	65.25	262.53	84.91 to 102.15	34,958	33,107
<u>ALL</u>	74	97.47	104.50	95.36	16.68	109.58	65.25	299.00	93.84 to 100.14	44,848	42,769

**44 Hitchcock
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 95% Wgt. Mean C.I. : 91.95 to 98.78
 95% Mean C.I. : 96.76 to 112.24

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SALE PRICE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Low \$ Ranges											
Less Than 5,000	1	299.00	299.00	299.00	00.00	100.00	299.00	299.00	N/A	2,500	7,475
Less Than 15,000	15	108.88	133.47	120.07	36.54	111.16	65.25	299.00	95.20 to 142.80	8,780	10,542
Less Than 30,000	38	99.60	113.70	104.94	23.10	108.35	65.25	299.00	95.20 to 108.88	16,367	17,175
Ranges Excl. Low \$											
Greater Than 4,999	73	96.98	101.83	95.21	14.14	106.95	65.25	262.53	93.37 to 100.14	45,428	43,253
Greater Than 14,999	59	96.08	97.13	94.34	09.98	102.96	71.12	144.75	91.99 to 99.64	54,018	50,962
Greater Than 29,999	36	94.89	94.79	93.16	09.04	101.75	71.12	117.91	90.14 to 100.06	74,912	69,785
Incremental Ranges											
0 TO 4,999	1	299.00	299.00	299.00	00.00	100.00	299.00	299.00	N/A	2,500	7,475
5,000 TO 14,999	14	106.04	121.64	116.61	27.40	104.31	65.25	262.53	92.38 to 142.80	9,229	10,761
15,000 TO 29,999	23	96.98	100.81	100.87	11.32	99.94	77.80	144.75	90.18 to 105.20	21,315	21,501
30,000 TO 59,999	18	97.38	97.72	97.94	08.67	99.78	81.42	117.91	90.14 to 104.53	40,757	39,918
60,000 TO 99,999	13	93.84	92.23	91.14	09.67	101.20	71.12	110.91	84.86 to 101.02	80,746	73,596
100,000 TO 149,999	2	82.87	82.87	83.21	06.62	99.59	77.38	88.35	N/A	131,750	109,628
150,000 TO 249,999	2	99.28	99.28	99.30	02.97	99.98	96.33	102.23	N/A	173,500	172,293
250,000 TO 499,999	1	90.15	90.15	90.15	00.00	100.00	90.15	90.15	N/A	303,000	273,165
500,000 TO 999,999											
1,000,000 +											
ALL	74	97.47	104.50	95.36	16.68	109.58	65.25	299.00	93.84 to 100.14	44,848	42,769

2012 Correlation Section for Hitchcock County

A. Residential Real Property

74 improved residential sales will be considered adequate and reliable for the measurement of the residential class of property in Hitchcock County. The total number of sales are spread amongst six valuation groupings or assessor locations in the county. The largest subclass is represented by 17 sales in the Village of Culbertson, where it typically serves as a community to the workforce in McCook. Culbertson is the largest Village by population in Hitchcock County with nearly 600 residents. Trenton, the county seat has a total of 16 residential sales, Stratton has 15 and rural residential areas are represented by 12. The small Village of Palisade only has 9 sales and Laker's North Shore has 5. Trenton is a Village with approximately 500 residents and Stratton has only 400. The towns diminish in size beginning with the first Village on the east end of the County to the west. The statistical sampling of 74 will be considered an adequate and reliable sample for the measurement of the residential class of real property in Hitchcock County.

The state appraiser for Hitchcock County has worked with the new CAMA programs in Orion's costing tables and new depreciation programs. Every residential property has changed value in 2012 due to the March/2011 costing and depreciation tables applied countywide. The process of inspection and review work began after the Department of Revenue; Property Tax Division completed an expanded audit of the assessment practices and review work during the summer of 2011. In conjunction of the six year inspection and review cycle, Hitchcock County was audited to identify the reported assessed valuations and the assessment practices for each property class. The audit findings brought the state appraiser to actively working with a process that would improve and meet the inspection and review requirements. 914 parcels were identified by the appraiser as needing reviewed within the six year statutory inspection process. This brought the assessment office aggressively working towards the goal of inspecting and reviewing every parcel by 2013. Within the residential property class, approximately 125 parcels were reviewed by March 19th. All lot values were assessed using the same price per square foot. Leasehold values were implemented on recreational parcels. Mobile home qualities were reviewed and adjusted. The sales were physically reviewed and new photographs placed on the electronic record cards. Several updates as listed above were all actions to improve the lack of review work in the county. The state appraiser and staff took an active role to complete the goal of 100% of the parcels to be reviewed by the 2013 assessment year.

The median and weighted mean measures of central tendency are both acceptable and within the IAAO standards for statistical measurements. Only the mean is above the parameters. The qualitative measurements are reflecting above normal ranges. Although the COD, 16.68 is 1.68 points above the maximum range it may be skewed towards the six different valuation groupings and less than 20 sales per subclass. The higher PRD is shown in five different areas and overall stands at 109.58. This may be a sign of regressive assessments in the residential property class. With a complete countywide appraisal as a goal to fulfill, 2013 should show signs of improvement.

Based on all of the statistical results of the new appraisal work and sales data, it is determined that the level of value of the residential property in Hitchcock County is 97. Based on the

**2012 Correlation Section
for Hitchcock County**

aggressive actions taken by the state appraiser to complete new costing, depreciation and review work it is also believed that the assessments are uniform and proportionate within the class of residential real property.

**2012 Correlation Section
for Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock County

Slight differences in value through review work are shown through the abstract of assessment in the commercial property class. No changes were made through costing or depreciation factors. The state appraiser is aggressively working towards a complete inspection of commercial property for new appraisals in 2013.

2012 Commercial Assessment Survey for Hitchcock County

1.	Valuation data collection done by:	
	Bryan Hill, State 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>
	01	Trenton is the County seat where a large industrial business; the Ethanol Plant contributes business to Trenton with grain suppliers and contractors. It is located right east of town along Hwy 6.
	02	Culbertson makes this grouping unique with the bedroom community to McCook and four large commercial employers; Kugler Oil, GoLight, Co-op and Hagan Trucking south of town.
	03	Stratton is located between Trenton and the Dundy Co. Seat, Benkelman. Stratton has very limited commercial property and no large employers.
	04	Palisade is separated geographically from Trenton and Stratton where there is only a satellite grocery store, one grain elevator for farmers and one local credit union bank.
	05	Rural commercial properties are located outside the urban Villages and have different characteristics due to locations and limited services.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	For 2012 there was no change to commercial property except new construction. The value used was last year's cost approach to value.	
3a.	Describe the process used to value unique commercial properties.	
	In prior years unique properties were valued by the appraiser using TerraScan.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	June/2002	
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?	
	Unknown	
6.	Are individual depreciation tables developed for each valuation grouping?	
	Unknown	
7.	When were the depreciation tables last updated for each valuation grouping?	
	Neighborhood factors have been applied using the prior TerraScan system	
8.	When was the last lot value study completed for each valuation grouping?	
	2012	
9.	Describe the methodology used to determine the commercial lot values.	
	Lot values for both residential and commercial were valued using market data.	

10.	How do you determine whether a sold parcel is substantially changed?
	Typically when new construction totals more than a 10% difference in value we consider it to be substantially changed.

**44 Hitchcock
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 : 11
 Total Sales Price : 590,085
 Total Adj. Sales Price : 590,085
 Total Assessed Value : 549,050
 Avg. Adj. Sales Price : 53,644
 Avg. Assessed Value : 49,914

MEDIAN : 101
 WGT. MEAN : 93
 MEAN : 102
 COD : 19.66
 PRD : 109.61

COV : 31.00
 STD : 31.62
 Avg. Abs. Dev : 19.83
 MAX Sales Ratio : 169.59
 MIN Sales Ratio : 37.70

95% Median C.I. : 82.33 to 123.92
 95% Wgt. Mean C.I. : 75.89 to 110.20
 95% Mean C.I. : 80.75 to 123.23

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DATE OF SALE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
<u>Qtrrs</u>											
01-JUL-08 To 30-SEP-08	4	101.54	103.34	97.87	05.57	105.59	94.49	115.80	N/A	23,500	22,999
01-OCT-08 To 31-DEC-08											
01-JAN-09 To 31-MAR-09	2	88.01	88.01	84.60	06.45	104.03	82.33	93.68	N/A	187,500	158,623
01-APR-09 To 30-JUN-09											
01-JUL-09 To 30-SEP-09											
01-OCT-09 To 31-DEC-09	1	93.25	93.25	93.25	00.00	100.00	93.25	93.25	N/A	20,000	18,650
01-JAN-10 To 31-MAR-10	1	169.59	169.59	169.59	00.00	100.00	169.59	169.59	N/A	35,000	59,355
01-APR-10 To 30-JUN-10											
01-JUL-10 To 30-SEP-10											
01-OCT-10 To 31-DEC-10	2	80.81	80.81	62.33	53.35	129.65	37.70	123.92	N/A	10,500	6,545
01-JAN-11 To 31-MAR-11	1	108.05	108.05	108.05	00.00	100.00	108.05	108.05	N/A	45,085	48,715
01-APR-11 To 30-JUN-11											
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	6	97.69	98.23	87.26	08.25	112.57	82.33	115.80	82.33 to 115.80	78,167	68,207
01-JUL-09 To 30-JUN-10	2	131.42	131.42	141.83	29.04	92.66	93.25	169.59	N/A	27,500	39,003
01-JUL-10 To 30-JUN-11	3	108.05	89.89	93.52	26.60	96.12	37.70	123.92	N/A	22,028	20,602
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	3	93.25	89.75	85.04	04.05	105.54	82.33	93.68	N/A	131,667	111,965
01-JAN-10 To 31-DEC-10	3	123.92	110.40	129.37	35.47	85.34	37.70	169.59	N/A	18,667	24,148
<u>ALL</u>	11	100.88	101.99	93.05	19.66	109.61	37.70	169.59	82.33 to 123.92	53,644	49,914

VALUATION GROUPING										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	4	91.61	86.21	82.72	28.59	104.22	37.70	123.92	N/A	87,750	72,585
02	1	94.49	94.49	94.49	00.00	100.00	94.49	94.49	N/A	56,500	53,385
03	3	93.68	98.33	98.24	05.26	100.09	93.25	108.05	N/A	46,695	45,875
04	3	115.80	129.20	159.29	19.40	81.11	102.20	169.59	N/A	14,167	22,567
<u>ALL</u>	11	100.88	101.99	93.05	19.66	109.61	37.70	169.59	82.33 to 123.92	53,644	49,914

PROPERTY TYPE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
02											
03	11	100.88	101.99	93.05	19.66	109.61	37.70	169.59	82.33 to 123.92	53,644	49,914
04											
<u>ALL</u>	11	100.88	101.99	93.05	19.66	109.61	37.70	169.59	82.33 to 123.92	53,644	49,914

**44 Hitchcock
COMMERCIAL**

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

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

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 STD : 31.62
 Avg. Abs. Dev : 19.83
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 MIN Sales Ratio : 37.70

95% Median C.I. : 82.33 to 123.92
 95% Wgt. Mean C.I. : 75.89 to 110.20
 95% Mean C.I. : 80.75 to 123.23

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000	1	102.20	102.20	102.20	00.00	100.00	102.20	102.20	N/A	2,500	2,555	
Less Than 15,000	3	115.80	113.97	116.89	06.25	97.50	102.20	123.92	N/A	4,500	5,260	
Less Than 30,000	5	102.20	94.57	82.65	21.28	114.42	37.70	123.92	N/A	9,700	8,017	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	10	97.69	101.97	93.01	22.19	109.63	37.70	169.59	82.33 to 123.92	58,759	54,650	
Greater Than 14,999	8	94.09	97.50	92.49	22.06	105.42	37.70	169.59	37.70 to 169.59	72,073	66,659	
Greater Than 29,999	6	97.69	108.17	93.98	18.43	115.10	82.33	169.59	82.33 to 169.59	90,264	84,828	
<u>Incremental Ranges</u>												
0 TO 4,999	1	102.20	102.20	102.20	00.00	100.00	102.20	102.20	N/A	2,500	2,555	
5,000 TO 14,999	2	119.86	119.86	120.23	03.39	99.69	115.80	123.92	N/A	5,500	6,613	
15,000 TO 29,999	2	65.48	65.48	69.44	42.43	94.30	37.70	93.25	N/A	17,500	12,153	
30,000 TO 59,999	4	104.47	118.25	115.09	19.69	102.75	94.49	169.59	N/A	41,646	47,930	
60,000 TO 99,999	1	93.68	93.68	93.68	00.00	100.00	93.68	93.68	N/A	75,000	70,260	
100,000 TO 149,999												
150,000 TO 249,999												
250,000 TO 499,999	1	82.33	82.33	82.33	00.00	100.00	82.33	82.33	N/A	300,000	246,985	
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	11	100.88	101.99	93.05	19.66	109.61	37.70	169.59	82.33 to 123.92	53,644	49,914	

OCCUPANCY CODE											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
Blank	4	97.94	100.53	85.33	12.79	117.81	82.33	123.92	N/A	95,875	81,809	
340	1	100.88	100.88	100.88	00.00	100.00	100.88	100.88	N/A	30,000	30,265	
344	1	94.49	94.49	94.49	00.00	100.00	94.49	94.49	N/A	56,500	53,385	
346	1	108.05	108.05	108.05	00.00	100.00	108.05	108.05	N/A	45,085	48,715	
353	1	37.70	37.70	37.70	00.00	100.00	37.70	37.70	N/A	15,000	5,655	
406	2	142.70	142.70	162.86	18.85	87.62	115.80	169.59	N/A	20,000	32,573	
442	1	93.25	93.25	93.25	00.00	100.00	93.25	93.25	N/A	20,000	18,650	
<u>ALL</u>	11	100.88	101.99	93.05	19.66	109.61	37.70	169.59	82.33 to 123.92	53,644	49,914	

**2012 Correlation Section
for Hitchcock County**

A. Commercial Real Property

The Hitchcock County commercial statistical profile includes a total of 11 diverse sales that are located throughout the County. The commercial valuation base for the entire county attributes to approximately 3% to the total county valuation. Three small Villages are located along Highway 6 & 34; Culbertson, Trenton and Stratton. The Village of Palisade is located along Highway 6 in the northern portion of the County.

With the population of the all of the Villages of less than 400 each, it is highly improbable that any signs of a viable commercial market will exist. The agricultural based County contains commercial grain facilities in the Villages of Palisade, Trenton, Culbertson and Stratton. These provide commodity storage and markets for area producers. In 2004 Hitchcock County gained a large ethanol plant that has been an asset for local corn producers and contractors to sell their product. Very little growth has occurred since the construction of the ethanol plant within the commercial valuation base.

The assessment office continues to process sales verification procedures involving correspondence to the buyers and sellers. A new questionnaire form is now utilized through the Orion computer system. A review of the 11 improved qualified sales includes a variety of occupancy codes and no signs of an organized market. The sold properties vary from a grain bin, a post office, a grocery store that has closed business, a bar and grill, a car wash and a few storage buildings.

An expanded review of the assessment information was completed in Hitchcock County within the past year by the Department of Revenue, Property Assessment Division. The findings show that the commercial properties are in need of a complete reappraisal with new costing and depreciation tables. The improvements have not experienced a physical inspection and review for more than 6 years. The current costing appears to be from 2002. The assessment office has identified the parcels that are in need of a complete inspection. The appraiser for the State Assessment office has been working towards the goal of completing all reviews by 2013 with new appraisals. A new commercial appraisal for all properties will ensure the assessment practices are reliable and consistent.

Based on the unreliable sample and unrepresentativeness of the population, there is no further information available that can determine the level of value or the quality of assessment in Hitchcock County.

**2012 Correlation Section
for Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock County

Increases to all agricultural land were taken to equalize the raising market value within Hitchcock County and surrounding counties. Irrigated subclasses all increased between 25-66% per each land classification group. The highest increases were to 4A1 and 4A; \$725 to \$1200. Dry values increased up to 17%. The highest increase to dry classifications were to 4D; \$350 to \$410 per acre. Grassland all increased from \$265 in 2011 to \$310 in 2012.

2012 Agricultural Assessment Survey for Hitchcock County

1.	Valuation data collection done by:	
	Bryan Hill, State Appraiser and Assessment staff	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	01	Market Area One is described by the County as 90 which is all uninfluenced agricultural land in Hitchcock County
	02	Market Area Two is described by the County as 100 which is the Special Value Area located along both sides of the Republican River. This has potential for recreational use.
3.	Describe the process that is used to determine and monitor market areas.	
	The Special Value Area was determined to be one mile on the north and one mile south of the Republican River. All other land in one market area within the county.	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	Anything that is 30 acres and less is considered to be rural residential according to the market. An exceptions to the rule is if a <30 acre tract is contiguous to a larger tract that is owned by the same person and they are both being used for agriculture purposes then we consider the highest and best use is agriculture.	
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?	
	Both farm sites and rural residential 1st acre are valued the same at \$8,000 and there is no difference noticed in the market.	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Agridata, FSA records, and physical inspections	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	The market will typically identify these characteristics. Most non-agriculture parcels are identified first when the property sells for above and beyond the typical agriculture market. Then an inventory of the property is done to those parcels on what triggered the higher market value. In the past recreational characteristics have influence a higher market value than the typical agriculture parcel.	
8.	Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels.	
	For 2012 here in Hitchcock we have kept the special value area 100 on our county map. But what we have noticed as there hasn't been any special value sales lately. Also the strong agriculture market has caused us to value the agriculture market the same as the special value market. So the values are the same for 2012 and we will continue to study the special value market or if the agriculture market has surpassed the special value market?	
9.	How do you determine whether a sold parcel is substantially changed?	

	By the findings after a physical review
--	---

44 Hitchcock
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 : 65
Total Sales Price : 18,428,456
Total Adj. Sales Price : 18,071,456
Total Assessed Value : 13,322,491
Avg. Adj. Sales Price : 278,022
Avg. Assessed Value : 204,961

MEDIAN : 74
WGT. MEAN : 74
MEAN : 76
COD : 15.48
PRD : 102.58

COV : 19.78
STD : 14.96
Avg. Abs. Dev : 11.47
MAX Sales Ratio : 109.22
MIN Sales Ratio : 49.08

95% Median C.I. : 70.80 to 76.83
95% Wgt. Mean C.I. : 68.51 to 78.94
95% Mean C.I. : 71.98 to 79.26

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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	1	73.71	73.71	73.71	00.00	100.00	73.71	73.71	N/A	38,718	28,540
01-OCT-08 To 31-DEC-08	3	74.45	80.80	73.54	18.94	109.87	62.83	105.12	N/A	149,517	109,955
01-JAN-09 To 31-MAR-09	10	78.59	78.82	68.68	21.15	114.76	53.63	103.33	58.43 to 103.33	381,461	262,004
01-APR-09 To 30-JUN-09	9	78.09	84.29	84.90	12.24	99.28	71.66	109.22	73.69 to 97.00	234,111	198,751
01-JUL-09 To 30-SEP-09	2	91.92	91.92	91.39	08.59	100.58	84.02	99.81	N/A	337,500	308,430
01-OCT-09 To 31-DEC-09	6	82.41	82.69	86.07	12.35	96.07	69.47	97.14	69.47 to 97.14	273,938	235,788
01-JAN-10 To 31-MAR-10	3	71.98	70.21	66.65	05.18	105.34	63.72	74.92	N/A	158,333	105,537
01-APR-10 To 30-JUN-10	11	75.64	71.50	74.24	13.76	96.31	50.45	96.68	57.49 to 81.78	250,717	186,130
01-JUL-10 To 30-SEP-10	3	77.03	73.55	75.69	09.04	97.17	61.37	82.25	N/A	110,167	83,384
01-OCT-10 To 31-DEC-10	8	71.43	74.95	72.57	12.15	103.28	58.75	106.89	58.75 to 106.89	320,071	232,283
01-JAN-11 To 31-MAR-11	1	49.62	49.62	49.62	00.00	100.00	49.62	49.62	N/A	235,500	116,865
01-APR-11 To 30-JUN-11	8	64.93	63.21	64.81	08.13	97.53	49.08	75.94	49.08 to 75.94	373,063	241,798
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	23	76.83	80.99	74.38	17.05	108.89	53.63	109.22	73.63 to 90.26	278,647	207,270
01-JUL-09 To 30-JUN-10	22	75.28	76.23	79.18	13.55	96.27	50.45	99.81	67.53 to 84.02	252,342	199,801
01-JUL-10 To 30-JUN-11	20	67.00	68.78	68.07	13.33	101.04	49.08	106.89	62.00 to 75.86	305,553	207,983
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	27	83.54	82.47	78.16	14.88	105.51	53.63	109.22	73.69 to 90.74	305,194	238,533
01-JAN-10 To 31-DEC-10	25	72.05	72.70	73.03	12.48	99.55	50.45	106.89	66.48 to 77.03	244,958	178,898
<u>ALL</u>	65	74.11	75.62	73.72	15.48	102.58	49.08	109.22	70.80 to 76.83	278,022	204,961

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
1	65	74.11	75.62	73.72	15.48	102.58	49.08	109.22	70.80 to 76.83	278,022	204,961
<u>ALL</u>	65	74.11	75.62	73.72	15.48	102.58	49.08	109.22	70.80 to 76.83	278,022	204,961

44 Hitchcock
AGRICULTURAL LAND

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MEDIAN : 74
WGT. MEAN : 74
MEAN : 76
COD : 15.48
PRD : 102.58

COV : 19.78
STD : 14.96
Avg. Abs. Dev : 11.47
MAX Sales Ratio : 109.22
MIN Sales Ratio : 49.08

95% Median C.I. : 70.80 to 76.83
95% Wgt. Mean C.I. : 68.51 to 78.94
95% Mean C.I. : 71.98 to 79.26

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95%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
_____Irrigated_____											
County	3	64.75	72.55	64.95	21.16	111.70	55.90	97.00	N/A	336,667	218,658
1	3	64.75	72.55	64.95	21.16	111.70	55.90	97.00	N/A	336,667	218,658
_____Dry_____											
County	18	71.23	68.77	68.73	12.47	100.06	49.08	90.74	63.58 to 74.92	195,806	134,571
1	18	71.23	68.77	68.73	12.47	100.06	49.08	90.74	63.58 to 74.92	195,806	134,571
_____Grass_____											
County	16	73.70	78.70	79.10	15.58	99.49	53.63	109.22	67.51 to 90.71	142,719	112,888
1	16	73.70	78.70	79.10	15.58	99.49	53.63	109.22	67.51 to 90.71	142,719	112,888
_____ALL_____	65	74.11	75.62	73.72	15.48	102.58	49.08	109.22	70.80 to 76.83	278,022	204,961

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	6	76.56	77.98	73.43	19.25	106.20	55.90	97.14	55.90 to 97.14	360,008	264,366
1	6	76.56	77.98	73.43	19.25	106.20	55.90	97.14	55.90 to 97.14	360,008	264,366
_____Dry_____											
County	23	70.80	68.20	68.26	12.61	99.91	49.08	90.74	62.00 to 74.92	199,681	136,298
1	23	70.80	68.20	68.26	12.61	99.91	49.08	90.74	62.00 to 74.92	199,681	136,298
_____Grass_____											
County	19	73.69	77.62	75.93	14.14	102.23	53.63	109.22	67.51 to 86.80	184,488	140,087
1	19	73.69	77.62	75.93	14.14	102.23	53.63	109.22	67.51 to 86.80	184,488	140,087
_____ALL_____	65	74.11	75.62	73.72	15.48	102.58	49.08	109.22	70.80 to 76.83	278,022	204,961

Hitchcock County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
44.90	Hitchcock	100	1,600	1,600	1,450	1,450	1,300	1,300	1,200	1,200	1,494
73.10	Red Willow	1	1,750	1,575	1,390	1,262	1,139	1,002	888	758	1,489
43.10	Hayes	1	1,500	1,500	1,400	1,400	1,300	1,300	1,200	1,200	1,389
29.10	Dundy	1	#DIV/0!	1,190	1,203	1,204	1,195	1,193	1,199	1,203	1,199

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Hitchcock	100	735	735	600	600	475	475	410	410	637
	Red Willow	1	760	760	625	575	540	465	425	410	691
	Hayes	1	600	600	600	500	500	500	450	450	562
	Dundy	1	#DIV/0!	832	463	478	344	337	339	323	605

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Hitchcock	100	310	310	310	310	310	310	310	310	310
	Red Willow	1	350	350	350	350	350	350	350	350	350
	Hayes	1	280	280	280	280	280	280	280	280	280
	Dundy	1	#DIV/0!	300	300	300	300	300	300	260	284

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

REVISED

2012

Methodology for Special Valuation

Hitchcock County

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

A. Identification of the influenced area:

The land in market area 90 has been identified as those areas least likely to be influenced by non-agricultural uses.

The land in market area 100 has been identified as land that is located along the river. These parcels do have river frontage and are located in areas that are used primarily for recreational purposes.

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

Market area 100 is an area along the river corridors. For several years the area along the Republican River has sold for uses other than agriculture usage. The influence on these sales has been for recreational use (e.g., hunting, fishing and quiet enjoyment); these sales have been to private individuals, as well as to some commercial hunting enterprises. Based on sales in the area, it has been determined the highest and best use of the properties located in market area 100 to be primarily recreational in nature.

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

Analysis of sales in the special valuation areas creates a market value for properties that are influenced by other use purposes. In the case of recreational sales, these sales will be located as near the subject property as possible. After analysis of sales along the river in the county, the recreational value was set at a price reflective of the use as other than agricultural usage.

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

To date, special valuation has values determined by the agricultural tables developed for the related market areas. These relationships were determined geographically and are considered to be the best indicators.

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

N/A

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

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

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

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

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

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

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

Zoning has not been a consideration in the recreational river corridor of market area 100; this land is zoned agricultural with several different levels that do not exclude recreational usage.

Each parcel in market area 100 must be looked at separately to determine the primary usage and commercial production, if any. However, the rural residential county zoning and the transitional agriculture county zoning, continues to list crop production as a primary use in these zones; therefore, special valuation for properties in these areas has been recommended and approved.

Pam Meisenbach
State Assessment Manager
for Hitchcock County

Bryan Hill
State Appraiser
for Hitchcock County

**2012 Correlation Section
for Hitchcock County**

A. Agricultural Land

Hitchcock County consists of basically one market area with the Special Value Area marked as area 100, which is designated as a one mile corridor on both sides of the Republican River. The makeup of the land use is primarily dry land and grass. Dry farm land makes up 46% and the grass is 47% with the balance 8% as irrigated acres. Hitchcock County is within the Middle Republican Natural Resource District and it governs the water allocations and transfers of water between county owners. The recent market activity has been increasing annually at a high rate. Absolute auctions and private listings are all selling at top prices. The county sits along the Kansas border to the south and neighbors Dundy, Hayes and Red Willow counties. Frontier County is on the northeast corner of the area.

In the first analysis, the sample included 47 qualified sales within Hitchcock County. The sales were distributed by 11 in the oldest study year, 20 in the middle and 16 in the newest. The sample was weak in the oldest year and did not meet the proportionality thresholds. Any determination would be weighted by middle year statistics. Within the 47 sales the majority land uses were represented by 8% irrigated, 48% dry and 44% grass. The makeup of the county population is 8% irrigated 46% dry and 47% grass. Due to the time bias that exists within the sample, any statistics it produced would be unreliable for the purpose of measurements.

The next step was to review comparable areas with similar soil characteristics and market influences. 18 comparable sales were chosen at random within Hayes, Red Willow, Dundy and Frontier Counties to add to the above sample. 12 of the sales were from the oldest study year, 2 in the middle and 4 in the newest.

The assessment manager and state appraiser increased land values in conjunction with the recent agricultural market. Irrigated LCG's increased as much as 66%, resulting in values set at \$1200 to \$1600 for all irrigated subclasses. Dry land and grass sub classifications increased up to 17%. The movements of increased market prices are similar between the agricultural land uses. The county took the necessary steps to increase values in the same manner to equalize the property class. The median and weighted mean are identical and offer full support of the level of value in Hitchcock County.

The final sample of 65 comparable sales used for measurement in Hitchcock County was determined reliable and proportionate by the majority land use and also the time distribution. Based on the representative sample, it is determined the level of value is 74 for the agricultural real property class. It is believed the assessments are uniform and proportionate as shown through the 2012 assessment actions and the qualitative statistics.

**2012 Correlation Section
for Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock 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 : 4,244	Value : 512,694,993	Growth 37,567,607	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	163	521,155	0	0	31	256,220	194	777,375	
02. Res Improve Land	974	2,427,150	0	0	240	3,300,060	1,214	5,727,210	
03. Res Improvements	974	30,748,735	0	0	240	17,832,210	1,214	48,580,945	
04. Res Total	1,137	33,697,040	0	0	271	21,388,490	1,408	55,085,530	942,447
% of Res Total	80.75	61.17	0.00	0.00	19.25	38.83	33.18	10.74	2.51
05. Com UnImp Land	28	62,345	0	0	4	26,680	32	89,025	
06. Com Improve Land	132	370,530	0	0	37	155,960	169	526,490	
07. Com Improvements	132	9,500,608	0	0	37	3,416,765	169	12,917,373	
08. Com Total	160	9,933,483	0	0	41	3,599,405	201	13,532,888	46,430
% of Com Total	79.60	73.40	0.00	0.00	20.40	26.60	4.74	2.64	0.12
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	4	23,645	0	0	3	138,495	7	162,140	
11. Ind Improvements	4	3,236,510	0	0	3	18,139,470	7	21,375,980	
12. Ind Total	4	3,260,155	0	0	3	18,277,965	7	21,538,120	240,000
% of Ind Total	57.14	15.14	0.00	0.00	42.86	84.86	0.16	4.20	0.64
13. Rec UnImp Land	0	0	0	0	4	27,600	4	27,600	
14. Rec Improve Land	1	12,000	0	0	174	1,126,635	175	1,138,635	
15. Rec Improvements	1	7,265	0	0	174	2,521,110	175	2,528,375	
16. Rec Total	1	19,265	0	0	178	3,675,345	179	3,694,610	204,666
% of Rec Total	0.56	0.52	0.00	0.00	99.44	99.48	4.22	0.72	0.54
Res & Rec Total	1,138	33,716,305	0	0	449	25,063,835	1,587	58,780,140	1,147,113
% of Res & Rec Total	71.71	57.36	0.00	0.00	28.29	42.64	37.39	11.46	3.05
Com & Ind Total	164	13,193,638	0	0	44	21,877,370	208	35,071,008	286,430
% of Com & Ind Total	78.85	37.62	0.00	0.00	21.15	62.38	4.90	6.84	0.76
17. Taxable Total	1,302	46,909,943	0	0	493	46,941,205	1,795	93,851,148	1,433,543
% of Taxable Total	72.53	49.98	0.00	0.00	27.47	50.02	42.30	18.31	3.82

Schedule II : Tax Increment Financing (TIF)

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

Schedule III : Mineral Interest Records

Mineral Interest	Records	Urban Value	Records	SubUrban Value	Records	Rural Value	Records	Total Value	Growth
23. Producing	0	0	0	0	191	139,439,380	191	139,439,380	35,025,400
24. Non-Producing	0	0	0	0	23	9,950	23	9,950	0
25. Total	0	0	0	0	0	0	214	139,449,330	35,025,400

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	134	0	141	275

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	0	0	0	0	1,739	179,437,440	1,739	179,437,440
28. Ag-Improved Land	1	53,370	0	0	467	77,878,360	468	77,931,730
29. Ag Improvements	1	180,350	0	0	495	21,844,995	496	22,025,345
30. Ag Total							2,235	279,394,515

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	1	3.00	11,600	0	0.00	0	
33. HomeSite Improvements	1	0.00	168,095	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	1	0.00	0	0	0.00	0	
37. FarmSite Improvements	1	0.00	12,255	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	0.00	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Records	Acres	Value	Records	Acres	Value	Growth
31. HomeSite UnImp Land	6	4.24	20,030	6	4.24	20,030	
32. HomeSite Improv Land	441	1,004.95	3,650,310	442	1,007.95	3,661,910	
33. HomeSite Improvements	441	0.00	15,209,475	442	0.00	15,377,570	1,108,664
34. HomeSite Total				448	1,012.19	19,059,510	
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	460	41.59	111,995	461	41.59	111,995	
37. FarmSite Improvements	488	0.00	6,635,520	489	0.00	6,647,775	0
38. FarmSite Total				489	41.59	6,759,770	
39. Road & Ditches	0	5,013.09	0	0	5,013.09	0	
40. Other- Non Ag Use	0	193.00	0	0	193.00	0	
41. Total Section VI				937	6,259.87	25,819,280	1,108,664

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	243	35,863.24	28,076,905	243	35,863.24	28,076,905
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 90

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	983.00	3.24%	1,572,800	3.36%	1,600.00
46. 1A	21,937.74	72.24%	35,100,385	75.01%	1,600.00
47. 2A1	3,173.00	10.45%	4,600,850	9.83%	1,450.00
48. 2A	1,199.00	3.95%	1,738,550	3.72%	1,450.00
49. 3A1	788.00	2.59%	1,024,400	2.19%	1,300.00
50. 3A	105.00	0.35%	136,500	0.29%	1,300.00
51. 4A1	1,102.00	3.63%	1,322,400	2.83%	1,200.00
52. 4A	1,081.00	3.56%	1,297,200	2.77%	1,200.00
53. Total	30,368.74	100.00%	46,793,085	100.00%	1,540.83
Dry					
54. 1D1	157.20	0.09%	115,540	0.09%	734.99
55. 1D	145,775.29	79.51%	107,257,290	85.96%	735.77
56. 2D1	2,184.00	1.19%	1,315,500	1.05%	602.34
57. 2D	1,947.00	1.06%	1,168,200	0.94%	600.00
58. 3D1	18,912.00	10.32%	8,984,025	7.20%	475.04
59. 3D	357.00	0.19%	169,575	0.14%	475.00
60. 4D1	8,045.49	4.39%	3,308,130	2.65%	411.18
61. 4D	5,957.00	3.25%	2,451,060	1.96%	411.46
62. Total	183,334.98	100.00%	124,769,320	100.00%	680.55
Grass					
63. 1G1	81.80	0.04%	34,390	0.06%	420.42
64. 1G	15,973.89	8.55%	4,953,190	8.54%	310.08
65. 2G1	2,220.00	1.19%	688,200	1.19%	310.00
66. 2G	2,261.00	1.21%	716,870	1.24%	317.06
67. 3G1	6,019.00	3.22%	1,865,890	3.22%	310.00
68. 3G	142.00	0.08%	44,020	0.08%	310.00
69. 4G1	9,651.33	5.16%	3,012,380	5.19%	312.12
70. 4G	150,558.72	80.55%	46,673,210	80.49%	310.00
71. Total	186,907.74	100.00%	57,988,150	100.00%	310.25
Irrigated Total					
	30,368.74	7.56%	46,793,085	20.38%	1,540.83
Dry Total					
	183,334.98	45.66%	124,769,320	54.34%	680.55
Grass Total					
	186,907.74	46.55%	57,988,150	25.26%	310.25
72. Waste	899.80	0.22%	44,690	0.02%	49.67
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	202.85	0.05%	0	0.00%	0.00
75. Market Area Total	401,511.26	100.00%	229,595,245	100.00%	571.83

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 100

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	1,037.00	11.23%	1,659,200	12.03%	1,600.00
46. 1A	4,145.12	44.90%	6,632,190	48.08%	1,600.00
47. 2A1	921.00	9.98%	1,335,450	9.68%	1,450.00
48. 2A	1,459.53	15.81%	2,116,320	15.34%	1,450.00
49. 3A1	71.00	0.77%	92,300	0.67%	1,300.00
50. 3A	391.00	4.23%	508,300	3.69%	1,300.00
51. 4A1	768.00	8.32%	921,600	6.68%	1,200.00
52. 4A	440.00	4.77%	528,000	3.83%	1,200.00
53. Total	9,232.65	100.00%	13,793,360	100.00%	1,493.98
Dry					
54. 1D1	216.37	3.97%	159,030	4.58%	734.99
55. 1D	2,967.37	54.47%	2,181,020	62.80%	735.00
56. 2D1	327.00	6.00%	196,200	5.65%	600.00
57. 2D	627.00	11.51%	376,200	10.83%	600.00
58. 3D1	247.00	4.53%	117,325	3.38%	475.00
59. 3D	112.00	2.06%	53,200	1.53%	475.00
60. 4D1	469.00	8.61%	192,290	5.54%	410.00
61. 4D	482.00	8.85%	197,620	5.69%	410.00
62. Total	5,447.74	100.00%	3,472,885	100.00%	637.49
Grass					
63. 1G1	226.18	1.05%	70,115	1.05%	310.00
64. 1G	1,002.40	4.65%	310,740	4.65%	310.00
65. 2G1	407.00	1.89%	126,170	1.89%	310.00
66. 2G	1,193.15	5.53%	369,875	5.53%	310.00
67. 3G1	157.00	0.73%	48,670	0.73%	310.00
68. 3G	649.60	3.01%	201,375	3.01%	310.00
69. 4G1	5,442.85	25.22%	1,687,285	25.22%	310.00
70. 4G	12,500.98	57.93%	3,875,305	57.93%	310.00
71. Total	21,579.16	100.00%	6,689,535	100.00%	310.00
Irrigated Total					
	9,232.65	25.13%	13,793,360	57.52%	1,493.98
Dry Total					
	5,447.74	14.83%	3,472,885	14.48%	637.49
Grass Total					
	21,579.16	58.73%	6,689,535	27.90%	310.00
72. Waste	484.17	1.32%	24,210	0.10%	50.00
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	80.51	0.22%	0	0.00%	0.00
75. Market Area Total	36,743.72	100.00%	23,979,990	100.00%	652.63

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	26.00	41,150	0.00	0	39,575.39	60,545,295	39,601.39	60,586,445
77. Dry Land	0.00	0	0.00	0	188,782.72	128,242,205	188,782.72	128,242,205
78. Grass	2.00	620	0.00	0	208,484.90	64,677,065	208,486.90	64,677,685
79. Waste	0.00	0	0.00	0	1,383.97	68,900	1,383.97	68,900
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	0.00	0	283.36	0	283.36	0
82. Total	28.00	41,770	0.00	0	438,226.98	253,533,465	438,254.98	253,575,235

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	39,601.39	9.04%	60,586,445	23.89%	1,529.91
Dry Land	188,782.72	43.08%	128,242,205	50.57%	679.31
Grass	208,486.90	47.57%	64,677,685	25.51%	310.22
Waste	1,383.97	0.32%	68,900	0.03%	49.78
Other	0.00	0.00%	0	0.00%	0.00
Exempt	283.36	0.06%	0	0.00%	0.00
Total	438,254.98	100.00%	253,575,235	100.00%	578.60

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

44 Hitchcock

	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	54,168,655	55,085,530	916,875	1.69%	942,447	-0.05%
02. Recreational	1,860,920	3,694,610	1,833,690	98.54%	204,666	87.54%
03. Ag-Homesite Land, Ag-Res Dwelling	16,922,070	19,059,510	2,137,440	12.63%	1,108,664	6.08%
04. Total Residential (sum lines 1-3)	72,951,645	77,839,650	4,888,005	6.70%	2,255,777	3.61%
05. Commercial	13,535,360	13,532,888	-2,472	-0.02%	46,430	-0.36%
06. Industrial	21,309,195	21,538,120	228,925	1.07%	240,000	-0.05%
07. Ag-Farmsite Land, Outbuildings	6,348,220	6,759,770	411,550	6.48%	0	6.48%
08. Minerals	77,899,670	139,449,330	61,549,660	79.01	35,025,400	34.05
09. Total Commercial (sum lines 5-8)	119,092,445	181,280,108	62,187,663	52.22%	35,311,830	22.57%
10. Total Non-Agland Real Property	192,044,090	259,119,758	67,075,668	34.93%	37,567,607	15.37%
11. Irrigated	46,935,270	60,586,445	13,651,175	29.09%		
12. Dryland	123,807,395	128,242,205	4,434,810	3.58%		
13. Grassland	55,355,455	64,677,685	9,322,230	16.84%		
14. Wasteland	90,550	68,900	-21,650	-23.91%		
15. Other Agland	530	0	-530	-100.00%		
16. Total Agricultural Land	226,189,200	253,575,235	27,386,035	12.11%		
17. Total Value of all Real Property (Locally Assessed)	418,233,290	512,694,993	94,461,703	22.59%	37,567,607	13.60%

**2011 PLAN OF ASSESSMENT
FOR
HITCHCOCK COUNTY
By Pam Meisenbach & Bryan Hill**

Plan of Assessment Requirements:

Pursuant to Neb. Rev. Stat. §77-1311.02 (2007), on or before June 15 each year, the assessor shall prepare a plan of assessment, (herein after referred to as the “plan”), which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of 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 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 (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.

See Neb. Rev. Stat. §77-201 (2009).

General Description of Real Property in Hitchcock County:

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

	Parcels	% of Total Parcels	% of Taxable Value Base
Residential	1401	33%	13%
Commercial	201	5%	3%
Recreational	181	4%	1%
Agricultural	2224	53%	60%
Industrial	7	0%	5%
Mineral	185	4%	19%
Exempt	282	0%	0%

Agricultural land - taxable acres 438,218.68

Other pertinent facts: For agland, 47% of county is grass, 9% is irrigated, 43% is dry, and 1% is other.

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

Current Resources:

A. Staff/Budget/Training

1 Assessment Manager (shared with Harlan County), 1 Assessment Assistant,
1 Appraiser – (shared with Harlan County)
Appraiser Assistant-Vacant (due to hiring freeze by Governor & LB 121).

Hitchcock County budget \$_____ for 2010-2011

The assessor is required to obtain 60 hours of continuing education every 4 years. The assessor has met all the educational hours required. The assessor also attends other workshops and meetings to further her knowledge of the assessment field.

The assessment staff at this time does not have continuing education requirements. The staff has voluntarily taken classes such as Windows, TerraScan user education, as well as IAAO classes.

The appraiser is currently licensed as a Certified Residential Appraiser and carries an Assessors Certificate for the State of Nebraska. The appraiser has over 10 years of experience in mass appraisal and is current on all continuing education needed to hold the Assessors Certificate and Appraisal License.

B. Cadastral Maps

The counties cadastral maps are not dated and are assumed to be around 1930. Rural maps are 4 sections to a page and a scale of 1" = 660'. There are scaled city maps with scale of 1" = 100'. All split parcels and new subdivisions are kept up to date by the assessment staff, as well as ownership changes. At the present time, they are in need of updating and some repair work as many years of use has taken its toll. We are still anxiously awaiting the new GIS system.

C. Property Record Cards

The system contains information from the current county wide review and yearly updated figures. The rural parcels each contain a map from the FSA Office. We utilize the property records available from the Terra Scan system by printing ATR property cards and also appraisal print-outs. These records are in good condition. The Terra Scan system has both a working and historical appraisal file that at the present time needs design changes. We are currently waiting for the implementation of the new CAMA/GIS system with Tyler Technologies.

D. Software for CAMA, Assessment Administration, GIS

Hitchcock County became a State assumed county in July 2000. As we were a State CAPS county previously, we received the same CAMA package that is now used by the State assumed counties when they converted those counties in Feb. 2000. At this time all

data is entered in the ATR file and appraisal file. We have all residential data, recreational mobile homes, commercial properties and rural houses with digital pictures and sketches in the appraisal file. Rural out-buildings with pictures are all entered at the present time. Ag land is entered in the ATR file and appraisal file. The data being used is from a completed review of all properties in the county during 2004 and a complete review of sales that have taken place and building permits that we obtain. Culbertson and Palisade were reviewed in 2006-2007. North Shore was completed in 2008. Rural Res and Good Life Marina were completely reviewed in 2009. Current digital pictures of all sales and review work have been entered on the computer.

- E. Web based – property record information access provided by Marcus Tooze Gisworkshop web site: <http://hitchcock.pat.gisworkshop.com>

Current Assessment Procedures for Real Property:

- A. Discover, List & Inventory all property.
- B. Data Collection.
- C. Review assessment sales ratio studies before assessment actions.
- D. Approaches to Value;
 - 1) Market Approach; sales comparisons,
 - 2) Cost Approach; cost manual used & date of manual and latest depreciation study,
 - 3) Income Approach; income and expense data collection/analysis from the market,
 - 4) Land valuation studies, establish market areas, special value for agricultural land
- 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 for assessment year 2011:

<u>Property Class</u>	<u>Median</u>	<u>COD*</u>	<u>PRD*</u>
Residential	.96	23.10	109.43
Commercial	N/A	51.07	N/A
Agricultural Land	.72	17.61	107.26
Special Value Agland	.72	17.61	107.26

*COD means coefficient of dispersion and PRD means price related differential. For more information regarding statistical measures see 2010 Reports & Opinions.

Assessment Actions Planned for Assessment Year 2012:

Continue with the new Orion CAMA system that was implemented in July 2011. We will continue our review of the county and plan to do ¼ of the precincts each year. Will review statistics from previous year to find any hot spots to be corrected. Conduct a pivot review. With the passage of LB701 the assessment office and the Middle Republican River Basin NRD have compared irrigated acres. The assessment staff used NRD records and the new AgriData, Inc. program to implement the new numeric Soil Symbols on all ag land as well as reviewing all dry, irrigated and grass acres, which had to be completed in 2009. Continue to track acres enrolled in CREP, EQIP, CRP and AWEP. Do normal pick-up work and sales review. Review areas starting with Farm Residences & Trenton. With the passage of LB121 in 2009, the county could take

over the budget for the assessment of Hitchcock County. Our expectations of review work being completed has diminished with the hiring freeze and the absence of an appraiser and assistant.

Assessment Actions Planned for Assessment Year 2013:

Review statistics to determine if any adjustments need to be made. Review market areas, if created, and special valuation that is in place. Do normal pick-up work and sales review. We will continue to update digital pictures of any properties as needed. With the updated Marshall & Swift costing tables to 03/11 that came with the new CAMA system we still need to review Stratton and all Commercial properties. Utilize our new GIS.

Assessment Actions Planned for Assessment Year 2014:

Review statistics to determine if any major or minor adjustments need to be made. Review market areas and special valuation as needed. Do regular pick-up work and sales review. Continue to use GIS. Work on completing another ¼ of county wide review.

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

1. Record Maintenance, Mapping updates, & 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 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 600 schedules; prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.
4. Permissive Exemptions: 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 180 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 record/valuation information for properties in community redevelopment projects for proper reporting on administrative reports and allocation of ad valorem tax.
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 and 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 and/or Appraisal Education – attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain assessor certification and/or appraiser license, etc.

Conclusion:

With all the entities of county government that utilize the assessor records in their operation, it is paramount for this office to constantly work toward perfection in record keeping.

With the continual review of all properties, records will become more accurate, and values will be assessed more equally and fairly across the county. With a well-developed plan in place, this process can flow more smoothly. Sales review will continue to be important in order to adjust for market areas in the county.

Respectfully submitted:

Assessment Manager Signature: _____ Date: _____

Appraiser Signature: _____ Date: _____

2012 Assessment Survey for Hitchcock County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	0
2.	Appraiser(s) on staff:
	1
3.	Other full-time employees:
	2-The Assessment Administrative Manager and Assistant Assessment Adm. Manager
4.	Other part-time employees:
	1
5.	Number of shared employees:
	The Appraiser, Bryan Hill and Assessment Adm. Manager, Pam Meisenbach are shared between Harlan and Hitchcock Counties
6.	Assessor's requested budget for current fiscal year:
	The expenditures for the assessment functions in Hitchcock County during the 2010-2011 fiscal year were \$104,281.73.
7.	Adopted budget, or granted budget if different from above:
	N/A
8.	Amount of the total assessor's budget set aside for appraisal work:
	N/A
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	The expenditures for the appraisal functions in Hitchcock County during the 2010-2011 fiscal year were \$43,286.62.
10.	Part of the assessor's budget that is dedicated to the computer system:
	\$5830.32
11.	Amount of the assessor's budget set aside for education/workshops:
	N/A
12.	Other miscellaneous funds:
	N/A
13.	Amount of last year's assessor's budget not used:
	N/A

B. Computer, Automation Information and GIS

1.	Administrative software:
	Tyler Technology/Orion
2.	CAMA software:
	Tyler Technology/Orion
3.	Are cadastral maps currently being used?
	Yes

4.	If so, who maintains the Cadastral Maps?
	Office Staff
5.	Does the county have GIS software?
	No
6.	Is GIS available on a website? If so, what is the name of the website?
	N/A
7.	Who maintains the GIS software and maps?
	N/A
8.	Personal Property software:
	Tyler Technology/Orion

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?
	Culbertson and Trenton
4.	When was zoning implemented?
	06/2000

D. Contracted Services

1.	Appraisal Services:
	Pritchard and Abbott is contracted for operating mineral appraisals
2.	Other services:

2012 Certification for Hitchcock 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 Hitchcock 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

