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## 2012 Commission Summary for Merrick County

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### Residential Real Property - Current

Number of Sales	173	Median	96.80
Total Sales Price	\$15,249,780	Mean	96.13
Total Adj. Sales Price	\$15,261,780	Wgt. Mean	92.32
Total Assessed Value	\$14,090,225	Average Assessed Value of the Base	\$69,321
Avg. Adj. Sales Price	\$88,218	Avg. Assessed Value	\$81,446

### Confidence Interval - Current

95% Median C.I	94.72 to 98.32
95% Wgt. Mean C.I	90.25 to 94.40
95% Mean C.I	93.25 to 99.01
% of Value of the Class of all Real Property Value in the	25.59
% of Records Sold in the Study Period	5.31
% of Value Sold in the Study Period	6.24

### Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	189	97	97
2010	200	96	96
2009	240	97	97
2008	287	98	98

## 2012 Commission Summary for Merrick County

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### Commercial Real Property - Current

Number of Sales	16	Median	92.43
Total Sales Price	\$867,460	Mean	85.60
Total Adj. Sales Price	\$860,360	Wgt. Mean	87.00
Total Assessed Value	\$748,535	Average Assessed Value of the Base	\$106,167
Avg. Adj. Sales Price	\$53,773	Avg. Assessed Value	\$46,783

### Confidence Interval - Current

95% Median C.I	72.00 to 99.00
95% Wgt. Mean C.I	79.05 to 94.96
95% Mean C.I	74.63 to 96.57
% of Value of the Class of all Real Property Value in the County	5.31
% of Records Sold in the Study Period	3.63
% of Value Sold in the Study Period	1.60

### Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	27	95	95
2010	24	99	99
2009	28	99	99
2008	32	99	99



## 2012 Opinions of the Property Tax Administrator for Merrick 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
<b>Residential Real Property</b>	97	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Commercial Real Property</b>	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Agricultural Land</b>	72	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*

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Ruth A. Sorensen  
Property Tax Administrator



**2012 Assessment Actions for Merrick County  
Taken to address the following property classes/subclasses:**

**Residential**

For 2012, a statistical analysis was done for residential properties to determine if an assessment adjustment would be necessary to comply with statistical measures as required by law.

Residential sales were reviewed.

Merrick County completed all pick up work. Approximately 250 permits or information statements were reviewed for all classes/subclasses (includes commercial and agland).

For 2012 all residential properties in the assessor locations of Archer, Chapman, Clarks, Palmer and Silver Creek were physically inspected, new photos taken, listing information reviewed for accuracy, new Marshall & Swift costing year was utilized with market depreciation applied. All other assessor location valuations remained unchanged for 2012.

Merrick County continues to fine tune parcel boundaries in GIS based on surveys, and other pertinent information.

## 2012 Residential Assessment Survey for Merrick County

1.	<b>Valuation data collection done by:</b>	
	Assessor Staff and Contract Appraiser	
2.	<b>In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:</b>	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	1	(Acreages): Are all rural parcels, less than 20 acres generally, all sell relatively similar based on location throughout the county.
	2	(Central City Lakes): Properties located around five different lakes in the Central City Area. These parcels are all a majority improvements on leased land, all have similar restrictions on further development.
	3	(Central City): All parcels within the county seat, Central City. Parcels in this area range in age, quality and condition, but have the same economic relationship based on the commerce.
	4	(Chapman/Clarks): All parcels within the towns of Chapman and Clarks. Parcels in these bedroom communities are subject to little or no development and do not sell frequently. Commerce is nearly nonexistent in this area.
	5	(CC River): These parcels are located along the Platte River in a new subdivision. They are all new homes with year round living.
	6	(Clarks Lakes): Five lakes in a gated community. Relatively newer improvements and larger in comparison to nearby lakes.
	7	(Grand Island Subdivisions): All parcels in subdivisions located on the edge of Grand Island. All parcels in this area are generally newer than 1940.
	8	(Palmer/Silver Creek): All parcels within the towns of Palmer and Silver Creek. Parcels in this area seem to be influenced by the strong community attitude.
	9	(Silver Creek Lakes): All parcels around Thunderbird Lake. Houses are generally newer and of average quality. Sale activity is generally limited for these generally seasonal dwellings.
	10	(Shoups): These parcels are all Improvement of Leased Lands located on gated pasture parcels. They are located around ponds throughout the 2 sections of land. They are seasonal use properties and could not be year round living.
	11	(WRP): All sales of remaining non-agricultural interests in WRP tracts.
3.	<b>List and describe the approach(es) used to estimate the market value of residential properties.</b>	
	Cost approach with market derived depreciation, and sales comparison approach	
4	<b>What is the costing year of the cost approach being used for each valuation grouping?</b>	
	2011 for Val. Groups 4 & 8; All other valuation groups – 4 <sup>th</sup> Quarter, 2006	

5.	<b>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?</b>
	Developed using market derived information.
6.	<b>Are individual depreciation tables developed for each valuation grouping?</b>
	Yes
7.	<b>When were the depreciation tables last updated for each valuation grouping?</b>
	Depreciation tables are updated with each reappraisal.
8.	<b>When was the last lot value study completed for each valuation grouping?</b>
	Lot value studies are completed when determined necessary based on review of sales.
9.	<b>Describe the methodology used to determine the residential lot values?</b>
	Vacant lot sales study.
10.	<b>How do you determine whether a sold parcel is substantially changed?</b>
	Permits and reviews

**61 Merrick**  
**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 : 173  
Total Sales Price : 15,249,780  
Total Adj. Sales Price : 15,261,780  
Total Assessed Value : 14,090,225  
Avg. Adj. Sales Price : 88,218  
Avg. Assessed Value : 81,446

MEDIAN : 97  
WGT. MEAN : 92  
MEAN : 96  
COD : 12.89  
PRD : 104.13

COV : 20.14  
STD : 19.36  
Avg. Abs. Dev : 12.48  
MAX Sales Ratio : 175.70  
MIN Sales Ratio : 45.88

95% Median C.I. : 94.72 to 98.32  
95% Wgt. Mean C.I. : 90.25 to 94.40  
95% Mean C.I. : 93.25 to 99.01

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**DATE OF SALE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-JUL-09 To 30-SEP-09	23	97.55	98.87	93.65	12.81	105.57	72.15	175.70	89.37 to 99.49	92,338	86,471
01-OCT-09 To 31-DEC-09	35	96.94	99.02	92.68	13.18	106.84	74.01	173.33	93.39 to 99.14	79,573	73,747
01-JAN-10 To 31-MAR-10	11	97.30	94.84	92.04	05.43	103.04	77.68	104.70	86.79 to 100.43	102,342	94,195
01-APR-10 To 30-JUN-10	31	95.21	91.73	89.41	15.45	102.59	45.88	154.84	85.07 to 99.99	87,065	77,847
01-JUL-10 To 30-SEP-10	23	98.95	96.90	90.74	11.57	106.79	65.03	153.78	89.84 to 99.92	96,724	87,770
01-OCT-10 To 31-DEC-10	17	96.45	94.64	95.69	07.90	98.90	70.32	114.57	86.07 to 100.53	93,591	89,559
01-JAN-11 To 31-MAR-11	7	98.57	99.55	97.58	15.37	102.02	62.82	142.11	62.82 to 142.11	86,321	84,236
01-APR-11 To 30-JUN-11	26	94.10	94.99	92.02	15.86	103.23	51.47	140.25	85.24 to 102.85	81,087	74,615
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	100	96.25	96.27	91.82	13.07	104.85	45.88	175.70	93.42 to 97.96	87,336	80,194
01-JUL-10 To 30-JUN-11	73	97.36	95.95	92.99	12.65	103.18	51.47	153.78	93.74 to 99.62	89,427	83,162
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	82	96.48	94.20	91.49	11.65	102.96	45.88	154.84	93.72 to 99.16	93,176	85,251
<u>ALL</u>	173	96.80	96.13	92.32	12.89	104.13	45.88	175.70	94.72 to 98.32	88,218	81,446

**VALUATION GROUPING**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	27	97.80	95.81	94.85	05.62	101.01	74.18	116.56	93.02 to 99.36	131,221	124,468
03	98	93.98	97.51	91.23	18.25	106.88	51.47	175.70	89.77 to 98.57	79,679	72,689
04	11	99.43	98.44	98.56	01.29	99.88	95.29	100.00	96.45 to 99.88	41,373	40,776
05	2	81.79	81.79	81.86	05.03	99.91	77.68	85.89	N/A	200,250	163,915
06	4	93.59	90.80	89.24	07.77	101.75	76.39	99.62	N/A	275,938	246,259
07	10	93.52	88.64	91.29	11.49	97.10	70.32	101.81	73.48 to 100.53	78,200	71,392
08	18	98.81	98.24	98.42	01.48	99.82	93.39	100.80	96.85 to 99.81	60,274	59,324
09	1	80.98	80.98	80.98	00.00	100.00	80.98	80.98	N/A	65,000	52,640
10	2	71.11	71.11	53.84	35.48	132.08	45.88	96.33	N/A	9,500	5,115
<u>ALL</u>	173	96.80	96.13	92.32	12.89	104.13	45.88	175.70	94.72 to 98.32	88,218	81,446

**PROPERTY TYPE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	173	96.80	96.13	92.32	12.89	104.13	45.88	175.70	94.72 to 98.32	88,218	81,446
06											
07											
<u>ALL</u>	173	96.80	96.13	92.32	12.89	104.13	45.88	175.70	94.72 to 98.32	88,218	81,446

**61 Merrick**  
**RESIDENTIAL**

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 95% Wgt. Mean C.I. : 90.25 to 94.40  
 95% Mean C.I. : 93.25 to 99.01

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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	95.81	95.81	95.77	00.54	100.04	95.29	96.33	N/A	3,250	3,113	
Less Than 15,000	5	96.45	97.75	98.57	01.89	99.17	95.29	100.43	N/A	8,200	8,083	
Less Than 30,000	29	99.52	112.36	113.01	25.11	99.42	45.88	175.70	96.33 to 136.03	20,084	22,698	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	171	96.85	96.13	92.32	13.02	104.13	45.88	175.70	94.46 to 98.38	89,212	82,363	
Greater Than 14,999	168	96.83	96.08	92.31	13.21	104.08	45.88	175.70	93.80 to 98.38	90,600	83,630	
Greater Than 29,999	144	95.83	92.86	91.50	10.27	101.49	51.47	135.82	93.39 to 97.80	101,940	93,278	
<u>Incremental Ranges</u>												
0 TO 4,999	2	95.81	95.81	95.77	00.54	100.04	95.29	96.33	N/A	3,250	3,113	
5,000 TO 14,999	3	100.27	99.05	99.10	01.33	99.95	96.45	100.43	N/A	11,500	11,397	
15,000 TO 29,999	24	99.76	115.41	114.10	29.76	101.15	45.88	175.70	96.00 to 141.34	22,560	25,743	
30,000 TO 59,999	36	99.32	97.18	96.58	09.61	100.62	51.47	130.74	95.58 to 100.20	45,742	44,175	
60,000 TO 99,999	42	95.69	93.17	93.08	11.42	100.10	62.08	135.82	86.50 to 99.16	77,433	72,077	
100,000 TO 149,999	40	92.71	90.02	89.81	09.77	100.23	66.09	118.08	86.79 to 96.80	122,475	109,999	
150,000 TO 249,999	23	93.54	91.00	91.05	08.20	99.95	65.03	101.83	85.89 to 99.15	172,378	156,954	
250,000 TO 499,999	3	90.67	88.89	87.76	08.54	101.29	76.39	99.62	N/A	305,583	268,190	
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	173	96.80	96.13	92.32	12.89	104.13	45.88	175.70	94.72 to 98.32	88,218	81,446	



**2012 Correlation Section  
for Merrick County**

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**A. Residential Real Property**

Merrick County is located in central Nebraska with Central City being the county seat, located 25 miles northeast of Grand Island on Highways 14 and 30.

Merrick County had a total of 173 improved, qualified residential sales during the two year study period, which is considered an adequate and reliable sample for the measurement of the residential class of real property in Merrick County. The residential class of property in Merrick County is made up of eleven separate valuation groups. Five of the valuation groups each had 10 to 98 improved, qualified sales. The other valuation groups each had four or less improved, qualified sales.

The county reviews all sales through research of the deed, supplemental questionnaires and/or interviews with buyers and sellers, and on-site reviews of the property as deemed appropriate. There were a total of 347 sales during the study period, of which 174 sales (about 50 percent) were determined to be not qualified sales. The disqualified sales included 22 sales being substantially changed subsequent to purchase, with the rest disqualified due to being: political subdivision (2), family (30), unimproved (16), foreclosure (48), title (15), or other terms and conditions. All qualified, arms-length transactions are included in the sales file.

Permits are logged and reviewed for specific property activities and notable changes to the property valuations. All residential pick-up work and building permits were reviewed and completed for 2012. A ratio study was completed on all residential properties to identify any adjustments or other assessment actions that are necessary to properly value the residential class of real property. For 2012 all residential properties in Archer, Chapman, Clarks, Palmer and Silver Creek were physically inspected and revalued. No other residential assessment actions or adjustments were made to improve the equity within the residential class of real property.

It is the opinion of the Division that the level of value for Merrick County residential real property is within the acceptable range and it is best measured by the median measure of central tendency. The median measure was calculated using a sufficient number of sales and because the county applies assessment practices to the sold and unsold parcels in a similar manner, the median ratio calculated from the sales file accurately reflects the level of value for the population. All the valuation groups that are adequately represented in the sales file are within the acceptable range of 92% to 100%.

Based on the consideration of all available information, the level of value is determined to be 97% of market value for the residential class of real property. Because the known assessment practices are reliable and consistent it is believed that the residential class of property is being treated in a uniform and proportionate manner.

**2012 Correlation Section  
for Merrick County**

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**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 Merrick County**

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**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 Merrick County**

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**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 Merrick County**

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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 Assessment Actions for Merrick County Taken to address the following property classes/subclasses:**

### **Commercial**

For 2012, a statistical analysis was done for commercial properties to determine if an assessment adjustment would be necessary to comply with statistical measures as required by law.

Commercial sales were reviewed through research of the deed, supplemental questionnaires to buyers and sellers and on-site reviews of the property as deemed appropriate. Additional resources such as attorney and real estate agents are utilized in this process to acquire more accurate information concerning sales. The county completed all pick up work in a timely manner. Assessed value changes were made to properties in the county based on pick-up of new and omitted construction.

Merrick County commercial properties were all grouped together for analysis of comparable sales. All the commercial parcels in the county have the same general market characteristics and influences.

For 2012 the county conducted a market analysis that included the qualified commercial sales that occurred during the current study period (July 1, 2008 through June 30, 2011). The review and analysis was done to identify any adjustments or other assessment actions that are necessary to properly value the commercial class of real property.

Merrick County did not adjust commercial property values for 2012.

Merrick County continues to fine tune parcel boundaries in GIS based on surveys, and other pertinent information.

## 2012 Commercial Assessment Survey for Merrick County

1.	<b>Valuation data collection done by:</b>	
	Contract Appraiser – Stanard Appraisal Services, Inc.	
2.	<b>In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:</b>	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	1	All commercial is grouped together for analysis of comparables. All commercial parcels in the county have the same general market characteristics.
3.	<b>List and describe the approach(es) used to estimate the market value of commercial properties.</b>	
	All three approaches are used and reconciled in the commercial valuation.	
3a.	<b>Describe the process used to value unique commercial properties.</b>	
	This is handled by contract appraiser, Stanard Appraisal Services, Inc.	
4.	<b>What is the costing year of the cost approach being used for each valuation grouping?</b>	
	4 <sup>th</sup> Quarter, 2007	
5.	<b>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?</b>	
	Local market information	
6.	<b>Are individual depreciation tables developed for each valuation grouping?</b>	
	Yes (only one valuation grouping)	
7.	<b>When were the depreciation tables last updated for each valuation grouping?</b>	
	2008	
8.	<b>When was the last lot value study completed for each valuation grouping?</b>	
	Lot value studies are completed as sales dictate.	
9.	<b>Describe the methodology used to determine the commercial lot values.</b>	
	Vacant lot sales were used to determine assessed values.	
10.	<b>How do you determine whether a sold parcel is substantially changed?</b>	
	Building permits and reviews	

**61 Merrick**  
**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 : 16  
Total Sales Price : 867,460  
Total Adj. Sales Price : 860,360  
Total Assessed Value : 748,535  
Avg. Adj. Sales Price : 53,773  
Avg. Assessed Value : 46,783

MEDIAN : 92  
WGT. MEAN : 87  
MEAN : 86  
COD : 15.95  
PRD : 98.39

COV : 24.07  
STD : 20.60  
Avg. Abs. Dev : 14.74  
MAX Sales Ratio : 118.67  
MIN Sales Ratio : 38.75

95% Median C.I. : 72.00 to 99.00  
95% Wgt. Mean C.I. : 79.05 to 94.96  
95% Mean C.I. : 74.63 to 96.57

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<b>DATE OF SALE *</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Qtrts</u>											
01-JUL-08 To 30-SEP-08											
01-OCT-08 To 31-DEC-08											
01-JAN-09 To 31-MAR-09											
01-APR-09 To 30-JUN-09											
01-JUL-09 To 30-SEP-09	2	61.68	61.68	67.23	16.75	91.74	51.35	72.00	N/A	65,000	43,703
01-OCT-09 To 31-DEC-09	4	93.84	87.87	86.76	12.08	101.28	63.43	100.38	N/A	74,340	64,500
01-JAN-10 To 31-MAR-10	4	79.69	79.20	82.02	27.36	96.56	38.75	118.67	N/A	22,500	18,455
01-APR-10 To 30-JUN-10	2	95.64	95.64	95.26	03.52	100.40	92.27	99.00	N/A	67,500	64,300
01-JUL-10 To 30-SEP-10	1	92.59	92.59	92.59	00.00	100.00	92.59	92.59	N/A	27,000	25,000
01-OCT-10 To 31-DEC-10											
01-JAN-11 To 31-MAR-11											
01-APR-11 To 30-JUN-11	3	98.33	98.01	97.08	01.33	100.96	95.89	99.82	N/A	60,333	58,570
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09											
01-JUL-09 To 30-JUN-10	12	86.48	81.91	83.98	20.54	97.54	38.75	118.67	63.43 to 99.00	54,363	45,652
01-JUL-10 To 30-JUN-11	4	97.11	96.66	96.50	02.49	100.17	92.59	99.82	N/A	52,000	50,178
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	6	80.82	79.14	80.82	20.89	97.92	51.35	100.38	51.35 to 100.38	71,227	57,568
01-JAN-10 To 31-DEC-10	7	92.27	85.81	90.25	17.36	95.08	38.75	118.67	38.75 to 118.67	36,000	32,489
<u>ALL</u>	16	92.43	85.60	87.00	15.95	98.39	38.75	118.67	72.00 to 99.00	53,773	46,783

<b>VALUATION GROUPING</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	16	92.43	85.60	87.00	15.95	98.39	38.75	118.67	72.00 to 99.00	53,773	46,783
<u>ALL</u>	16	92.43	85.60	87.00	15.95	98.39	38.75	118.67	72.00 to 99.00	53,773	46,783

<b>PROPERTY TYPE *</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
02											
03	16	92.43	85.60	87.00	15.95	98.39	38.75	118.67	72.00 to 99.00	53,773	46,783
04											
<u>ALL</u>	16	92.43	85.60	87.00	15.95	98.39	38.75	118.67	72.00 to 99.00	53,773	46,783

**61 Merrick**  
**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 : 16  
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Avg. Assessed Value : 46,783

MEDIAN : 92  
WGT. MEAN : 87  
MEAN : 86  
COD : 15.95  
PRD : 98.39

COV : 24.07  
STD : 20.60  
Avg. Abs. Dev : 14.74  
MAX Sales Ratio : 118.67  
MIN Sales Ratio : 38.75

95% Median C.I. : 72.00 to 99.00  
95% Wgt. Mean C.I. : 79.05 to 94.96  
95% Mean C.I. : 74.63 to 96.57

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<b>SALE PRICE *</b>											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<b>Low \$ Ranges</b>												
Less Than 5,000												
Less Than 15,000	1	38.75	38.75	38.75	00.00	100.00	38.75	38.75	N/A	8,000	3,100	
Less Than 30,000	4	87.96	83.34	88.83	25.35	93.82	38.75	118.67	N/A	19,250	17,100	
<b>Ranges Excl. Low \$</b>												
Greater Than 4,999	16	92.43	85.60	87.00	15.95	98.39	38.75	118.67	72.00 to 99.00	53,773	46,783	
Greater Than 14,999	15	92.59	88.72	87.46	13.11	101.44	51.35	118.67	76.05 to 99.00	56,824	49,696	
Greater Than 29,999	12	94.08	86.35	86.82	13.00	99.46	51.35	100.38	72.00 to 99.00	65,280	56,678	
<b>Incremental Ranges</b>												
0 TO 4,999												
5,000 TO 14,999	1	38.75	38.75	38.75	00.00	100.00	38.75	38.75	N/A	8,000	3,100	
15,000 TO 29,999	3	92.59	98.20	94.64	12.72	103.76	83.33	118.67	N/A	23,000	21,767	
30,000 TO 59,999	6	98.19	87.33	89.28	12.40	97.82	51.35	100.38	51.35 to 100.38	39,660	35,410	
60,000 TO 99,999	3	92.27	84.90	84.39	12.85	100.60	63.43	99.00	N/A	68,333	57,667	
100,000 TO 149,999	3	89.63	85.84	86.57	08.88	99.16	72.00	95.89	N/A	113,467	98,225	
150,000 TO 249,999												
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
<b>ALL</b>	<b>16</b>	<b>92.43</b>	<b>85.60</b>	<b>87.00</b>	<b>15.95</b>	<b>98.39</b>	<b>38.75</b>	<b>118.67</b>	<b>72.00 to 99.00</b>	<b>53,773</b>	<b>46,783</b>	

<b>OCCUPANCY CODE</b>											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
340	2	95.46	95.46	95.61	03.01	99.84	92.59	98.33	N/A	28,500	27,250	
342	2	86.19	86.19	81.83	16.46	105.33	72.00	100.38	N/A	76,500	62,600	
344	1	92.27	92.27	92.27	00.00	100.00	92.27	92.27	N/A	75,000	69,200	
346	1	118.67	118.67	118.67	00.00	100.00	118.67	118.67	N/A	15,000	17,800	
350	1	63.43	63.43	63.43	00.00	100.00	63.43	63.43	N/A	70,000	44,400	
352	1	89.63	89.63	89.63	00.00	100.00	89.63	89.63	N/A	125,400	112,400	
406	3	99.00	98.24	97.45	01.32	100.81	95.89	99.82	N/A	70,333	68,537	
444	1	98.04	98.04	98.04	00.00	100.00	98.04	98.04	N/A	48,960	48,000	
472	1	76.05	76.05	76.05	00.00	100.00	76.05	76.05	N/A	40,000	30,420	
526	2	45.05	45.05	48.70	13.98	92.51	38.75	51.35	N/A	19,000	9,253	
851	1	83.33	83.33	83.33	00.00	100.00	83.33	83.33	N/A	27,000	22,500	
<b>ALL</b>	<b>16</b>	<b>92.43</b>	<b>85.60</b>	<b>87.00</b>	<b>15.95</b>	<b>98.39</b>	<b>38.75</b>	<b>118.67</b>	<b>72.00 to 99.00</b>	<b>53,773</b>	<b>46,783</b>	



**2012 Correlation Section  
for Merrick County**

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**A. Commercial Real Property**

Merrick County is located in central Nebraska with Central City being the county seat, located 25 miles northeast of Grand Island on Highways 14 and 30.

Merrick County had a total of 54 commercial sales for the three year study period. The county reviews all sales that occurred during the current study period (July 1, 2008 through June 30, 2011) through research of the deed, supplemental questionnaires and/or interviews with buyers and sellers, and on-site reviews of the property as deemed appropriate. Of the 54 sales only 16 sales were improved, qualified sales. The disqualified sales were coded out for being substantially changed, foreclosure sales, unimproved at time of sale, family sales, etc. All qualified, arms-length transactions are included in the sales file. Seven of the qualified sales were in Central City with the remaining sales located in four small towns and rural areas. These sales were diverse with a variety of different occupancy codes (11), and sale prices ranging from \$4,500 to \$132,500. Average sale price for the 16 qualified sales was \$54,000.

The commercial parcels in Merrick County are all included in one valuation group. A review and analysis was completed to identify any adjustments or other assessment actions that were necessary to properly value the commercial class of real property. Based on this review, there were no assessment actions taken in the commercial class of property for assessment year 2012. The county completed all pick up work in a timely manner.

Even though the assessment quality statistical measures are within the recommended standard, the limited number of sales should not be relied upon in determining the level of value. There is not sufficient information available to determine a level of value for the commercial real property in Merrick County.

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

**2012 Correlation Section  
for Merrick County**

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**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 Merrick County**

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**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 Merrick County

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### **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 Merrick County**

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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 Assessment Actions for Merrick County  
Taken to address the following property classes/subclasses:**

**Agricultural**

A statistical analysis was done for agricultural properties to determine if an assessment adjustment would be necessary to comply with statistical measures as required by law.

Agricultural sales were reviewed.

Merrick County completed all pick up work.

For 2012 the assessor did a county-wide analysis of the agricultural land sales, market factors, and land use – irrigated cropland, dry cropland and grassland. Based on this analysis the two market areas for 2011 were all combined into one market area for the entire county for 2012.

Irrigated values increased 10 to 20% depending on former market areas and LCGs.

Dry crop land was increased 3 to 19%, depending on former market area and LCG, with former Market Area 1 having the larger increase.

Grassland was increased 0 to 11%, depending on former market area and LCG, with former Market Area 1 having the larger increase.

Land use updates and review is ongoing.

Adjusted land use according to the recertification reported by the NRD's and other information statements.

Merrick County continues to fine tune parcel boundaries in GIS based on surveys, and other pertinent information.

**61 Merrick**  
**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 : 66  
 Total Sales Price : 19,184,996  
 Total Adj. Sales Price : 19,184,996  
 Total Assessed Value : 12,884,285  
 Avg. Adj. Sales Price : 290,682  
 Avg. Assessed Value : 195,216

MEDIAN : 72  
 WGT. MEAN : 67  
 MEAN : 70  
 COD : 24.12  
 PRD : 103.59

COV : 31.18  
 STD : 21.69  
 Avg. Abs. Dev : 17.29  
 MAX Sales Ratio : 136.09  
 MIN Sales Ratio : 24.98

95% Median C.I. : 60.91 to 76.72  
 95% Wgt. Mean C.I. : 61.02 to 73.30  
 95% Mean C.I. : 64.34 to 74.80

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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	2	90.52	90.52	90.29	07.85	100.25	83.41	97.62	N/A	407,500	367,943
01-OCT-08 To 31-DEC-08	7	99.92	86.49	86.41	25.00	100.09	48.62	136.09	48.62 to 136.09	200,005	172,827
01-JAN-09 To 31-MAR-09	6	88.06	84.27	88.41	17.72	95.32	40.73	123.39	40.73 to 123.39	141,306	124,935
01-APR-09 To 30-JUN-09	5	78.79	76.85	78.73	07.26	97.61	63.85	85.59	N/A	248,640	195,751
01-JUL-09 To 30-SEP-09	3	51.23	55.03	50.78	21.73	108.37	40.24	73.63	N/A	312,320	158,588
01-OCT-09 To 31-DEC-09	3	78.60	76.12	80.30	05.00	94.79	68.98	80.77	N/A	233,000	187,108
01-JAN-10 To 31-MAR-10	8	60.41	61.65	58.74	17.35	104.95	45.63	79.35	45.63 to 79.35	623,207	366,100
01-APR-10 To 30-JUN-10	6	65.86	68.94	68.09	29.68	101.25	40.80	103.93	40.80 to 103.93	152,939	104,133
01-JUL-10 To 30-SEP-10	8	59.71	63.68	58.40	21.89	109.04	48.30	98.08	48.30 to 98.08	400,701	233,991
01-OCT-10 To 31-DEC-10	11	64.19	65.64	65.79	22.14	99.77	38.94	92.69	46.15 to 90.18	285,879	188,085
01-JAN-11 To 31-MAR-11	1	64.50	64.50	64.50	00.00	100.00	64.50	64.50	N/A	44,000	28,380
01-APR-11 To 30-JUN-11	6	50.16	53.15	68.79	40.45	77.26	24.98	87.03	24.98 to 87.03	157,567	108,386
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	20	84.50	83.82	85.32	20.45	98.24	40.73	136.09	74.58 to 97.62	215,304	183,702
01-JUL-09 To 30-JUN-10	20	66.29	65.01	60.89	21.45	106.77	40.24	103.93	52.36 to 76.72	376,963	229,534
01-JUL-10 To 30-JUN-11	26	62.55	62.11	62.94	23.95	98.68	24.98	98.08	50.83 to 71.96	282,295	177,675
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	17	78.60	75.49	74.20	16.76	101.74	40.24	123.39	63.85 to 88.06	219,235	162,674
01-JAN-10 To 31-DEC-10	33	63.60	64.80	61.16	22.04	105.95	38.94	103.93	54.58 to 72.38	371,320	227,105
<u>ALL</u>	66	71.69	69.57	67.16	24.12	103.59	24.98	136.09	60.91 to 76.72	290,682	195,216

**AREA (MARKET)**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
1	66	71.69	69.57	67.16	24.12	103.59	24.98	136.09	60.91 to 76.72	290,682	195,216
<u>ALL</u>	66	71.69	69.57	67.16	24.12	103.59	24.98	136.09	60.91 to 76.72	290,682	195,216

**61 Merrick**  
**AGRICULTURAL LAND**

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Qualified

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MEDIAN : 72  
 WGT. MEAN : 67  
 MEAN : 70  
 COD : 24.12  
 PRD : 103.59

COV : 31.18  
 STD : 21.69  
 Avg. Abs. Dev : 17.29  
 MAX Sales Ratio : 136.09  
 MIN Sales Ratio : 24.98

95% Median C.I. : 60.91 to 76.72  
 95% Wgt. Mean C.I. : 61.02 to 73.30  
 95% Mean C.I. : 64.34 to 74.80

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**95%MLU By Market Area**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<b>_____Irrigated_____</b>											
County	28	69.87	69.50	62.87	21.97	110.55	38.94	100.07	54.95 to 84.82	407,671	256,310
1	28	69.87	69.50	62.87	21.97	110.55	38.94	100.07	54.95 to 84.82	407,671	256,310
<b>_____Dry_____</b>											
County	1	40.80	40.80	40.80	00.00	100.00	40.80	40.80	N/A	98,124	40,035
1	1	40.80	40.80	40.80	00.00	100.00	40.80	40.80	N/A	98,124	40,035
<b>_____Grass_____</b>											
County	14	72.43	68.17	67.47	16.33	101.04	39.41	103.93	48.62 to 78.60	63,734	43,000
1	14	72.43	68.17	67.47	16.33	101.04	39.41	103.93	48.62 to 78.60	63,734	43,000
<b>_____ALL_____</b>	<b>66</b>	<b>71.69</b>	<b>69.57</b>	<b>67.16</b>	<b>24.12</b>	<b>103.59</b>	<b>24.98</b>	<b>136.09</b>	<b>60.91 to 76.72</b>	<b>290,682</b>	<b>195,216</b>

**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
<b>_____Irrigated_____</b>											
County	35	72.35	72.11	65.40	22.54	110.26	38.94	123.39	57.21 to 83.41	419,647	274,429
1	35	72.35	72.11	65.40	22.54	110.26	38.94	123.39	57.21 to 83.41	419,647	274,429
<b>_____Dry_____</b>											
County	1	40.80	40.80	40.80	00.00	100.00	40.80	40.80	N/A	98,124	40,035
1	1	40.80	40.80	40.80	00.00	100.00	40.80	40.80	N/A	98,124	40,035
<b>_____Grass_____</b>											
County	15	73.21	70.56	68.60	17.88	102.86	39.41	104.00	55.09 to 78.60	61,385	42,110
1	15	73.21	70.56	68.60	17.88	102.86	39.41	104.00	55.09 to 78.60	61,385	42,110
<b>_____ALL_____</b>	<b>66</b>	<b>71.69</b>	<b>69.57</b>	<b>67.16</b>	<b>24.12</b>	<b>103.59</b>	<b>24.98</b>	<b>136.09</b>	<b>60.91 to 76.72</b>	<b>290,682</b>	<b>195,216</b>

## 2012 Agricultural Assessment Survey for Merrick County

1.	<b>Valuation data collection done by:</b>	
	Assessor	
2.	<b>List each market area, and describe the location and the specific characteristics that make each unique.</b>	
	Market Area	Description of unique characteristics
	1	Market Area 1 includes the entire county. Primarily irrigated, and relatively flat in topography
3.	<b>Describe the process that is used to determine and monitor market areas.</b>	
	The county reviews sale information annually and identifies common characteristics of the parcels. Similar parcels are grouped together based on how the market appears to recognize those parcels.	
4.	<b>Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.</b>	
	Sales	
5.	<b>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?</b>	
	Yes	
6.	<b>What process is used to annually update land use? (Physical inspection, FSA maps, etc.)</b>	
	Physical inspection, NRD information, GIS, and other methods, and was completely updated for 2010.	
7.	<b>Describe the process used to identify and monitor the influence of non-agricultural characteristics.</b>	
	Sales	
8.	<b>Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels.</b>	
	Special value applications on file but Special Value not instituted.	
9.	<b>How do you determine whether a sold parcel is substantially changed?</b>	
	Sale verification letters, building permits, information received for NRD	

## Merrick County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
61.10	Merrick	1	2,685	2,685	2,650	2,650	2,285	2,235	1,780	1,570	2,421
47.71	Howard	7100	2,650	2,550	2,300	2,300	2,220	2,220	1,900	1,800	2,115
63.10	Nance	1	2,700	2,525	2,382	2,275	2,198	2,112	1,859	1,839	2,347
40.10	Hall	1	3,279	3,281	2,810	2,797	1,965	1,963	1,861	1,861	2,890
72.10	Polk	1	3,626	3,278	3,068	2,862	2,819	2,600	2,512	2,193	3,321
71.60	Platte	6	4,375	4,245	3,939	3,803	3,665	3,528	3,091	2,500	3,808
41.10	Hamilton	1	3,550	3,550	3,300	3,100	3,000	2,750	2,650	2,650	3,416

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Merrick	1	1,185	1,150	1,075	1,035	925	900	850	750	967
	Howard	7100	1,100	1,100	1,000	1,000	900	850	800	700	858
	Nance	1	1,315	1,190	1,109	1,073	1,051	1,007	970	910	1,078
	Hall	1	2,047	2,042	1,809	1,520	1,365	1,192	1,200	962	1,697
	Polk	1	2,412	2,278	1,730	1,730	1,580	1,530	1,480	1,480	2,111
	Platte	6	3,437	3,310	2,933	2,819	2,834	2,646	2,134	1,560	2,854
	Hamilton	1	2,300	2,070	1,900	1,815	1,755	1,455	1,330	1,210	2,004

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Merrick	1	1,010	938	872	845	813	799	746	688	775
	Howard	7100	805	800	795	780	750	725	685	685	701
	Nance	1	874	882	868	879	832	832	818	804	822
	Hall	1	1,554	1,556	1,218	1,219	717	717	714	718	868
	Polk	1	711	756	819	835	816	836	774	711	776
	Platte	6	1,369	1,301	1,290	1,332	1,197	1,155	1,171	1,132	1,185
	Hamilton	1	975	935	880	825	770	715	660	605	717

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

**JANET L. PLACKE  
MERRICK COUNTY ASSESSOR  
MERRICK COUNTY COURT HOUSE  
P.O. BOX 27  
CENTRAL CITY, NE 68826  
(308) 946-2443  
Fax 308-946-2332**

February 10, 2012

Nebraska Department of Revenue  
Property Assessment Division  
301 Centennial Mall South  
P.O. Box 98919  
Lincoln, Ne 68508-8919

Re: Special Value for 2012

Merrick County submits this report pursuant to Title 350, Neb Regulation 11-005.04.

I have reviewed the eight Special Valuation Applications on file in Merrick County.

Although, Merrick County has Special Valuation Applications on file it has not instituted Special Valuation as there is no evidence of any outside influence on the agricultural land values. The parcels identified in the Special Value Applications are valued the same as other agricultural land in the county

The Special Valuation Applications on file are for parcels equally located between the north and south half of the county.

Sincerely,



Janet L. Placke  
Merrick County Assessor

**RECEIVED**

FEB 13 2010

NEBRASKA DEPT. OF REVENUE  
PROPERTY ASSESSMENT DIVISION



## 2012 Correlation Section for Merrick County

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### A. Agricultural Land

Merrick County is located in central Nebraska with Central City being the county seat, located 20 miles east of Grand Island on Highways 30 and 14.

Merrick County is located on the north side of the Platte River and extends east for about 50 miles beginning just east of the easterly city limits of Grand Island. Merrick County has rural subdivision areas close to Grand Island, a number of small towns and Central City, being the largest with a population 3,000. The majority of Merrick County is Platte River valley lands, sandy soils, near level along the river, with extensive irrigation. The majority of Merrick County is within the Central Platte Natural Resource District (CPNRD). The CPNRD has a groundwater management program that includes certification of irrigated acres, well registration and metering, nitrogen use, irrigation runoff, and groundwater level monitoring which is part of CPNRD's participation in the Cooperative Agreement on the Platte River. A small portion of the northwesterly corner of Merrick County is in the Lower Loup Natural Resource District (LLNRD). Certification of irrigated acres is strictly enforced, with close monitoring of assessed irrigated acres, with regulations prohibiting the irrigation of uncertified acres.

Merrick County is bordered by Hall and Howard Counties to the west, Nance County to the north, Platte County to the north and east, and Polk and Hamilton Counties to the south. Only the lands in adjoining counties lying north of the Platte River are considered comparable to Merrick County lands. The soils, drainage and topography north of the Platte River is not comparable to soils, drainage and topography south of the Platte River.

The county has historically been two agricultural market areas. In 2011 each market area was analyzed individually. It was determined that the areas should be combined into one market area based on use, location, geographic and market characteristics. The agricultural market in this area has seen a steady increase in land values, most notably irrigated land values. These increases are supported by record high grain prices during the last several years. This has led to a significant increase in demand for cropland. Differences in sale properties which once were the basis for differences in sale prices and market areas no longer show any significant difference in market values.

Merrick County had 66 qualified ag sales during the 3 year study period. The statistical sample met all the thresholds. Land uses in Merrick County include irrigated crop land (62%), grassland (27%) and dry land (7%). The majority of the irrigated land is center pivot irrigated. All classes of agricultural land received increases in assessed value for 2012. Irrigated land was increased 10 to 20%, dryland was increased 3 to 19%, and grassland was increased 0 to 18%, depending on individual LCG and former market area. The Merrick County values for 2012 are well within the range and supported by assessed values for 2012 in comparable areas of adjoining counties.

Based on the consideration of all available information, the level of value is determined to be 72% of market value for the agricultural class of real property, and all subclasses are determined to be valued within the acceptable range. Because of the known assessment

**2012 Correlation Section  
for Merrick County**

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practices are reliable and consistent, it is believed that the agricultural class of property is being treated in a uniform and proportionate manner.

**2012 Correlation Section  
for Merrick County**

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**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 Merrick County**

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**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 Merrick County**

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**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 Merrick County**

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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.



<b>Total Real Property</b> Sum Lines 17, 25, & 30	<b>Records : 6,597</b>	<b>Value : 881,669,424</b>	<b>Growth 6,260,356</b>	<b>Sum Lines 17, 25, &amp; 41</b>
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
<b>01. Res UnImp Land</b>	165	842,275	11	112,990	93	1,553,920	269	2,509,185	
<b>02. Res Improve Land</b>	1,814	11,549,825	150	2,120,605	755	14,189,085	2,719	27,859,515	
<b>03. Res Improvements</b>	1,873	89,325,535	154	9,378,720	946	96,159,089	2,973	194,863,344	
<b>04. Res Total</b>	2,038	101,717,635	165	11,612,315	1,039	111,902,094	3,242	225,232,044	3,044,711
<b>% of Res Total</b>	62.86	45.16	5.09	5.16	32.05	49.68	49.14	25.55	48.63
<b>05. Com UnImp Land</b>	55	465,350	1	6,640	17	618,680	73	1,090,670	
<b>06. Com Improve Land</b>	287	3,437,500	2	33,680	29	513,825	318	3,985,005	
<b>07. Com Improvements</b>	314	26,304,535	2	712,220	50	13,746,020	366	40,762,775	
<b>08. Com Total</b>	369	30,207,385	3	752,540	67	14,878,525	439	45,838,450	1,597,345
<b>% of Com Total</b>	84.05	65.90	0.68	1.64	15.26	32.46	6.65	5.20	25.52
<b>09. Ind UnImp Land</b>	0	0	0	0	0	0	0	0	
<b>10. Ind Improve Land</b>	2	296,245	0	0	0	0	2	296,245	
<b>11. Ind Improvements</b>	2	684,800	0	0	0	0	2	684,800	
<b>12. Ind Total</b>	2	981,045	0	0	0	0	2	981,045	0
<b>% of Ind Total</b>	100.00	100.00	0.00	0.00	0.00	0.00	0.03	0.11	0.00
<b>13. Rec UnImp Land</b>	0	0	0	0	9	119,890	9	119,890	
<b>14. Rec Improve Land</b>	0	0	0	0	4	241,950	4	241,950	
<b>15. Rec Improvements</b>	0	0	0	0	4	44,635	4	44,635	
<b>16. Rec Total</b>	0	0	0	0	13	406,475	13	406,475	0
<b>% of Rec Total</b>	0.00	0.00	0.00	0.00	100.00	100.00	0.20	0.05	0.00
<b>Res &amp; Rec Total</b>	2,038	101,717,635	165	11,612,315	1,052	112,308,569	3,255	225,638,519	3,044,711
<b>% of Res &amp; Rec Total</b>	62.61	45.08	5.07	5.15	32.32	49.77	49.34	25.59	48.63
<b>Com &amp; Ind Total</b>	371	31,188,430	3	752,540	67	14,878,525	441	46,819,495	1,597,345
<b>% of Com &amp; Ind Total</b>	84.13	66.61	0.68	1.61	15.19	31.78	6.68	5.31	25.52
<b>17. Taxable Total</b>	2,409	132,906,065	168	12,364,855	1,119	127,187,094	3,696	272,458,014	4,642,056
<b>% of Taxable Total</b>	65.18	48.78	4.55	4.54	30.28	46.68	56.03	30.90	74.15

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	41	222,055	4,758,585	0	0	0
19. Commercial	6	163,430	4,810,735	0	0	0
20. Industrial	1	182,345	26,403,465	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	41	222,055	4,758,585
19. Commercial	0	0	0	6	163,430	4,810,735
20. Industrial	0	0	0	1	182,345	26,403,465
21. Other	0	0	0	0	0	0
22. Total Sch II				48	567,830	35,972,785

Schedule III : Mineral Interest Records

Mineral Interest	Records	Urban Value	Records	SubUrban Value	Records	Rural Value	Records	Total Value	Growth
23. Producing	0	0	0	0	0	0	0	0	0
24. Non-Producing	0	0	0	0	4	585	4	585	0
25. Total	0	0	0	0	4	585	4	585	0

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	216	2	654	872

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	8	212,260	3	5,365	2,015	343,865,425	2,026	344,083,050
28. Ag-Improved Land	8	21,305	5	38,850	1,404	204,766,200	1,417	204,826,355
29. Ag Improvements	2	12,425	0	0	869	60,288,995	871	60,301,420
30. Ag Total							2,897	609,210,825

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	1	3.82	7,640	5	19.42	38,850	
33. HomeSite Improvements	0	0.00	0	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	2	3.53	7,060	0	0.00	0	
37. FarmSite Improvements	2	0.00	12,425	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	8	2.51	0	1	0.16	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	58	236.84	671,230	58	236.84	671,230	
32. HomeSite Improv Land	1,002	3,151.15	11,929,780	1,008	3,174.39	11,976,270	
33. HomeSite Improvements	505	0.00	39,995,205	505	0.00	39,995,205	0
34. HomeSite Total				<b>563</b>	<b>3,411.23</b>	<b>52,642,705</b>	
35. FarmSite UnImp Land	71	219.10	366,045	71	219.10	366,045	
36. FarmSite Improv Land	717	2,914.33	5,348,000	719	2,917.86	5,355,060	
37. FarmSite Improvements	835	0.00	20,293,790	837	0.00	20,306,215	1,618,300
38. FarmSite Total				<b>908</b>	<b>3,136.96</b>	<b>26,027,320</b>	
39. Road & Ditches	2,706	5,552.41	0	2,715	5,555.08	0	
40. Other- Non Ag Use	43	2,131.45	1,151,680	43	2,131.45	1,151,680	
41. Total Section VI				<b>1,471</b>	<b>14,234.72</b>	<b>79,821,705</b>	<b>1,618,300</b>

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	2	256.23	157,445	2	256.23	157,445

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	8	249.19	455,205	8	249.19	455,205
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	6,225.86	3.36%	16,716,455	3.73%	2,685.00
46. 1A	14,645.68	7.91%	39,323,695	8.77%	2,685.00
47. 2A1	37,677.60	20.34%	99,846,095	22.26%	2,650.01
48. 2A	45,809.15	24.73%	121,394,925	27.07%	2,650.01
49. 3A1	3,068.06	1.66%	7,010,495	1.56%	2,284.99
50. 3A	58,100.71	31.37%	129,855,230	28.95%	2,235.00
51. 4A1	16,337.24	8.82%	29,080,315	6.48%	1,780.00
52. 4A	3,362.50	1.82%	5,279,135	1.18%	1,570.00
53. Total	185,226.80	100.00%	448,506,345	100.00%	2,421.39
<b>Dry</b>					
54. 1D1	186.93	1.04%	221,510	1.27%	1,184.99
55. 1D	1,060.36	5.90%	1,219,445	7.02%	1,150.03
56. 2D1	2,723.35	15.16%	2,927,665	16.85%	1,075.02
57. 2D	4,931.10	27.45%	5,103,675	29.37%	1,035.00
58. 3D1	288.73	1.61%	267,065	1.54%	924.96
59. 3D	4,823.03	26.85%	4,340,665	24.98%	899.99
60. 4D1	3,339.55	18.59%	2,838,745	16.34%	850.04
61. 4D	610.91	3.40%	458,340	2.64%	750.26
62. Total	17,963.96	100.00%	17,377,110	100.00%	967.33
<b>Grass</b>					
63. 1G1	268.21	0.37%	270,830	0.48%	1,009.77
64. 1G	699.95	0.95%	656,305	1.15%	937.65
65. 2G1	2,205.89	3.00%	1,923,070	3.38%	871.79
66. 2G	11,961.59	16.29%	10,105,570	17.76%	844.84
67. 3G1	1,358.93	1.85%	1,105,165	1.94%	813.26
68. 3G	21,672.50	29.51%	17,313,650	30.42%	798.88
69. 4G1	21,877.50	29.79%	16,319,570	28.67%	745.95
70. 4G	13,401.25	18.25%	9,222,040	16.20%	688.15
71. Total	73,445.82	100.00%	56,916,200	100.00%	774.94
<b>Irrigated Total</b>					
	185,226.80	64.31%	448,506,345	84.72%	2,421.39
<b>Dry Total</b>					
	17,963.96	6.24%	17,377,110	3.28%	967.33
<b>Grass Total</b>					
	73,445.82	25.50%	56,916,200	10.75%	774.94
72. Waste	0.00	0.00%	0	0.00%	0.00
73. Other	11,382.23	3.95%	6,589,465	1.24%	578.93
74. Exempt	0.04	0.00%	0	0.00%	0.00
75. Market Area Total	288,018.81	100.00%	529,389,120	100.00%	1,838.04

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
<b>76. Irrigated</b>	88.36	211,175	2.40	5,365	185,136.04	448,289,805	185,226.80	448,506,345
<b>77. Dry Land</b>	5.51	5,840	0.00	0	17,958.44	17,371,270	17,963.95	17,377,110
<b>78. Grass</b>	0.00	0	0.00	0	73,445.82	56,916,200	73,445.82	56,916,200
<b>79. Waste</b>	0.00	0	0.00	0	0.00	0	0.00	0
<b>80. Other</b>	5.80	1,850	0.00	0	11,376.43	6,587,615	11,382.23	6,589,465
<b>81. Exempt</b>	0.00	0	0.00	0	0.04	0	0.04	0
<b>82. Total</b>	<b>99.67</b>	<b>218,865</b>	<b>2.40</b>	<b>5,365</b>	<b>287,916.73</b>	<b>529,164,890</b>	<b>288,018.80</b>	<b>529,389,120</b>

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
<b>Irrigated</b>	185,226.80	64.31%	448,506,345	84.72%	2,421.39
<b>Dry Land</b>	17,963.95	6.24%	17,377,110	3.28%	967.33
<b>Grass</b>	73,445.82	25.50%	56,916,200	10.75%	774.94
<b>Waste</b>	0.00	0.00%	0	0.00%	0.00
<b>Other</b>	11,382.23	3.95%	6,589,465	1.24%	578.93
<b>Exempt</b>	0.04	0.00%	0	0.00%	0.00
<b>Total</b>	<b>288,018.80</b>	<b>100.00%</b>	<b>529,389,120</b>	<b>100.00%</b>	<b>1,838.04</b>

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

### 61 Merrick

	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	184,450,481	225,232,044	40,781,563	22.11%	3,044,711	20.46%
02. Recreational	40,674,165	406,475	-40,267,690	-99.00%	0	-99.00%
03. Ag-Homesite Land, Ag-Res Dwelling	51,183,080	52,642,705	1,459,625	2.85%	0	2.85%
<b>04. Total Residential (sum lines 1-3)</b>	<b>276,307,726</b>	<b>278,281,224</b>	<b>1,973,498</b>	<b>0.71%</b>	<b>3,044,711</b>	<b>-0.39%</b>
05. Commercial	43,952,420	45,838,450	1,886,030	4.29%	1,597,345	0.66%
06. Industrial	981,045	981,045	0	0.00%	0	0.00%
07. Ag-Farmsite Land, Outbuildings	25,246,545	26,027,320	780,775	3.09%	1,618,300	-3.32%
08. Minerals	585	585	0	0.00%	0	0.00%
<b>09. Total Commercial (sum lines 5-8)</b>	<b>70,180,595</b>	<b>72,847,400</b>	<b>2,666,805</b>	<b>3.80%</b>	<b>3,215,645</b>	<b>-0.78%</b>
<b>10. Total Non-Agland Real Property</b>	<b>346,488,321</b>	<b>352,280,304</b>	<b>5,791,983</b>	<b>1.67%</b>	<b>6,260,356</b>	<b>-0.14%</b>
11. Irrigated	383,691,385	448,506,345	64,814,960	16.89%		
12. Dryland	15,710,270	17,377,110	1,666,840	10.61%		
13. Grassland	53,620,830	56,916,200	3,295,370	6.15%		
14. Wasteland	0	0	0			
15. Other Agland	5,826,260	6,589,465	763,205	13.10%		
<b>16. Total Agricultural Land</b>	<b>458,848,745</b>	<b>529,389,120</b>	<b>70,540,375</b>	<b>15.37%</b>		
<b>17. Total Value of all Real Property</b> (Locally Assessed)	<b>805,337,066</b>	<b>881,669,424</b>	<b>76,332,358</b>	<b>9.48%</b>	<b>6,260,356</b>	<b>8.70%</b>

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

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, (herein after referred to as the “plan”), which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. 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 sent to the Department of Property Assessment and Taxation on or before October 31 each year.

Real Property Assessment Requirements:

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

Assessment levels required for real property are as follows:

- 1) 100% of actual value for all classes of real property excluding agricultural and horticultural land;
- 2) 75% of actual value for agricultural land and horticultural land;

Reference, Nebraska Rev. Stat.77-201 and LB 968

General Description of Real Property in Merrick County:

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

	Parcels	% of Total Parcels	% of Taxable Value Base
Residential	2971	44.63%	23.85%
Commercial	443	6.65%	5.65%
Industrial	2	.03%	.12%
Recreational	390	5.86%	5.12%
Agricultural	2847	2.83%	65.26%

Other pertinent facts:

For assessment year 2011, an estimated 250 building permits and/or information statements were filed for new property construction or additions and agland use update in the county.

Current Resources

- A. Staff consists of Assessor, Clerk & part time clerk. All currently hold assessor certificates. The 2011-2012 office budget request is \$142,236. An additional \$66,590 was requested for contract appraisal services.
- B. Merrick County currently uses 1989 Cadastral maps with ownership updates done on a monthly basis. Agricultural land is based on the latest soil survey which was implemented in 2010.
- C. Property Record Cards contain current listings along with a sketch of the dwelling and a 2003 digital aerial photo of rural improvements.
- D. On June 28 Merrick County updated to MIPS CAMA and PC Administration.

Current Assessment Procedures for Real Property

- A. Real Estate Transfers and ownership changes are handled on a monthly basis by the clerk.
- B. Initial sales reviews are done by the staff with follow-up sales letters mailed both to the seller and the buyer.
- C. The county maintains a sales file that is available for staff and contract appraisal. Each sale is physically reviewed by staff or outside appraisal for verification. Building permits are required for the removal or additions of improvements
- D. Merrick County uses Market, Cost and/or Income approach to value according to IAAO standards. Modeling is handled by Stanard Appraisal Services. The county is currently using Marshall and Swift Cost information.
- E. Merrick County will work with Stanard Appraisal in establishing market areas and land values.
- F. Reconciliation of final value, documentation and review of assessment sales ratios has been handled by Stanard Appraisal.
- G. Board of Supervisors is kept informed as to the actions of the assessor’s office. Notices of valuation changes are sent to the property owner on or before June 1 of each year.

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

<u>Property Class</u>	<u>Median</u>	<u>COD*</u>	<u>PRD*</u>
Residential	97	18.74	108.37
Commercial	95	19.13	97.87
Agricultural Land	72	22.88	105.60

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

**Assessment Actions Planned for Assessment Year 2012**

**Residential**

The county plans to review the towns of Silver Creek, Clarks, Central City, Palmer, Chapman and the village of Archer. This will include a drive-by-inspection along with taking new digital pictures. These properties will be valued using the cost approach with market derived depreciation. Sales review and pick-up will also be completed for residential properties.

### **Commercial**

There will be a statistical analysis done for commercial and industrial properties to determine if an assessment adjustment is necessary to comply with statistical measures as required by law. The commercial and industrial properties in Merrick County were re-appraised in 2008. Sales and pick up work will be completed.

### **Agricultural**

A market analysis of agricultural sales by land classification group will be conducted to determine any possible adjustments to comply with statistical measures. The market analysis is conducted in-house and as necessary in consultation with an outside appraiser. Sales review and pick-up work will be completed for agricultural properties. Merrick County continues to monitor land use changes, using GIS, FSA records, owner information, property inspections and in cooperation with Central Platte and Lower Loup Natural Resources Districts

### **Assessment Actions Planned for Assessment Year 2013**

#### **Residential**

The county plans to review the Grand Island Subs. This will include a drive-by-inspection along with taking new digital pictures. These properties will be valued using the cost approach with market derived depreciation. Sales review and pick-up will also be completed for residential properties.

#### **Commercial**

The county will do a complete appraisal update of commercial and industrial properties. Properties will be physically inspected to verify current listings and new digital photos will be taken.

#### **Agricultural**

A market analysis of agricultural sales by land classification group will be conducted to determine any possible adjustments to comply with statistical measures. The market analysis is conducted in-house and as necessary in consultation with an outside appraiser. Sales review and pick-up work will be completed for agricultural properties. Merrick County continues to monitor land use changes, using GIS, FSA records, owner information, property inspections and in cooperation with Central Platte and Lower Loup Natural Resources Districts

### **Assessment Actions Planned for Assessment Year 2014**

#### ***Residential***

The county plans to review the Clarks and Central Lakes, Thunderbird, Flatwater, Riverside and Equineus. This will include drive-by-inspections along with taking new digital pictures. These properties will be valued using the cost approach with market derived depreciation. Sales review and pick-up will be completed for residential properties.

#### **Commercial**

There will be a statistical analysis done for commercial and industrial properties to determine if an assessment adjustment is necessary to comply with statistical measures as required by law. The commercial and industrial properties in Merrick County were re-appraised in 2013. Sales and pick up work will be completed.

## **Agricultural**

A market analysis of agricultural sales by land classification group will be conducted to determine any possible adjustments to comply with statistical measures. The market analysis is conducted in-house and as necessary in consultation with an outside appraiser. Sales review and pick-up work will be completed for agricultural properties. Merrick County continues to monitor land use changes, using GIS, FSA records, owner information, property inspections and in cooperation with Central Platte and Lower Loup Natural Resources Districts.

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

1. Record Maintenance, Mapping updates, & Ownership changes done on a monthly basis
2. Annually prepare and file Assessor Administrative Reports required by law/regulation:
  - a. Abstracts (Real & Personal Property)
    - b. Assessor Survey
    - c. Sales information to PA&T rosters & annual Assessed Value Update w/Abstract
    - d. Certification of Value to Political Subdivisions
    - e. School District Taxable Value Report
    - f. Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
    - g. Certificate of Taxes Levied Report
    - h. Report of current values for properties owned by Board of Education Lands & Funds
    - i. Report of all Exempt Property and Taxable Government Owned Property
    - j. Annual Plan of Assessment Report
3. Personal Property; administer annual filing of approximately 1,200 schedules; prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.
4. Permissive Exemptions: administer annual filings of applications for new or continued exempt use, review and make recommendations to county board.
5. Taxable Government Owned Property – annual review of government owned property not used for public purpose, send notices of intent to tax, etc.
6. Homestead Exemptions; administer approximately 400 annual filings of applications, approval/denial process, taxpayer notifications, and taxpayer assistance.
7. Centrally Assessed – review of valuations as certified by PA&T for railroads and public service entities, establish assessment records and tax billing for tax list.
8. Tax Increment Financing – management of record/valuation information for properties in community redevelopment projects for proper reporting on administrative reports and allocation of ad valorem tax.
9. Tax Districts and Tax Rates – management of school district and other tax entity boundary changes necessary for correct assessment and tax information; input/review of tax rates used for tax billing process.
10. Tax Lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed.
11. Tax List Corrections – prepare tax list correction documents for county board approval.
12. County Board of Equalization - attends county board of equalization meetings for valuation protests – assemble and provide information.
13. TERC Appeals - prepare information and attend taxpayer appeal hearings before TERC, defend valuation.
14. TERC Statewide Equalization – attend hearings if applicable to county, defend values, and/or implement orders of the TERC.

15. Education: Assessor and/or Appraisal Education – attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain assessor certification and/or appraiser license, etc. This is made available to all staff even though scheduling is difficult due to limited staff.

Additional Information:

At the request of the assessor, assessor and tax information is now available on line.

Katt Surveying in cooperation with the Merrick County Surveyor is continuing survey work along the Merrick/Hamilton County line on the Platte River to ascertain proper number of acres and boundary lines. This has been a multi-year project. The Merrick-Hamilton County line was established by the 2011 State Legislature. The Polk-Merrick County line was established in 2010.

Conclusion:

In order to achieve assessment actions, \$142,236 was requested to be budgeted for the office including wages for permanent staff. An additional \$69,590 was requested for contract appraisal services including \$4,000 for Terc review. The assessor requested that survey work continue on the Platte River along the Merrick/Hamilton County line to ascertain proper number of acres.

I respectfully submit this plan of assessment and request the resources needed to continue with maintaining up-to-date, fair and equitable assessments in achieving the statutory required statistics.

Assessor signature: \_\_\_\_\_

**ADENDUM**

The assessor office budget request was lowered to \$114,866 and the budget for contract appraisal services was lowered to \$43,885. Both reductions were a result of re-organization of the assessor’s office due to the resignation of deputy assessor who was a licensed appraiser. The shared employee with planning and zoning whose main responsibility was GIS will now have additional duties with the assessment function while remaining the Planning and Zoning Administrator. As a result of the re-organization a full time employee was not re-placed at a considerable savings to the county.

## 2012 Assessment Survey for Merrick County

### A. Staffing and Funding Information

1.	<b>Deputy(ies) on staff:</b>
	0
2.	<b>Appraiser(s) on staff:</b>
	0
3.	<b>Other full-time employees:</b>
	1
4.	<b>Other part-time employees:</b>
	0
5.	<b>Number of shared employees:</b>
	1 – shared with Planning and Zoning
6.	<b>Assessor’s requested budget for current fiscal year:</b>
	\$142,236
7.	<b>Adopted budget, or granted budget if different from above:</b>
	\$114,866
8.	<b>Amount of the total assessor’s budget set aside for appraisal work:</b>
	\$1,500 for mileage
9.	<b>If appraisal/reappraisal budget is a separate levied fund, what is that amount:</b>
	\$43,885
10.	<b>Part of the assessor’s budget that is dedicated to the computer system:</b>
	\$1,500
11.	<b>Amount of the assessor’s budget set aside for education/workshops:</b>
	\$1,700
12.	<b>Other miscellaneous funds:</b>
	0
13.	<b>Amount of last year’s assessor’s budget not used:</b>
	\$4,862.33

### B. Computer, Automation Information and GIS

1.	<b>Administrative software:</b>
	MIPS/County Solutions
2.	<b>CAMA software:</b>
	MIPS/County Solutions
3.	<b>Are cadastral maps currently being used?</b>
	Yes
4.	<b>If so, who maintains the Cadastral Maps?</b>
	Assessor’s Office
5.	<b>Does the county have GIS software?</b>
	Yes

6.	<b>Is GIS available on a website? If so, what is the name of the website?</b>
	No
7.	<b>Who maintains the GIS software and maps?</b>
	GIS Workshop maintains the software and the assessor and staff maintain the maps.
8.	<b>Personal Property software:</b>
	MIPS/County Solutions

### C. Zoning Information

1.	<b>Does the county have zoning?</b>
	Yes
2.	<b>If so, is the zoning countywide?</b>
	Yes
3.	<b>What municipalities in the county are zoned?</b>
	Central City, Chapman, Clarks, Palmer, Silver Creek
4.	<b>When was zoning implemented?</b>
	1970's

### D. Contracted Services

1.	<b>Appraisal Services:</b>
	Stanard Appraisal
2.	<b>Other services:</b>
	GIS Workshop



# 2012 Certification for Merrick County

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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 Merrick County Assessor.

Dated this 9th day of April, 2012.



A handwritten signature in cursive script that reads "Ruth A. Sorensen".

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Ruth A. Sorensen  
Property Tax Administrator



