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2012 Commission Summary for Madison County

Residential Real Property - Current

Number of Sales	894	Median	94.25
Total Sales Price	\$92,365,298	Mean	101.01
Total Adj. Sales Price	\$92,365,298	Wgt. Mean	93.52
Total Assessed Value	\$86,384,281	Average Assessed Value of the Base	\$88,891
Avg. Adj. Sales Price	\$103,317	Avg. Assessed Value	\$96,627

Confidence Interval - Current

95% Median C.I	93.21 to 95.57
95% Wgt. Mean C.I	92.27 to 94.78
95% Mean C.I	98.95 to 103.07
% of Value of the Class of all Real Property Value in the	43.30
% of Records Sold in the Study Period	7.26
% of Value Sold in the Study Period	7.89

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	985	94	94
2010	1,226	93	94
2009	1,203	94	94
2008	1,208	95	95

2012 Commission Summary for Madison County

Commercial Real Property - Current

Number of Sales	93	Median	96.42
Total Sales Price	\$16,281,155	Mean	97.37
Total Adj. Sales Price	\$16,281,155	Wgt. Mean	93.82
Total Assessed Value	\$15,275,408	Average Assessed Value of the Base	\$266,662
Avg. Adj. Sales Price	\$175,066	Avg. Assessed Value	\$164,252

Confidence Interval - Current

95% Median C.I	87.19 to 99.86
95% Wgt. Mean C.I	82.94 to 104.70
95% Mean C.I	89.40 to 105.34
% of Value of the Class of all Real Property Value in the County	20.46
% of Records Sold in the Study Period	4.80
% of Value Sold in the Study Period	2.95

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	127	97	97
2010	161	98	99
2009	142	98	98
2008	176	97	97

2012 Opinions of the Property Tax Administrator for Madison County

My opinions and recommendations are stated as a conclusion based on all of the factors known to me regarding the assessment practices and statistical analysis for this county. See, Neb. Rev. Stat. § 77-5027 (2011). While the median assessment sales ratio from the Qualified Statistical Reports for each class of real property is considered, my opinion of the level of value for a class of real property may be determined from other evidence contained within these Reports and Opinions of the Property Tax Administrator. My opinion of quality of assessment for a class of real property may be influenced by the assessment practices of the county assessor.

Class	Level of Value	Quality of Assessment	Non-binding recommendation
Residential Real Property	94	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	96	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	75	Meets generally accepted mass appraisal practices.	No recommendation.

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

Dated this 9th day of April, 2012.



Ruth A. Sorensen
Property Tax Administrator

2012 Residential Assessment Actions for Madison County

Annually the county conducts a market analysis that includes the qualified residential sales that occurred during the required time frame. The review and analysis is done to identify any adjustments or other assessment actions that are necessary to properly value the residential class of property. The information gleaned from this review process will be utilized to determine what adjustments, if any, need to be applied to specific subclasses to achieve uniformity and meet the acceptable range of value.

Every year the county conducts the listing and review of new construction, renovation, demolition and remodeling for the residential class off property. The majority of this pick-up work is discovered through the various permits that are received from each of the Cities, Towns & Villages in the county as well as the rural permits received from the County Planning & Zoning Administrator. Additional pick-up work is discovered while staff is in the field working on other projects. The pick-up work in Madison County requires a considerable commitment of time & labor as evidenced by the numerous permits for new houses, residential improvements, additions and mobile homes that were received during 2010.

The above is in addition to the annual work done to build and value new subdivisions, platted additions and other changes such as zoning changes and lot splits.

A concentrated effort was placed on the City of Newman Grove this year. Door to door physical inspections of all residential properties were conducted. New digital photos were taken and loaded into the Terra Scan appraisal system. An exterior inspection was completed on all properties and measurements were verified. Interior inspections were where contact was made with the owner or tenant. Where no contact was made a door hanger was left to ask for an appointment to conduct an interior inspection. The over-all entry rate for interior inspections was 43%. Any changes noted during the physical inspection were made in T/S and property characteristics were updated as noted during the review. All sales were specifically reviewed. Older sales were considered for trending. June 2011 Marshall & Swift costing tables were used. New depreciation tables were developed. After the physical depreciation was applied an economic depreciation factor was developed.

Madison County is currently on-track with the required 6-year inspection and review of real property. The physical review of residential property in the City of Norfolk is on-going.

2012 Residential Assessment Survey for Madison County

1.	Valuation data collection done by:	
	Assessor and part-time lister.	
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>
	5	Madison-Very sporadic market – affected by deferred maintenance
	10	Newman Grove – Affected by location – extreme distance from others
	15	Battle Creek – Strong small town market – good proximity to Norfolk
	20	Tilden – Straddles county line – quite a distance from Norfolk
	25	Meadow Grove – Very small town – no connection to another market
	30	Norfolk – Largest city in County – active, diversified market
	70	Rural – Very diversified market
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Cost Approach and Market Approach	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	June 1999. However, Newman Grove will now by using June 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?	
	Some of both, It depends on the structure.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	In some instances.	
7.	When were the depreciation tables last updated for each valuation grouping?	
	The county incorporates updated tables when they do a market review of the location/valuation grouping.	
8.	When was the last lot value study completed for each valuation grouping?	
	We review lot values each year to determine if we are in compliance.	
9.	Describe the methodology used to determine the residential lot values?	
	Several methods are used. Square foot, Lot, Units buildable.	
10.	How do you determine whether a sold parcel is substantially changed?	
	By physical reviewing the sale or interviewing the grantor/grantee. Building permits.	

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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 : 894
 Total Sales Price : 92,365,298
 Total Adj. Sales Price : 92,365,298
 Total Assessed Value : 86,384,281
 Avg. Adj. Sales Price : 103,317
 Avg. Assessed Value : 96,627

MEDIAN : 94
 WGT. MEAN : 94
 MEAN : 101
 COD : 20.22
 PRD : 108.01

COV : 31.18
 STD : 31.49
 Avg. Abs. Dev : 19.06
 MAX Sales Ratio : 370.25
 MIN Sales Ratio : 23.11

95% Median C.I. : 93.21 to 95.57
 95% Wgt. Mean C.I. : 92.27 to 94.78
 95% Mean C.I. : 98.95 to 103.07

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DATE OF SALE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
<u>Qtrts</u>											
01-JUL-09 To 30-SEP-09	139	92.40	99.03	92.66	18.16	106.87	62.00	219.36	88.86 to 95.58	102,577	95,050
01-OCT-09 To 31-DEC-09	113	96.20	106.01	94.99	23.14	111.60	56.77	287.91	92.21 to 100.38	93,567	88,880
01-JAN-10 To 31-MAR-10	75	94.21	96.53	93.32	14.17	103.44	54.28	179.59	90.00 to 97.31	102,222	95,398
01-APR-10 To 30-JUN-10	150	92.89	95.81	91.79	16.35	104.38	40.38	213.59	89.50 to 96.00	105,954	97,255
01-JUL-10 To 30-SEP-10	116	99.49	109.40	96.43	27.73	113.45	33.49	370.25	91.54 to 106.83	96,463	93,017
01-OCT-10 To 31-DEC-10	105	95.57	103.99	94.10	22.07	110.51	46.65	296.80	90.86 to 101.12	105,112	98,914
01-JAN-11 To 31-MAR-11	80	94.54	100.07	95.26	20.01	105.05	37.24	187.73	89.15 to 102.63	113,873	108,480
01-APR-11 To 30-JUN-11	116	94.25	97.68	91.24	17.56	107.06	23.11	217.07	91.10 to 98.39	108,948	99,408
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	477	93.42	99.28	92.99	18.29	106.76	40.38	287.91	91.75 to 95.40	101,449	94,337
01-JUL-10 To 30-JUN-11	417	95.10	102.99	94.11	22.37	109.44	23.11	370.25	93.52 to 98.64	105,454	99,246
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	446	94.59	101.39	93.74	20.71	108.16	33.49	370.25	92.73 to 96.44	102,660	96,231
<u>ALL</u>	894	94.25	101.01	93.52	20.22	108.01	23.11	370.25	93.21 to 95.57	103,317	96,627

VALUATION GROUPING										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
05	64	100.00	105.71	95.94	22.48	110.18	33.49	195.89	91.57 to 114.30	54,402	52,191
10	24	96.68	98.15	97.76	08.30	100.40	80.83	121.90	93.52 to 102.88	49,146	48,047
15	30	98.35	103.55	98.59	17.75	105.03	71.26	174.64	92.69 to 112.94	103,805	102,346
20	23	98.28	107.94	87.77	35.29	122.98	46.55	296.80	81.68 to 114.77	64,489	56,602
25	16	92.58	95.01	71.60	37.21	132.70	23.11	179.59	63.37 to 142.60	44,077	31,561
30	655	93.34	99.99	92.87	18.88	107.67	35.13	370.25	91.75 to 94.95	108,227	100,510
70	82	99.22	104.60	97.11	23.07	107.71	46.65	276.92	90.24 to 106.47	140,396	136,337
<u>ALL</u>	894	94.25	101.01	93.52	20.22	108.01	23.11	370.25	93.21 to 95.57	103,317	96,627

PROPERTY TYPE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	893	94.24	101.01	93.52	20.25	108.01	23.11	370.25	93.18 to 95.58	103,405	96,708
06											
07	1	95.10	95.10	95.10	00.00	100.00	95.10	95.10	N/A	25,000	23,775
<u>ALL</u>	894	94.25	101.01	93.52	20.22	108.01	23.11	370.25	93.21 to 95.57	103,317	96,627

**59 Madison
RESIDENTIAL**

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 95% Mean C.I. : 98.95 to 103.07

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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	2	146.23	146.23	146.23	00.55	100.00	145.43	147.03	N/A	3,000	4,387	
Less Than 15,000	31	118.23	144.77	150.97	46.77	95.89	55.14	370.25	99.36 to 147.03	9,271	13,997	
Less Than 30,000	97	119.91	135.79	134.22	34.26	101.17	33.49	370.25	110.43 to 130.87	18,321	24,591	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	892	94.23	100.91	93.52	20.15	107.90	23.11	370.25	93.18 to 95.56	103,542	96,834	
Greater Than 14,999	863	94.04	99.44	93.35	18.63	106.52	23.11	287.91	92.69 to 95.32	106,695	99,595	
Greater Than 29,999	797	93.18	96.77	92.73	16.46	104.36	23.11	276.92	91.57 to 94.21	113,661	105,394	
<u>Incremental Ranges</u>												
0 TO 4,999	2	146.23	146.23	146.23	00.55	100.00	145.43	147.03	N/A	3,000	4,387	
5,000 TO 14,999	29	115.21	144.67	151.07	49.54	95.76	55.14	370.25	93.93 to 150.47	9,704	14,659	
15,000 TO 29,999	66	120.47	131.58	130.99	28.54	100.45	33.49	287.91	109.72 to 133.63	22,572	29,567	
30,000 TO 59,999	158	110.67	115.03	113.59	21.24	101.27	37.24	276.92	103.35 to 114.77	44,189	50,192	
60,000 TO 99,999	260	93.61	95.47	95.37	14.47	100.10	23.11	170.07	91.57 to 95.97	79,163	75,499	
100,000 TO 149,999	197	89.50	90.74	90.42	13.31	100.35	53.42	171.39	84.89 to 91.20	123,785	111,929	
150,000 TO 249,999	147	88.94	89.62	89.50	10.39	100.13	49.74	127.48	86.96 to 91.49	189,506	169,611	
250,000 TO 499,999	34	87.10	88.44	88.23	12.19	100.24	57.40	126.40	79.85 to 94.24	301,352	265,897	
500,000 TO 999,999	1	77.69	77.69	77.69	00.00	100.00	77.69	77.69	N/A	535,000	415,641	
1,000,000 +												
<u>ALL</u>	894	94.25	101.01	93.52	20.22	108.01	23.11	370.25	93.21 to 95.57	103,317	96,627	

**2012 Correlation Section
for Madison County**

A. Residential Real Property

The residential sales file for Madison County consists of 894 qualified arm's length sales. The sample is considered adequate and reliable for the measurement of the residential class of property. The relationship between all three measures of central tendency is relatively close and the calculated median is 94%. The coefficient of dispersion and the price related differential are acceptable.

The city of Norfolk is the largest populated town in the county and is defined as valuation group 30 representing approximately 73% of the total qualified sales. There are seven total valuation groupings identified in Madison County. The county seat is defined as valuation group 05(Madison).

The county reported that a door to door physical inspection of the village of Newman Grove was completed for the 2012 assessment year. Exterior inspections and new costing and depreciation analysis was completed by Linsali Inc. appraisal company.

The Division implemented an expanded review of one-third of the counties to review the assessment practice of the county. Madison County was selected in 2011. The county provided spreadsheet information documenting the review and inspection cycle of the county.

Based on all available information, the level of value for the residential class of property for Madison County is 94%. All of the subclasses with sufficient sales are determined to be valued within the acceptable range.

**2012 Correlation Section
for Madison 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 Madison 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 Madison 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 Madison 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 Madison County

Annually the county conducts a review and market analysis of all qualified commercial sales that occur within the applicable time frame. This review and analysis is done to identify and determine any adjustments or other assessment actions that may be necessary to properly value the commercial class of real property. The information gleaned from this review process will be utilized to determine what adjustments, if any, need to be applied to specific subclasses to achieve uniformity and meet the acceptable range of value.

Every year the county conducts the listing and review of new construction, renovation, demolition and remodeling for the commercial class of property. The majority of this pickup work is discovered through the various permits that are received from each of the Cities, Towns, and Villages in the county as well as the rural permits from the County Planning & Zoning Administrator. Additional pick-up work is discovered while staff is in the field working on other projects.

For 2012 all sales were reviewed as we always do. This is to make sure the sales file is representative of the market and that only qualified sales are used to determine value.

A concentrated effort was placed on the City of Newman Grove for 2012. The entire City of Newman Grove was thoroughly reviewed with a complete physical inspection. This included all new digital photos which were loaded into Terra Scan. An exterior inspection was completed on all properties and measurements verified. Interior inspections were completed where contact was made with the owner or tenant. Likewise an income and expense questionnaire was mailed to all commercial property owners. This resulted in additional on-site inspections. The over-all entry rate was 57%. Any changes noted during the physical inspections were made in T/S and property characteristics were updated as noted. All sales were specifically reviewed. Older sales were considered for trending. June 2011 Marshall & Swift costing tables were used. New depreciation tables were developed. After the physical depreciation was applied an economic depreciation factor was developed. The income and expense questionnaires received were compiled and an income analysis was done to supplement the market analysis. In all, 21 questionnaires were returned for review and analysis. This equates to 25% of all improved and unimproved parcels.

The county is currently on-track with the required 6-year inspection and review of commercial real property. The commercial portion of the 6-year inspection and review process has been completed with the exception of the rural commercial properties.

2012 Commercial Assessment Survey for Madison County

1.	Valuation data collection done by:	
	Assessor and part-time lister	
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>
	5	Madison – Very sporadic market – affected by deferred maintenance
	10	Newman Grove – Small town – affected by extreme distance/location
	15	Battle Creek- Strong small town market – good proximity to Norfolk
	20	Tilden – Straddles county line – quite a distance from Norfolk
	25	Meadow Grove – Very small town – no connection to another market
	30	Norfolk – Largest city in County – active, diversified market
	70	Rural – Very diversified market
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	Cost Approach, Income Approach and Market Approach	
3a.	Describe the process used to value unique commercial properties.	
	Unique properties are usually done using only the Cost Approach. Typically, there is not enough information to develop a market approach and an income approach would also be difficult to determine.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	June 1999 with the exception of Newman Grove which will be June 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?	
	Both. This depends on the type of property. Certain properties are too unique or specialized to be able to develop local market information.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	If a particular location is determined to necessitate a separate table then one is developed.	
7.	When were the depreciation tables last updated for each valuation grouping?	
	Same as last year.	
8.	When was the last lot value study completed for each valuation grouping?	
	Lot value studies are reviewed each year during the review process.	
9.	Describe the methodology used to determine the commercial lot values.	
	Commercial lot values are determined using several different methods depending on location. Those methods are the Square Foot, Front Foot, Unit or Lot, and Acre.	
10.	How do you determine whether a sold parcel is substantially changed?	
	Through the sales review process. Additions, demolitions or renovations discovered via physical reviews. Building permits. Interview with the grantor/grantee.	

59 Madison
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 : 93
Total Sales Price : 16,281,155
Total Adj. Sales Price : 16,281,155
Total Assessed Value : 15,275,408
Avg. Adj. Sales Price : 175,066
Avg. Assessed Value : 164,252

MEDIAN : 96
WGT. MEAN : 94
MEAN : 97
COD : 28.60
PRD : 103.78

COV : 40.29
STD : 39.23
Avg. Abs. Dev : 27.58
MAX Sales Ratio : 234.00
MIN Sales Ratio : 30.77

95% Median C.I. : 87.19 to 99.86
95% Wgt. Mean C.I. : 82.94 to 104.70
95% Mean C.I. : 89.40 to 105.34

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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>Qtrrs</u>											
01-JUL-08 To 30-SEP-08	6	81.39	76.51	87.02	22.40	87.92	46.88	97.48	46.88 to 97.48	180,167	156,776
01-OCT-08 To 31-DEC-08	8	73.68	73.43	80.16	19.15	91.60	32.60	100.00	32.60 to 100.00	252,668	202,535
01-JAN-09 To 31-MAR-09	8	99.33	113.36	91.36	27.04	124.08	66.00	232.70	66.00 to 232.70	235,500	215,149
01-APR-09 To 30-JUN-09	8	99.53	96.21	87.85	26.54	109.52	45.00	140.10	45.00 to 140.10	128,813	113,163
01-JUL-09 To 30-SEP-09	10	98.65	118.24	101.90	30.22	116.04	63.71	220.00	89.38 to 146.72	53,680	54,698
01-OCT-09 To 31-DEC-09	8	82.29	87.68	79.00	32.97	110.99	45.26	151.40	45.26 to 151.40	206,938	163,479
01-JAN-10 To 31-MAR-10	9	100.19	118.08	134.23	31.21	87.97	53.32	234.00	89.25 to 143.25	179,704	241,209
01-APR-10 To 30-JUN-10	8	97.78	95.50	98.17	16.22	97.28	60.08	118.01	60.08 to 118.01	172,964	169,808
01-JUL-10 To 30-SEP-10	4	91.22	91.61	102.16	32.75	89.67	41.48	142.53	N/A	333,750	340,971
01-OCT-10 To 31-DEC-10	7	85.33	83.41	82.14	12.50	101.55	49.35	100.26	49.35 to 100.26	228,637	187,798
01-JAN-11 To 31-MAR-11	7	72.25	76.61	81.93	30.71	93.51	30.77	116.69	30.77 to 116.69	157,429	128,989
01-APR-11 To 30-JUN-11	10	127.20	113.54	108.61	34.17	104.54	40.00	177.08	49.93 to 175.87	103,350	112,244
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	30	88.21	90.77	86.22	27.14	105.28	32.60	232.70	73.11 to 98.65	200,561	172,914
01-JUL-09 To 30-JUN-10	35	99.67	106.02	103.67	26.63	102.27	45.26	234.00	92.23 to 110.48	148,382	153,833
01-JUL-10 To 30-JUN-11	28	90.49	93.64	92.76	33.87	100.95	30.77	177.08	72.25 to 101.92	181,106	167,994
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	34	98.05	104.72	87.75	28.32	119.34	45.00	232.70	87.19 to 111.86	150,200	131,803
01-JAN-10 To 31-DEC-10	28	97.36	99.18	104.57	23.50	94.85	41.48	234.00	85.33 to 103.04	212,018	221,708
<u>ALL</u>	93	96.42	97.37	93.82	28.60	103.78	30.77	234.00	87.19 to 99.86	175,066	164,252

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
05	5	84.29	80.87	77.50	19.90	104.35	45.00	103.32	N/A	67,000	51,925
10	3	89.22	87.88	71.86	17.55	122.29	63.71	110.70	N/A	46,667	33,535
15	2	97.30	97.30	104.12	17.37	93.45	80.40	114.19	N/A	26,358	27,443
20	4	39.74	51.31	37.06	49.40	138.45	30.77	95.00	N/A	17,135	6,350
25	1	52.54	52.54	52.54	00.00	100.00	52.54	52.54	N/A	58,000	30,474
30	72	97.13	100.81	91.02	26.71	110.76	40.00	232.70	89.38 to 100.00	198,172	180,376
70	6	99.16	112.79	133.78	47.93	84.31	49.35	234.00	49.35 to 234.00	226,417	302,897
<u>ALL</u>	93	96.42	97.37	93.82	28.60	103.78	30.77	234.00	87.19 to 99.86	175,066	164,252

**59 Madison
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PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
02	19	99.86	106.35	99.57	19.92	106.81	49.93	175.87	96.42 to 116.69	180,453	179,669
03	73	89.38	93.16	86.55	30.38	107.64	30.77	232.70	82.88 to 98.65	169,213	146,462
04	1	234.00	234.00	234.00	00.00	100.00	234.00	234.00	N/A	500,000	1,170,000
<u>ALL</u>	93	96.42	97.37	93.82	28.60	103.78	30.77	234.00	87.19 to 99.86	175,066	164,252

SALE PRICE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Low \$ Ranges</u>											
Less Than 5,000	1	95.00	95.00	95.00	00.00	100.00	95.00	95.00	N/A	2,000	1,900
Less Than 15,000	3	95.00	134.74	123.34	45.88	109.24	89.22	220.00	N/A	6,500	8,017
Less Than 30,000	13	95.00	108.27	103.89	46.83	104.22	30.77	232.70	46.88 to 141.67	17,931	18,628
<u>Ranges Excl. Low \$</u>											
Greater Than 4,999	92	96.53	97.40	93.82	28.86	103.82	30.77	234.00	87.19 to 99.86	176,947	166,016
Greater Than 14,999	90	96.53	96.13	93.79	28.00	102.49	30.77	234.00	85.87 to 99.86	180,685	169,460
Greater Than 29,999	80	96.53	95.60	93.68	25.70	102.05	40.00	234.00	85.33 to 99.86	200,601	187,916
<u>Incremental Ranges</u>											
0 TO 4,999	1	95.00	95.00	95.00	00.00	100.00	95.00	95.00	N/A	2,000	1,900
5,000 TO 14,999	2	154.61	154.61	126.58	42.29	122.14	89.22	220.00	N/A	8,750	11,076
15,000 TO 29,999	10	93.69	100.33	102.11	47.77	98.26	30.77	232.70	32.60 to 141.67	21,361	21,811
30,000 TO 59,999	17	100.26	108.76	108.41	23.50	100.32	45.00	175.87	96.64 to 143.25	39,324	42,631
60,000 TO 99,999	20	93.35	88.41	86.04	29.29	102.75	40.00	146.72	66.05 to 111.86	73,510	63,249
100,000 TO 149,999	6	83.67	85.87	84.18	22.79	102.01	54.70	140.10	54.70 to 140.10	122,917	103,474
150,000 TO 249,999	13	89.66	97.33	100.11	22.98	97.22	60.08	177.08	73.11 to 103.04	196,958	197,175
250,000 TO 499,999	17	91.05	87.92	85.82	23.19	102.45	45.26	151.40	63.26 to 110.48	342,905	294,291
500,000 TO 999,999	7	97.09	107.99	101.56	30.16	106.33	66.00	234.00	66.00 to 234.00	683,143	693,779
1,000,000 +											
<u>ALL</u>	93	96.42	97.37	93.82	28.60	103.78	30.77	234.00	87.19 to 99.86	175,066	164,252

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OCCUPANCY CODE

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Blank	3	100.44	99.27	105.22	29.10	94.35	54.84	142.53	N/A	401,667	422,650
300	14	98.48	115.82	98.38	34.05	117.73	49.93	232.70	77.67 to 146.72	145,364	143,003
303	1	99.67	99.67	99.67	00.00	100.00	99.67	99.67	N/A	343,893	342,758
306	1	45.00	45.00	45.00	00.00	100.00	45.00	45.00	N/A	30,000	13,500
311	1	140.20	140.20	140.20	00.00	100.00	140.20	140.20	N/A	19,000	26,638
326	1	141.67	141.67	141.67	00.00	100.00	141.67	141.67	N/A	60,000	85,000
340	1	73.11	73.11	73.11	00.00	100.00	73.11	73.11	N/A	200,000	146,219
341	1	91.58	91.58	91.58	00.00	100.00	91.58	91.58	N/A	355,500	325,581
342	1	71.04	71.04	71.04	00.00	100.00	71.04	71.04	N/A	300,000	213,134
344	17	100.00	94.32	83.96	19.89	112.34	46.88	140.10	66.00 to 114.19	157,077	131,885
349	1	83.71	83.71	83.71	00.00	100.00	83.71	83.71	N/A	370,000	309,720
350	5	100.00	111.79	135.23	36.34	82.67	69.31	177.08	N/A	90,800	122,785
352	5	98.29	102.11	101.95	07.32	100.16	91.05	113.63	N/A	152,900	155,881
353	8	103.93	117.51	93.52	36.68	125.65	63.05	220.00	63.05 to 220.00	97,563	91,238
381	1	101.92	101.92	101.92	00.00	100.00	101.92	101.92	N/A	175,000	178,363
384	1	40.00	40.00	40.00	00.00	100.00	40.00	40.00	N/A	75,000	30,000
386	4	98.20	91.74	101.18	21.02	90.67	52.54	118.01	N/A	155,500	157,328
406	9	82.00	77.40	74.24	20.37	104.26	41.48	100.26	54.70 to 100.00	100,667	74,734
407	1	49.35	49.35	49.35	00.00	100.00	49.35	49.35	N/A	300,000	148,060
426	1	89.25	89.25	89.25	00.00	100.00	89.25	89.25	N/A	97,597	87,104
434	2	55.87	55.87	55.87	18.99	100.00	45.26	66.47	N/A	475,000	265,374
436	1	82.88	82.88	82.88	00.00	100.00	82.88	82.88	N/A	687,000	569,384
442	3	32.60	47.92	43.22	50.74	110.87	30.77	80.40	N/A	22,085	9,545
444	1	60.08	60.08	60.08	00.00	100.00	60.08	60.08	N/A	155,000	93,124
458	1	78.05	78.05	78.05	00.00	100.00	78.05	78.05	N/A	900,000	702,471
494	1	234.00	234.00	234.00	00.00	100.00	234.00	234.00	N/A	500,000	1,170,000
499	1	89.22	89.22	89.22	00.00	100.00	89.22	89.22	N/A	12,500	11,152
528	2	118.64	118.64	122.28	27.62	97.02	85.87	151.40	N/A	225,000	275,123
530	1	89.38	89.38	89.38	00.00	100.00	89.38	89.38	N/A	120,000	107,255
531	1	97.48	97.48	97.48	00.00	100.00	97.48	97.48	N/A	535,000	521,540
587	1	111.86	111.86	111.86	00.00	100.00	111.86	111.86	N/A	64,000	71,590
993	1	97.44	97.44	97.44	00.00	100.00	97.44	97.44	N/A	78,000	76,000
<u>ALL</u>	<u>93</u>	<u>96.42</u>	<u>97.37</u>	<u>93.82</u>	<u>28.60</u>	<u>103.78</u>	<u>30.77</u>	<u>234.00</u>	<u>87.19 to 99.86</u>	<u>175,066</u>	<u>164,252</u>

**2012 Correlation Section
for Madison County**

A. Commercial Real Property

Madison County statistical sample consists of 93 qualified arm's length transactions. The sample is considered adequate and reliable for the measurement of the commercial class of real property in Madison County. The calculated median is 96%. Valuation Group 30 represents the city of Norfolk and represents approximately 77% of the sample. The remaining valuation groups have few sales, and are indicative of different economic factors and an unorganized market.

The county reported in the assessment actions that the village of Newman Grove was physically inspected, new photos were taken and new costing and a depreciation analysis was completed.

The Division has implemented an expanded review of one-third of the counties to review the assessment practices of the counties. Madison County was one of those selected for 2011. Documentation was provided to indicate the review and inspection of the commercial class of property had been done.

Based on the consideration of all available information, the level of value is determined to be 96% of market value for the commercial class of real property.

**2012 Correlation Section
for Madison 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 Madison 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 Madison 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 Madison 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 Madison County

The county annually conducts a market analysis of the agricultural land that includes all qualified sales which have occurred within the corresponding time frame. This review and analysis is done to identify any adjustments or other assessment actions that are deemed necessary to properly value the agricultural class of real property. During this review, land uses are analyzed to determine level of value and to discern any changes in the marketplace. Additionally, market areas are reviewed to determine if the market areas are still representative of the actual market.

Annually the county conducts the listing and review of new construction, renovation, demolition and remodeling for the agricultural class of property. Much of this pick-up work is discovered through the various permits that are received from the County Planning & Zoning Administrator. Additional pick-up work is discovered while staff is in the field working on other projects. Even with county-wide zoning, quite a bit of new construction, demolition and other renovation work is not permitted and is discovered by assessment staff through other means such as personal property depreciation schedules.

Any changes to land use that are discovered are entered into the county GIS to calculate new acreages of actual land-use. Additionally, the GIS is used to constantly review land use as well as the numerous years of imagery to detect changes in land use.

For 2012 with the assistance and support of our liaison, Madison County converted to a single market area. This is down from the two market areas we have used the last several years. In looking at the sales (over the last couple of years) it has become apparent that there was less and less of a definable difference in sales prices between the two areas. Once soil types are factored in it became almost indistinguishable between the two market areas. This has been a process that has been looked at and reviewed for the last couple of years. I wanted to make sure it wasn't just a one-year variation in the sales but was something that appeared to be sustainable. However, if this market turns south it may be necessary to revert to the two market areas. Again, sales will determine if this is in-fact justified.

The county is on-track with the required 6-year inspection and review process for this class of property. As of now the 6-year review and inspection process for the agricultural land class has been completed.

Development of the GIS is on-going. This is being done in-house and is currently used to manage all land-use changes and lot-splits.

2012 Agricultural Assessment Survey for Madison County

1.	Valuation data collection done by:	
	Assessor and part time lister	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	1	Market Area 1 encompasses the entire county.
		(The county made the decision this year to combine the two market areas into one for)
3.	Describe the process that is used to determine and monitor market areas.	
	Please see Agricultural Assessment Actions for a complete description.	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	Rural residential land is one-acre of land under a house. It is determined to be one economic-unit along with the home. Recreational land is land that is used primarily for recreational purposes. In Madison County there is VERY little of this land. What recreational land there is sits adjacent to the Elkhorn river.	
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?	
	For the most part – yes. However, some rural residential home-sites are valued considerably more than farm home sites if indicated by the market. These typically, are around the City of Norfolk. Zoning is also considered.	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Physical inspections, aerial imagery & GIS. Additionally, Google maps is now used quite frequently as the latest imagery is dated September 27, 2011 and is very clear & sharp.	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	All sales are reviewed. Auctioneers and land managers as well as fee appraisers are also sources of information.	
8.	Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels.	
	Yes. There are only four (4) applications on file. Only two (2) parcels have been determined to have a value difference. This is because their highest and best use is determined to be as a rural acreage as opposed to farm land. This is documented on line 43 of the Abstract. Information and relevance is very limited.	
9.	How do you determine whether a sold parcel is substantially changed?	
	A physical inspection is conducted after imagery or other information has called into question our current land use or improvements. Additions or demolitions discovered during a physical review. Building permits. Certain land use changes discovered during the review process.	

59 Madison
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 : 84
Total Sales Price : 28,759,965
Total Adj. Sales Price : 28,759,965
Total Assessed Value : 21,296,219
Avg. Adj. Sales Price : 342,381
Avg. Assessed Value : 253,526

MEDIAN : 75
WGT. MEAN : 74
MEAN : 78
COD : 24.97
PRD : 104.78

COV : 35.38
STD : 27.45
Avg. Abs. Dev : 18.66
MAX Sales Ratio : 205.14
MIN Sales Ratio : 28.62

95% Median C.I. : 66.89 to 81.31
95% Wgt. Mean C.I. : 69.41 to 78.69
95% Mean C.I. : 71.72 to 83.46

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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>Qrtrs</u>											
01-JUL-08 To 30-SEP-08	4	89.43	86.77	87.57	10.41	99.09	67.25	100.99	N/A	329,250	288,317
01-OCT-08 To 31-DEC-08	11	72.41	85.29	76.14	26.00	112.02	61.70	205.14	64.14 to 92.02	297,794	226,742
01-JAN-09 To 31-MAR-09	4	108.47	105.67	107.64	12.62	98.17	80.32	125.42	N/A	330,250	355,495
01-APR-09 To 30-JUN-09	4	99.72	98.25	98.87	12.09	99.37	83.10	110.47	N/A	286,394	283,160
01-JUL-09 To 30-SEP-09											
01-OCT-09 To 31-DEC-09	11	83.42	88.11	81.05	19.26	108.71	62.83	133.45	66.83 to 120.02	307,218	248,999
01-JAN-10 To 31-MAR-10	10	79.08	79.92	78.38	15.44	101.96	57.05	99.61	65.01 to 95.78	313,887	246,024
01-APR-10 To 30-JUN-10	9	76.54	84.38	75.07	26.64	112.40	56.60	182.87	59.93 to 88.95	403,004	302,550
01-JUL-10 To 30-SEP-10	4	74.62	73.74	76.85	15.92	95.95	56.60	89.14	N/A	309,426	237,804
01-OCT-10 To 31-DEC-10	13	59.13	63.82	61.23	20.92	104.23	42.24	91.17	49.80 to 84.22	500,044	306,156
01-JAN-11 To 31-MAR-11	9	54.74	55.35	56.06	23.68	98.73	34.59	75.72	39.57 to 72.46	246,338	138,109
01-APR-11 To 30-JUN-11	5	58.28	53.25	62.36	27.02	85.39	28.62	78.28	N/A	320,012	199,555
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	23	83.10	91.35	87.86	23.06	103.97	61.70	205.14	72.41 to 100.99	306,926	269,654
01-JUL-09 To 30-JUN-10	30	79.08	84.26	78.09	20.99	107.90	56.60	182.87	68.43 to 88.95	338,176	264,072
01-JUL-10 To 30-JUN-11	31	59.13	60.93	62.07	23.19	98.16	28.62	91.17	51.74 to 67.12	372,754	231,355
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	19	89.29	93.94	90.55	18.95	103.74	62.83	133.45	80.32 to 110.47	307,683	278,611
01-JAN-10 To 31-DEC-10	36	70.28	74.53	69.73	22.87	106.88	42.24	182.87	60.64 to 82.11	402,894	280,956
<u>ALL</u>	84	74.72	77.59	74.05	24.97	104.78	28.62	205.14	66.89 to 81.31	342,381	253,526

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
1	84	74.72	77.59	74.05	24.97	104.78	28.62	205.14	66.89 to 81.31	342,381	253,526
<u>ALL</u>	84	74.72	77.59	74.05	24.97	104.78	28.62	205.14	66.89 to 81.31	342,381	253,526

95%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Dry</u>											
County	13	74.97	76.74	76.00	15.50	100.97	56.60	100.99	59.93 to 92.02	330,823	251,414
1	13	74.97	76.74	76.00	15.50	100.97	56.60	100.99	59.93 to 92.02	330,823	251,414
<u>Grass</u>											
County	4	50.06	48.44	50.84	32.24	95.28	28.62	65.01	N/A	120,750	61,384
1	4	50.06	48.44	50.84	32.24	95.28	28.62	65.01	N/A	120,750	61,384
<u>ALL</u>	84	74.72	77.59	74.05	24.97	104.78	28.62	205.14	66.89 to 81.31	342,381	253,526

59 Madison
AGRICULTURAL LAND

PAD 2012 R&O Statistics (Using 2012 Values)

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 MEAN : 78
 COD : 24.97
 PRD : 104.78

COV : 35.38
 STD : 27.45
 Avg. Abs. Dev : 18.66
 MAX Sales Ratio : 205.14
 MIN Sales Ratio : 28.62

95% Median C.I. : 66.89 to 81.31
 95% Wgt. Mean C.I. : 69.41 to 78.69
 95% Mean C.I. : 71.72 to 83.46

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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	11	74.46	77.01	71.41	25.36	107.84	45.55	125.42	49.80 to 103.64	621,313	443,681
1	11	74.46	77.01	71.41	25.36	107.84	45.55	125.42	49.80 to 103.64	621,313	443,681
_____Dry_____											
County	28	75.35	81.77	75.82	26.49	107.85	42.24	182.87	67.12 to 89.29	276,190	209,410
1	28	75.35	81.77	75.82	26.49	107.85	42.24	182.87	67.12 to 89.29	276,190	209,410
_____Grass_____											
County	7	64.14	51.17	52.06	21.31	98.29	28.62	65.08	28.62 to 65.08	134,238	69,885
1	7	64.14	51.17	52.06	21.31	98.29	28.62	65.08	28.62 to 65.08	134,238	69,885
_____ALL_____											
	84	74.72	77.59	74.05	24.97	104.78	28.62	205.14	66.89 to 81.31	342,381	253,526

Madison County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
59.10	Madison	1	3,517	3,345	3,188	3,048	2,893	2,793	2,222	1,825	3,008
70.10	Pierce	1	2,993	2,889	2,702	2,661	2,604	2,528	2,019	1,907	2,604
71.60	Platte	6	4,375	4,245	3,939	3,803	3,665	3,528	3,091	2,500	3,808
6.10	Boone	1	3,405	3,273	3,032	3,003	2,906	2,909	2,425	2,135	2,942
2.30	Antelope	3	3,399	3,400	3,175	3,114	3,090	3,064	2,500	2,300	3,158
84.10	Stanton	1	3,105	3,105	3,050	3,050	3,050	2,875	2,415	1,725	2,938

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Madison	1	3,115	3,017	2,786	2,647	2,519	2,469	1,995	1,675	2,665
	Pierce	1	2,320	2,245	2,115	2,020	1,910	1,860	1,180	1,035	2,002
	Platte	6	3,437	3,310	2,933	2,819	2,834	2,646	2,134	1,560	2,854
	Boone	1	2,560	2,498	2,090	2,074	2,056	2,063	1,691	1,692	2,104
	Antelope	3	2,100	2,050	1,975	1,850	1,575	1,550	1,273	1,195	1,725
	Stanton	1	2,720	2,720	2,610	2,590	2,320	2,162	2,077	1,615	2,322

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Madison	1	1,384	1,263	1,176	1,205	1,140	1,075	940	665	1,035
	Pierce	1	1,281	1,421	1,219	1,152	1,162	1,080	865	742	1,005
	Platte	6	1,369	1,301	1,290	1,332	1,197	1,155	1,171	1,132	1,185
	Boone	1	919	967	840	846	916	889	780	801	851
	Antelope	3	867	938	841	856	795	757	772	721	767
	Stanton	1	1,340	1,340	1,250	1,250	1,250	994	950	882	1,047

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

OFFICE OF THE
MADISON COUNTY ASSESSOR
JEFF HACKEROTT, ASSESSOR
P.O. BOX 250
MADISON, NE. 68748-0250
PHONE: (402) 454-3311, EXT. 178 or 197 ♦ FAX: (402) 454-2441

March 27, 2012

Ruth Sorensen
Property Tax Administrator
Dept. of Revenue, Property Assessment Division
301 Centennial Mall South
PO Box 98919
Lincoln, NE 68509-8919

RE: Annual Special Valuation Report

Dear Ms. Sorensen,

Pursuant to REG-11-005.04, I am hereby submitting a report on Special Valuation in Madison County Nebraska.

The extensive market analysis that has been performed over the past few years has not demonstrated that there are consistently measurable non-agricultural influences in the vast majority of the Madison County market.

It is my opinion the valuations that have been established for agricultural land in Madison County do not reflect any measurable non-agricultural influences and are therefore an accurate reflection of the uninfluenced actual market value of agricultural land.

As of today four (4) parcels have been granted special valuation in Madison County. Specific descriptions are as follows:

Parcel #1: Parcel Number: 590158538
Legal Description: E1/2, E1/2, 18-23-1.
This parcel contains approximately 160 acres.

Parcel #2: Parcel Number: 590146971
Legal Description: SW1/4, 18-24-1
This parcel contains approximately 154.4 acres.

Parcel #3: Parcel Number: 590150917
Legal Description: Pt. NW1/4, SE1/4, 23-24-2, Tech's 1st Lot Split
This parcel contains approximately 10 acres.

Parcel #4: Parcel Number: 590150909
Legal Description: Pt. E1/2, NW1/4, SE1/4, 23-24-2, Tech's 2nd Lot Split
This parcel contains approximately 10 acres.

These parcels meet all of the requirements for approval as a special valuation parcel. As such all were approved. At the present time I have been unable to determine a consistently measureable valuation influence other than that of agricultural land for Parcels # 1 & 2. There have been no sales in the area of land for uses other than agricultural land. At this time my opinion of the highest and best use of the property is the current use of agricultural land. I currently have these parcels valued as agricultural land according to the L.V.G.'s present on the parcel. These parcels are currently in agricultural Market Area 1.

Parcels #3 & 4 have been determined to have a valuation influence other than agricultural land. These parcels are rural acreages with prime location and size for residential development. As such they have a market value of approximately \$7,000 per acre. However, both of these parcels are currently used for agricultural use and were planted to corn in 2011. These parcels are in Market Area 1 and therefore command an agricultural land market valuation of approximately \$3,500 per acre.

If I may be of further assistance please do not hesitate to contact me.

Sincerely,

Jeff Hackerott
Madison County Assessor

**2012 Correlation Section
for Madison County**

A. Agricultural Land

The Madison County Assessor conducted an analysis of the agricultural market, and determined that the market no longer supported the defined market areas; therefore, they were combined into one area for the 2012 assessment year. The county is represented with approximately 37% irrigated acres, 43% dry acres and 18% grass.

In the analysis of the agricultural sales within the county, the sample was found to be proportionately distributed among the study periods and the land use. Therefore, it was not necessary to expand the sample because 84 sales are enough to consider the sample adequate and all thresholds were met to analyze the agricultural class of property.

The county completed a market analysis and adjusted all values according to the study. The assessment actions and values established in the county are comparable to the adjoining county values. Since the surrounding counties are relatively similar in topography, soil type, and irrigation potential the comparison of values supports that Madison County has established values at an acceptable assessment level. The statistical profile also supports that agricultural assessments are acceptable.

Based on the consideration of all available information, the level of value is determined to be 75% of market value for the agricultural class of property, and all subclasses are determined to be valued within the acceptable range.

**2012 Correlation Section
for Madison 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 Madison 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 Madison 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 Madison 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 : 17,631	Value : 2,527,160,015	Growth 22,034,247	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	969	8,435,750	176	2,506,415	166	2,611,638	1,311	13,553,803	
02. Res Improve Land	9,308	92,179,403	633	12,651,636	697	16,481,581	10,638	121,312,620	
03. Res Improvements	9,504	773,430,572	755	102,276,838	738	83,561,962	10,997	959,269,372	
04. Res Total	10,473	874,045,725	931	117,434,889	904	102,655,181	12,308	1,094,135,795	7,489,074
% of Res Total	85.09	79.88	7.56	10.73	7.34	9.38	69.81	43.30	33.99
05. Com UnImp Land	358	14,072,333	38	682,616	48	1,200,600	444	15,955,549	
06. Com Improve Land	1,269	70,137,107	106	3,965,259	50	4,064,344	1,425	78,166,710	
07. Com Improvements	1,284	298,418,310	114	20,872,296	60	52,472,814	1,458	371,763,420	
08. Com Total	1,642	382,627,750	152	25,520,171	108	57,737,758	1,902	465,885,679	11,581,172
% of Com Total	86.33	82.13	7.99	5.48	5.68	12.39	10.79	18.44	52.56
09. Ind UnImp Land	3	84,929	5	118,898	3	100,762	11	304,589	
10. Ind Improve Land	10	694,158	10	472,192	6	1,418,413	26	2,584,763	
11. Ind Improvements	10	5,470,501	10	9,786,465	6	33,025,879	26	48,282,845	
12. Ind Total	13	6,249,588	15	10,377,555	9	34,545,054	37	51,172,197	12,939
% of Ind Total	35.14	12.21	40.54	20.28	24.32	67.51	0.21	2.02	0.06
13. Rec UnImp Land	0	0	1	31,905	1	80,149	2	112,054	
14. Rec Improve Land	0	0	0	0	0	0	0	0	
15. Rec Improvements	0	0	0	0	0	0	0	0	
16. Rec Total	0	0	1	31,905	1	80,149	2	112,054	0
% of Rec Total	0.00	0.00	50.00	28.47	50.00	71.53	0.01	0.00	0.00
Res & Rec Total	10,473	874,045,725	932	117,466,794	905	102,735,330	12,310	1,094,247,849	7,489,074
% of Res & Rec Total	85.08	79.88	7.57	10.73	7.35	9.39	69.82	43.30	33.99
Com & Ind Total	1,655	388,877,338	167	35,897,726	117	92,282,812	1,939	517,057,876	11,594,111
% of Com & Ind Total	85.35	75.21	8.61	6.94	6.03	17.85	11.00	20.46	52.62
17. Taxable Total	12,128	1,262,923,063	1,099	153,364,520	1,022	195,018,142	14,249	1,611,305,725	19,083,185
% of Taxable Total	85.11	78.38	7.71	9.52	7.17	12.10	80.82	63.76	86.61

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	11	1,442,231	5,833,891	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	11	1,442,231	5,833,891
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				11	1,442,231	5,833,891

Schedule III : Mineral Interest Records

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

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	743	111	240	1,094

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	17	599,297	60	4,370,263	2,070	494,483,305	2,147	499,452,865
28. Ag-Improved Land	1	2,366	35	6,527,977	1,101	328,313,390	1,137	334,843,733
29. Ag Improvements	2	138,804	35	2,600,653	1,198	78,818,235	1,235	81,557,692
30. Ag Total							3,382	915,854,290

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	0	0.00	0	23	24.94	371,880	
33. HomeSite Improvements	0	0.00	0	24	24.94	1,900,911	
34. HomeSite Total							
35. FarmSite UnImp Land	3	36.20	214,629	13	313.24	552,544	
36. FarmSite Improv Land	0	0.00	0	29	171.64	344,585	
37. FarmSite Improvements	2	0.00	138,804	32	0.00	699,742	
38. FarmSite Total							
39. Road & Ditches	0	1.03	0	0	79.93	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	12	54.93	249,535	12	54.93	249,535	
32. HomeSite Improv Land	752	875.36	12,093,368	775	900.30	12,465,248	
33. HomeSite Improvements	749	852.36	50,350,652	773	877.30	52,251,563	2,951,062
34. HomeSite Total				785	955.23	64,966,346	
35. FarmSite UnImp Land	223	720.84	1,135,344	239	1,070.28	1,902,517	
36. FarmSite Improv Land	1,034	4,140.87	8,082,381	1,063	4,312.51	8,426,966	
37. FarmSite Improvements	1,159	0.00	28,467,583	1,193	0.00	29,306,129	0
38. FarmSite Total				1,432	5,382.79	39,635,612	
39. Road & Ditches	0	7,017.69	0	0	7,098.65	0	
40. Other- Non Ag Use	0	21.05	330	0	21.05	330	
41. Total Section VI				2,217	13,457.72	104,602,288	2,951,062

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	9	1,043.95	1,236,117	9	1,043.95	1,236,117

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	2	308.21	443,545	2	308.21	443,545
44. Market Value	0	0	0	0	0	0

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	9,481.05	8.30%	33,344,573	9.71%	3,516.97
46. 1A	24,852.13	21.77%	83,122,257	24.20%	3,344.67
47. 2A1	10,277.10	9.00%	32,766,299	9.54%	3,188.28
48. 2A	8,266.78	7.24%	25,198,023	7.34%	3,048.11
49. 3A1	19,595.46	17.16%	56,690,011	16.51%	2,893.02
50. 3A	35,028.28	30.68%	97,826,442	28.48%	2,792.78
51. 4A1	5,871.86	5.14%	13,049,284	3.80%	2,222.34
52. 4A	801.06	0.70%	1,461,951	0.43%	1,825.02
53. Total	114,173.72	100.00%	343,458,840	100.00%	3,008.21
Dry					
54. 1D1	13,239.83	8.56%	41,236,066	10.01%	3,114.55
55. 1D	34,391.14	22.24%	103,762,361	25.18%	3,017.12
56. 2D1	14,221.75	9.20%	39,618,122	9.61%	2,785.74
57. 2D	10,817.35	6.99%	28,630,181	6.95%	2,646.69
58. 3D1	23,809.34	15.40%	59,964,155	14.55%	2,518.51
59. 3D	48,835.91	31.58%	120,552,563	29.25%	2,468.52
60. 4D1	8,410.40	5.44%	16,777,777	4.07%	1,994.88
61. 4D	926.26	0.60%	1,551,355	0.38%	1,674.86
62. Total	154,651.98	100.00%	412,092,580	100.00%	2,664.64
Grass					
63. 1G1	808.02	1.56%	1,118,410	2.09%	1,384.14
64. 1G	3,019.76	5.84%	3,814,558	7.12%	1,263.20
65. 2G1	4,030.27	7.79%	4,741,000	8.85%	1,176.35
66. 2G	5,459.46	10.55%	6,579,523	12.28%	1,205.16
67. 3G1	7,353.07	14.21%	8,381,715	15.64%	1,139.89
68. 3G	14,119.47	27.29%	15,184,009	28.34%	1,075.40
69. 4G1	9,046.60	17.48%	8,506,311	15.88%	940.28
70. 4G	7,908.28	15.28%	5,256,179	9.81%	664.64
71. Total	51,744.93	100.00%	53,581,705	100.00%	1,035.50
Irrigated Total					
	114,173.72	34.82%	343,458,840	42.34%	3,008.21
Dry Total					
	154,651.98	47.16%	412,092,580	50.80%	2,664.64
Grass Total					
	51,744.93	15.78%	53,581,705	6.60%	1,035.50
72. Waste	4,479.23	1.37%	672,011	0.08%	150.03
73. Other	2,893.75	0.88%	1,446,866	0.18%	500.00
74. Exempt	361.10	0.11%	0	0.00%	0.00
75. Market Area Total	327,943.61	100.00%	811,252,002	100.00%	2,473.75

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	1,108.86	3,390,138	113,064.86	340,068,702	114,173.72	343,458,840
77. Dry Land	136.80	363,206	1,816.97	4,807,595	152,698.21	406,921,779	154,651.98	412,092,580
78. Grass	26.76	23,587	1,372.54	1,363,863	50,345.63	52,194,255	51,744.93	53,581,705
79. Waste	1.60	241	193.38	29,628	4,284.25	642,142	4,479.23	672,011
80. Other	0.00	0	76.01	38,007	2,817.74	1,408,859	2,893.75	1,446,866
81. Exempt	6.53	0	32.70	0	321.87	0	361.10	0
82. Total	165.16	387,034	4,567.76	9,629,231	323,210.69	801,235,737	327,943.61	811,252,002

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	114,173.72	34.82%	343,458,840	42.34%	3,008.21
Dry Land	154,651.98	47.16%	412,092,580	50.80%	2,664.64
Grass	51,744.93	15.78%	53,581,705	6.60%	1,035.50
Waste	4,479.23	1.37%	672,011	0.08%	150.03
Other	2,893.75	0.88%	1,446,866	0.18%	500.00
Exempt	361.10	0.11%	0	0.00%	0.00
Total	327,943.61	100.00%	811,252,002	100.00%	2,473.75

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

59 Madison

	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	1,080,290,205	1,094,135,795	13,845,590	1.28%	7,489,074	0.59%
02. Recreational	86,360	112,054	25,694	29.75%	0	29.75%
03. Ag-Homesite Land, Ag-Res Dwelling	62,971,837	64,966,346	1,994,509	3.17%	2,951,062	-1.52%
04. Total Residential (sum lines 1-3)	1,143,348,402	1,159,214,195	15,865,793	1.39%	10,440,136	0.47%
05. Commercial	454,754,469	465,885,679	11,131,210	2.45%	11,581,172	-0.10%
06. Industrial	51,161,273	51,172,197	10,924	0.02%	12,939	0.00%
07. Ag-Farmsite Land, Outbuildings	37,058,808	39,635,612	2,576,804	6.95%	0	6.95%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	542,974,550	556,693,488	13,718,938	2.53%	11,594,111	0.39%
10. Total Non-Agland Real Property	1,686,322,952	1,715,908,013	29,585,061	1.75%	22,034,247	0.45%
11. Irrigated	276,048,842	343,458,840	67,409,998	24.42%		
12. Dryland	352,865,125	412,092,580	59,227,455	16.78%		
13. Grassland	44,491,322	53,581,705	9,090,383	20.43%		
14. Wasteland	661,339	672,011	10,672	1.61%		
15. Other Agland	1,301,537	1,446,866	145,329	11.17%		
16. Total Agricultural Land	675,368,165	811,252,002	135,883,837	20.12%		
17. Total Value of all Real Property (Locally Assessed)	2,361,691,117	2,527,160,015	165,468,898	7.01%	22,034,247	6.07%

**MADISON COUNTY
THREE-YEAR PLAN OF ASSESSMENT
ASSESSMENT YEARS 2012, 2013, AND 2014**

15 - June - 2011

Plan of Assessment Requirements:

Pursuant to Neb. Laws 2005, LB 263, Section 9, on or before June 15 each year the Assessor shall prepare a plan of assessment. This plan shall describe the assessment actions planned for the next assessment year and two (2) 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 Property Assessment Division on or before October 31 each year.

Real Property Assessment Requirements:

All property in the State of Nebraska is subject to property tax unless expressly exempt by Nebraska Constitution, Article VIII, or is permitted by the constitution and enabling legislation adopted by the legislature. The uniform standard for the assessed value of real property for tax purposes is actual value, which is defined by law as "the market value of real property in the ordinary course of trade." Neb. Rev. Stat. §77-112 (Reissue 2003).

Assessment levels required for real property are as follows:

- 1) 100% of actual value for all classes of real property excluding agricultural and horticultural land.
- 2) 75% of actual value for agricultural land and horticultural land
- 3) 75% of special value for agricultural land and horticultural land which meets the qualifications for special valuation under §77-1344 and 75% of its recapture value as defined in §77-1343 when the land is disqualified for special valuation under §77-1347.

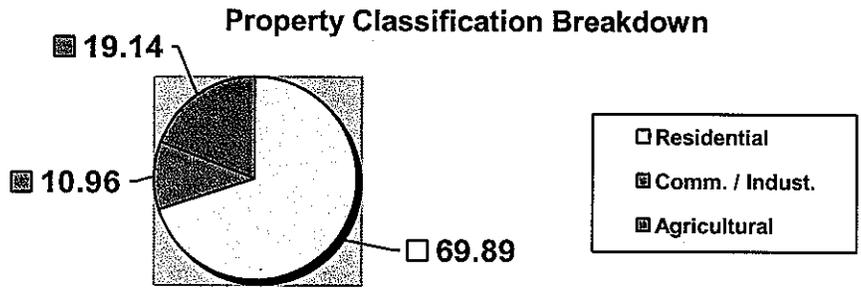
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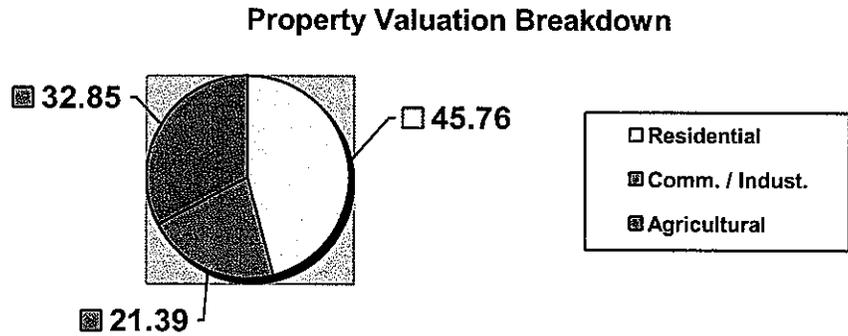
NEBRASKA DEPT. OF REVENUE
PROPERTY ASSESSMENT DIVISION

County Description:

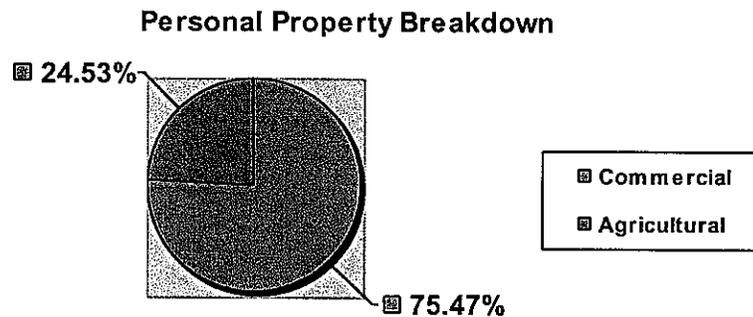
Madison County has a total parcel count of 17,612 as certified on the 2011 Abstract of Assessment dated 21-March-2011. The Residential class of property accounts for 69.89%, the Commercial / Industrial class contains 10.96%, and the Agricultural class accounts for 19.14% of the total parcel count as calculated from the Abstract of Assessment. The Recreational (2) parcels are not included in the above totals and account for .0001% of the total parcels. Please note that the Agricultural class includes the Special Value parcels (2). The above numbers also include exempt parcels (1,070), Game & Parks (9), and the Tax Increment Financing (9) parcels. The following chart provides a visual representation of the property classification breakdown.



The 2011 Abstract of Assessment, dated 21-March-2011, lists the total Madison County real property valuation as \$2,362,616,766. The Residential class accounts for 45.76%, the Commercial / Industrial class makes up 21.397%, and the Agricultural class accounts for 32.85% of the total real property valuation as calculated from the Abstract of Assessment. The following chart provides a visual representation of the property valuation breakdown.



Madison County has 2,404 personal property schedules with a total valuation of \$187,063,138, as certified on the 2011 Personal Property Abstract dated 15-June-2011. Of these schedules 1,646 are commercial property with a valuation of \$141,180,364. Additionally, 758 are agricultural property representing a valuation of \$45,882,774. Please note that not all schedules have been returned at this date as there are still a number of delinquent schedules that have yet to be filed. In addition, there are multiple schedules where the property owner has filed an extension on their income taxes. The following chart provides a visual representation of the Personal Property schedule breakdown according to valuation.



As of this date, Madison County has 965 parcels with a Homestead Exemption.

For assessment year 2011, an estimated 501 building permits and information statements were received by the Madison County Assessor's Office. Fifty-Four (54) of the aforementioned permits were for new single family dwelling construction.

For more information please refer to the 2011 Reports and Opinions of the Property Tax Administrator, Abstract, and Assessor Survey for Madison County.

Budget, Staffing & Training:

Budget:

The 2011/ 2012 Assessor's Budget =	\$245,300
The 2011 / 2012 Re-appraisal Budget =	<u>\$190,000</u>
Total Office Budget:	\$435,300

Staff:

For the last decade this office has been operated with a less than ideal number of staff members. In addition, many of these staff members have not been utilized in the most efficient manner. It is hoped that some staffing changes can be made in the near future. However, Madison County has implemented a hiring freeze until further notice. The most urgent need at this time is a full-time appraiser. It is also hoped that one other staff position may be added. The current lister needs to be replaced by a full-time position with more capabilities. As of today the Madison County Assessor's Office is comprised of 6 staff members broken down as follows:

(1) Assessor: This person is responsible for all real property valuation. The Assessor must also do approximately ½ of the annual pick-up work and sales reviews. At this time the Assessor is responsible for all data entry of property characteristics into TerraScan. In addition, the Assessor is responsible for all of the report generation. The Assessor is also responsible for all computer maintenance and updates. The above is in addition to the day-to-day management & operation of the office and staff.

(1) Deputy Assessor: This person is responsible for entering all agricultural land changes. In addition, the Deputy Assessor must also complete all splits and new additions. This person is also responsible for quality control and checking all data entry. Currently, this position is not utilized to the fullest extent. This position will transition to more of a roving position available to help wherever needed with differing tasks.

(3) Full-time Clerks: These staff members are responsible for all aspects of both Personal Property and Homestead Exemption except report generation. In addition these members are also responsible for handling phone calls and waiting on the counter. Most walk-in taxpayer assistance is also handled by these members. These staff positions also make copies for customers, pull property record cards, and do all filing of property record cards. All building permits are processed through one of the staff members. In addition, Form 521 Transfer Statements are handled by these members. The sales are entered into TerraScan and green sheets are completed. These members also proof and correct all rosters as provided by the P.A.D. through the on-line State Sales File. An additional responsibility is attaching new value sheets to the property record card and writing new values on the outside of the record card. All no-contact letters are produced by these members.

(1) Full-Time GIS Specialist. This person is responsible for building the GIS System from the ground-up. This person does not do any clerical work other than that related to the GIS System.

(1) Part-time Lister: This person is responsible for data collection. This includes listing all new construction, additions, renovations, conducting sale review, etc. This person does not do any data entry into the computer system at the present time. This person works 24 hours per week. This person was terminated effective March 09, 2011.

Contract Appraiser:

The Madison County Assessor's Office contracts with Great Plains Appraisal, (Wayne Kubert), to appraise industrial properties and grain elevators on an as-needed basis. It is anticipated that this office may contract with an outside source to begin a re-appraisal process. This is in response to the unsuccessful attempt to recruit a qualified appraiser with re-appraisal experience. This office budgets a significant amount of money each fiscal year to continue meeting the requirements of LB 334 Sec. 100, (effective July 01, 2007) whereby every parcel shall be inspected and reviewed no less frequently than every six years.

Training:

The Madison County Assessor attends all required workshops provided by the P.A.D. In addition, the Assessor attends annual schooling in order to maintain both the Assessor's Certificate and an Appraisal License.

The Deputy Assessor attends schooling in order to maintain the Assessor's Certificate.

The Clerks have historically not received any training outside of the office. This will probably change as the responsibilities of certain members are increased.

The lister has not received any training outside of the office. When this position is replaced, the new lister will receive some training outside of the office as more duties will be assumed by that position.

2011 R & O Statistics (or T.E.R.C. Statistics):

<u>Property Class</u>	<u>Median</u>	<u>C.O.D.</u>	<u>P.R.D.</u>
Residential:	94.00	20.51	108.66
Commercial/Industrial:	97.00	31.37	104.00
Agricultural Unimp.:	72.00	19.09	106.46

For more information regarding statistical measures please refer to the 2011 Reports & Opinions of the Property Tax administrator.

From the above statistical information, it is apparent that there is still room for improvement with regards to both the uniformity and quality of assessment in Madison County. It is the hope of the Madison County Assessor that additional staff, more efficient utilization of current staff, and a disciplined approach to achieving defined goals, will result in the continued improvement of the aforementioned statistical measures. The following plan will address the steps necessary to achieve this goal and in addition satisfy the requirements of LB 334 Sec.100.

Three-Year Appraisal Plan:

2012:

Residential: Much of this year's attention will be focused on reviewing the City of Norfolk in order to comply with the 6-year cyclical review / inspection requirement pursuant to Neb. Rev. Stat. 77-1311.03. Current information will be verified and updated based on this physical review. This will entail complete exterior reviews of all properties. Front and rear pictures will be taken where possible of all houses. Additionally, photos will be taken of other structures or unique property characteristics where deemed appropriate. Interior inspections will be conducted when possible and whenever it is deemed necessary by specific circumstances. There are approximately 8,151 residential parcels in the City of Norfolk. Of this number approximately 7,533 or 92.42% are improved.

Some contract re-appraisal work may be completed if budgets allow and an appraiser can be contracted to perform the work. It is hoped this will include all Newman Grove residential property. This will entail entering all information into TerraScan. In addition, new costing and depreciation will be used. An exterior inspection will be conducted on all parcels. An interior inspection will be conducted when possible or where requested. Current information will be verified and updated based on this physical review. New digital pictures will be taken. Currently there are 393 residential parcels in Newman Grove. Of this number approximately 333 or 84.73% are improved.

Appraisal maintenance will continue to be completed on the balance of the residential property class. In addition to the above work all sales reviews and pick-up work will be completed county-wide.

Commercial / Industrial: All multi-family parcels in Norfolk were re-appraised for 2009. A re-appraisal of Newman Grove Commercial property is planned as it was not accomplished last year. It is hoped that the budget will remain largely in-tact and thus allow this to be contracted out to an outside source. This re-appraisal will entail entering all information into TerraScan. All new costing and depreciation will be used. All properties will be physically inspected. Current information will be verified and / or updated based on this physical review. An interior inspection will be conducted where possible. New digital pictures will be taken. Currently there are approximately 84 commercial parcels in Newman Grove. In addition, all sales reviews and pick-up work will be completed county-wide.

Agricultural: Last year the flood damage along the Elkhorn River was reviewed and adjustments made where necessary using post-flood imagery shot within two weeks of the flood event. This was no small task as the river crosses the entire County from West to East. Now that this has been completed, continuation of the development of the Land Use Layer in GIS will be the major task. The development and implementation of the GIS system is seen as a long-term process. However, once this is achieved, this will allow the use of digitized satellite imagery in order to more accurately calculate soil types and acreages. There will be an in-depth analysis of all agricultural sales in Madison County. The sales will be analyzed by L.C.G. as well as by market area. The Assessor will determine if adjustments are necessary in order to maintain statistical compliance. In addition, the Assessor will determine if the sales support the current market areas or if an adjustment to these areas is needed. All sales reviews and pick-up work will be completed county-wide.

2013:

Residential: Depending on the outcome of the 2012 appraisal plan, it is hoped to continue to re-appraise other Assessor Locations. For 2013 the towns of Tilden, Meadow Grove and Battle Creek will be re-appraised. This will entail entering all information and property characteristics into TerraScan. In addition, new costing and depreciation will be used. All properties will be physically inspected. Current information will be verified and / or updated based on this physical review. An attempt will be made to inspect the interior of these properties where possible. New digital pictures will be taken. Currently there are approximately 359 residential parcels in Tilden, 187 residential parcels in Meadow Grove and 514 residential parcels in Battle Creek. In addition, all sales and pick-up work will be completed county-wide. It is hoped time will allow the entering of all rural residential data into TerraScan in anticipation of a re-valuation for next year.

Commercial: Commercial properties in the towns of Tilden, Meadow Grove and Battle Creek will be re-appraised. This will entail entering all information and property characteristics into TerraScan. All new costing and depreciation will be used. All properties will be physically inspected. Current information will be verified and / or updated based on this physical review. An attempt will be made to inspect the interior of these properties where possible. New digital pictures will be taken. Currently there are approximately 55 commercial parcels in Tilden, 33 commercial parcels in Meadow Grove and 66 commercial parcels in Battle Creek. In addition, all sales reviews and pick-up work will be completed county-wide.

Agricultural: There will be an in-depth analysis of all agricultural sales in Madison County. The sales will be analyzed by L.C.G. as well as by market area. The Assessor will determine if adjustments are necessary in order to maintain statistical compliance. In addition, the Assessor will determine if the sales support the current market areas or if an adjustment to these areas is needed. All sales reviews and pick-up work will be completed county-wide.

2014:

Residential: For 2014 the city of Madison will be re-appraised. It is also hoped that the rural residential properties will be addressed this year. This will entail entering all information and property characteristics into TerraScan. In addition, new costing and depreciation will be used. All properties will be physically inspected. Current information will be verified and / or updated based on this physical review. An attempt will be made to inspect the interior of these properties where possible. New digital pictures will be taken. Currently, there are approximately 892 residential parcels in Madison and 2,269 rural residential parcels. In addition, all sales and pick-up work will be completed county-wide.

Commercial: Commercial properties in the city of Madison as well as all rural commercial properties will be re-appraised. This will entail entering all information and property characteristics into TerraScan. All new costing and depreciation will be used. All properties will be physically inspected. Current information will be verified and / or updated based on this physical review. An attempt will be made to inspect the interior of these properties where possible. New digital pictures will be taken. Currently there are approximately 124 commercial parcels in Madison and 288 rural commercial parcels. In addition, all sales reviews and pick-up work will be completed county-wide.

Agricultural: There will be an in-depth analysis of all agricultural sales in Madison County. The sales will be analyzed by L.C.G. as well as by market area. The Assessor will determine if adjustments are necessary in order to maintain statistical compliance. Agricultural improvements are to be re-appraised this year. This will entail approximately 1,708 parcels. In addition, the Assessor will determine if the sales support the current market areas or if an adjustment to these areas is needed. All sales reviews and pick-up work will be completed county-wide.

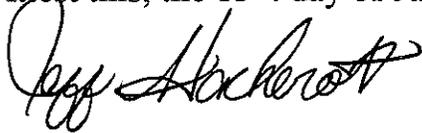
The following table will provide a visual representation of the proposed *Three-Year Plan of Assessment*:

Prop. Class	Residential	Commercial	Agricultural
2012	Newman Grove (393), Appraisal Maintenance Review of Norfolk to comply with 6-yr plan.	Newman Grove (84), Appraisal Maintenance Review of Norfolk to comply with 6-yr plan	Re-valuation of Ag. Land (if necessary) Continued development of the Land Use Layer In GIS.
2013	Tilden (359), Meadow Grove (187), & Battle Creek (514), Appraisal Maintenance	Tilden (55), Meadow Grove (33), & Battle Creek (66), Appraisal Maintenance	Re-valuation of Ag. Land (if necessary) Completion of Land Use Layer in GIS
2014	Madison (892) & Rural Residential (2,269), Appraisal Maintenance	Madison (124) & Rural (288), Appraisal Maintenance	Re-valuation of Ag. Land (if necessary) & Ag. Improvements (1,715)

Disclaimer:

Please be advised that the above plan / graph should be seen as a guide, not a binding time-line of appraisal scheduling. During the analysis of statistical data from the sales file it may become apparent that certain areas will need immediate attention in order to resolve issues relating to the current market. Additionally, changes in legislation and regulations promulgated by the Property Tax Administrator may also necessitate changes in the timeline contained herein. Given this insight, which may not have been available at the time this report was drafted, the Madison County Assessor's Office reserves the right to deviate from the above outlined appraisal / review plan and address those issues which are deemed to be more urgent in nature.

Attest this, the 15th. day of June 2011.



Jeff Hackerott
Madison County Assessor

2012 Assessment Survey for Madison County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	1
2.	Appraiser(s) on staff:
	0
3.	Other full-time employees:
	4
4.	Other part-time employees:
	1
5.	Number of shared employees:
	0
6.	Assessor's requested budget for current fiscal year:
	\$435,300
7.	Adopted budget, or granted budget if different from above:
	\$435,300
8.	Amount of the total assessor's budget set aside for appraisal work:
	\$70,000
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	N/A
10.	Part of the assessor's budget that is dedicated to the computer system:
	\$42,500 (Includes CAMA, GIS and Web-site)
11.	Amount of the assessor's budget set aside for education/workshops:
	\$3,500
12.	Other miscellaneous funds:
	\$500
13.	Amount of last year's assessor's budget not used:
	Unknown

B. Computer, Automation Information and GIS

1.	Administrative software:
	Terra Scan
2.	CAMA software:
	Terra Scan
3.	Are cadastral maps currently being used?
	Yes (We are still in the process of developing the GIS System).
4.	If so, who maintains the Cadastral Maps?
	Assessor and Staff
5.	Does the county have GIS software?
	Yes, this is currently in development

6.	Is GIS available on a website? If so, what is the name of the website?
	Yes. Madison.gisworkshop.com
7.	Who maintains the GIS software and maps?
	Assessor and Staff
8.	Personal Property software:
	Terra Scan

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	Entire County – All Municipalities
4.	When was zoning implemented?
	1975

D. Contracted Services

1.	Appraisal Services:
	Madison County contracts with Great Plains Appraisal Co. to do large industrial properties and special use properties such as the ethanol plant and steel mill. For 2012 we contracted with Linsali, Inc. to conduct a re-appraisal of the City of Newman Grove
2.	Other services:

2012 Certification for Madison 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 Madison 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

